

Government, business must compromise on minimum wage: chamber president

Stephen Dodwell says other factors besides wage increases must be looked at

BY DOUG COLLIE
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Olds and District Chamber of Commerce president Stephen Dodwell is pleased that the provincial government is consulting with stakeholders over the next month or so about its plan to increase the minimum wage to \$15 an hour.

But he says the government should really listen to what business representatives have to say and be willing to back off on that plan if necessary, because jobs could be at stake.

Dodwell warns that if the provincial government moves to increase minimum wage to \$15 an hour very soon, that could result in fewer jobs.

"(In business) people are a huge cost," Dodwell said. "So when your people cost rises proportionately, you look for other ways of delivering that good service and technology

comes to the fore.

"I was in an airport in Toronto recently and you sit at the tables there and you order off an iPad because that cuts down on people."

"That's what they've got to be careful of," he said. "You don't just go willy nilly increasing wages."

Earlier this month, Labour Minister Christina Gray announced plans to consult over the next month or so with key stakeholders such as employers, social service organizations and low-income earners.

However, she indicated the minimum wage will increase to \$15 an hour. It's just a question of how. Reports say the current minimum wage in Alberta is \$11.20 an hour.

Dodwell is also general manager of the Pomeroy Inn & Suites. He used his experience at that hotel as an illustration

of how hiking the minimum wage to \$15 an hour could have unintended consequences.

"I go up and add another couple of dollars to the price of a steak, which is going to give me more profit. Unfortunately fewer people buy it. So the end result is not more profit. It's a lower cash flow and a smaller profit," he told the Albertan.

"It's a similar thing in the minimum wage. Yes, everyone has to have a liveable wage, but you know, unfortunately, in order to pay that money, you're going to have to increase prices.

"People are going to get to the stage where they can't afford those prices so they won't buy it, so your revenues drop, so unfortunately you have fewer people working for you. It's that vicious circle," he said.

Dodwell said that's why he's hopeful the provincial government will stop indicating that

the plan to raise the minimum wage to \$15 an hour is non-negotiable.

"Maybe it is, but maybe it needs to be a little bit further down the line," he said. "Especially in this very fragile economy at the moment, it's not feasible."

Dodwell said in order to lift people out of poverty – a goal of the provincial NDP government – other aspects of the problem need to be dealt with besides wages.

"Just paying people more never works," he said. "You have to look at taxation, you have to look at the way people are rewarded or paid when they're unemployed. The benefit cycle, health care; all of that has to come into the equation."

Dodwell said during these consultations, the provincial government has to be willing to "listen with open ears and to look at a compromise."



Doug Collie/MVP staff

Stephen Dodwell, president of the Olds and District Chamber of Commerce and general manager of the Pomeroy Inn & Suites, talks to news media.

However, he said the business sector has to compromise on the issue too.

"You can't blindly go on saying, 'no, we're never going to increase wages.' That era's gone."

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