

**Submission by the
Alberta Federation of Labour**



**to the
Government of Alberta Human Services
on
Social Policy Framework**

August 31, 2012

Introduction

The Alberta Federation of Labour is Alberta's largest labour organization and represents the interests of over 145,000 unionized workers. We're pleased to join in the conversation on the Government of Alberta's *Social Policy Framework*.

A major goal for government in setting social policy should be to break down barriers in order to end discrimination and poverty. As such, this framework could provide the basis of policy changes that are tremendously important to the well-being of our most vulnerable citizens, including Albertans with mental illness, the poor, and seniors.

The government deserves some credit for undertaking such an important and fundamental task, but the real test is the outcome of this endeavor. As written earlier, this framework *could* be tremendously important. We sincerely hope that the government follows this exercise with real and meaningful changes to its social policy agenda in order to alleviate the many and growing inequalities we see today.

During the last election, Premier Redford promised to eliminate child poverty in five years and reduce overall poverty in 10 years. The Alberta Federation of Labour wholeheartedly supports these laudable goals.

We urge the government to go one step further: eliminate overall poverty, don't just reduce it, and child poverty will follow suit. Poor children live in poor households. Over two-thirds of children who live in poverty live with one or more parents who work – pointing to the prevalence of low-wage work. We've recommended a number of policy changes on that front, including breaking down barriers to unionization, a single, higher minimum wage, and changes to ensure greater availability of child care.

While we support the goal of eliminating poverty, we are very concerned that Premier Redford also promised to eliminate child and reduce overall poverty by using funding cut from Human Services after a so-called "Results-based Budgeting Initiative." It is flawed logic to suggest that Human Services, the ministry leading the development of Alberta's *Social Policy Framework*, will supposedly have its budget cut in order to pay for a poverty-elimination strategy. Unless the government is serious about funding a strategy to eliminate poverty, it is doomed to failure before it's even started.

That's not to say that we cannot afford to do this. Alberta has the lowest personal and corporate tax regime in the nation, virtually no public debt at the provincial level, and royalty rates that are amongst the lowest in the world. If our political leaders have the will to eliminate poverty, they can find the funds to do so without cutting the government's ability to deliver programs that will form the basis of a poverty-elimination strategy.

Given the potential importance and scope of this initiative the Framework ought to be a 'living' document, one that changes as our province and her people change, not a final set-in-stone

document. As such, we consider our submission as a starting point for discussions, rather than a finalized document.

The tenor the Alberta Federation of Labour's submission is broad-based in some areas, specific in others. This is because a social-policy framework such as this defies a singular and steadfast approach: there are areas we feel the province would do better with specific changes, and others where we feel a change in the culture, attitude, or approach would best serve Albertans.

Minimum Wages

The Alberta Federation of Labour believes that anyone who works full-time, full-year in our province should earn a wage that allows them to stay out of poverty. The current minimum wage doesn't do that.

We support the government's move to index Alberta's minimum wage to increases in the Average Weekly Earnings and the Alberta Consumer Price Index. However, indexing one of the lowest minimum wages in Canada will only mean that it will continue to lag behind those of other provinces. The minimum wage should be immediately raised in order to provide the 26,000 Albertans earning it the ability to make a living.

Furthermore, the current two-tiered minimum wage – a general one and a lower one for workers serving liquor – is unfair, discriminatory, and open to potential abuse. It should be abolished and replaced with one, general minimum wage at a higher level, one that ensure minimum-wage earners are not in poverty.

On September 1st of this year, the province's general minimum wage will increase from \$9.40/hour to \$9.75/hour while and be indexed to increases in the Average Weekly Earnings and the Alberta Consumer Price Index. The government's stated policy is that liquor servers' minimum wage will stay where it is – at \$9.05/hour – while the general minimum wage will increase until there is a \$1 difference between the two. Then, the two wages will rise in tandem as the liquor servers' minimum wage will be subject to the same indexing as the general minimum wage.

The two-tiered minimum wage structure runs counter to the recommendations of the all-party Standing Committee on the Economy's minimum wage review. The recommendation of the Committee was that the minimum should be consistent for all minimum wage earners.

But the government ignored this recommendation and instituted a tiered minimum wage.

The two-tiered minimum wage is being abused by employers. We know, through a case brought to the Alberta Labour Relations Board, that some unscrupulous employers are classifying their workers as 'liquor servers' in order to pay them the lower of the two minimum wages even though they serve liquor infrequently, if at all.

We know of this case through one of our affiliated unions, the United Food and Commercial Workers, Local 401, who is fighting for these workers' rights. These workers are fortunate to have the protection union membership affords them, but this is a rarity in workplaces that pay minimum wage. If an employer attempts this sort of thing in one of the few unionized shops that pays minimum wage, it is sure to be a frequent abuse in other such workplaces across the province.

Another abuse that workers earning the liquor wage must endure has seemingly been condoned by the government and that has to do with earnings other than wages, like the Canadian Pension Plan (CPP), vacation pay, and severance pay.

During the proceedings of the Standing Committee's minimum wage review, a top government expert, Myles Morris, Director of Employment Standards Policy and Legislation, said that if a two-tiered minimum wage was to be brought in – one that takes tips into account as part of a worker's income, additional protections ought to be brought in.

“Under Alberta’s Employment Standards Code tips are not considered wages or earnings, and our employment standards officers, therefore, have no authority around tips. As such, if there were to be a tip differential, it may be necessary to consider whether to provide employees with additional protections under the code in order to ensure they receive their tips intact and possibly to include tips in the calculation of other forms of earnings such as vacation pay, general holiday pay, and termination pay.”

- *Myles Morris, Director of Employment Standards Policy and Legislation, Standing Committee on the Economy, Minimum Wage Review, May 10, 2010*

To date, the government has not changed Alberta's *Employment Standards Code* ensured to ensure workers receive their tips intact. Forced tip pooling is commonplace in Alberta's workplaces. Nor has the government considered including tips in the calculation of vacation pay, general holiday pay, or termination pay.

To reiterate, the Alberta Federation of Labour is against the two-tiered minimum wage structure. We would like to see it abolished and a new minimum wage brought in, one that ensures minimum-wage earners can work full time and remain out of poverty.

Barring that, there ought to be protections brought in to ensure minimum-wage earners who receive their tips intact and the government also ought to consider including tips in the calculation of other earnings.

Recommendations:

- Establish minimum wage at a level that keeps those earning it out of poverty
- Abolish the two-tiered minimum wage structure by raising liquor servers' minimum wage

- If the two-tiered minimum wage structure remains, protect workers' tips and consider including tips in the calculation of other earnings
- Examine Living Wage policies and how to implement them in communities across Alberta.

Alberta's Wage Gap

Alberta has a stunning pay gap. Alberta women working full-year, full-time earn only 68 per cent of the amount men earn. Canada-wide, women earn 79 per cent of what men earn. The recession did not change the pay gap for Alberta women, which remains at the level most other provinces were at in the 1970s.

Alberta women face higher levels of income inequality because our province lags behind the rest of Canada – and most of the industrialized world – in policies that allow women to balance family obligations with the workplace, such as investments in child care.

Alberta is also the only province in Canada without some kind of voice in the Legislature for women. All other Canadian provinces and territories, as well as the federal government, have either a ministry responsible for the status of women, an advisory council on the status of women, or some combination of these institutions.

Recommendations:

- Examine and implement Pay Equity legislation in the public service
- Examine the broader implications of Alberta's wage gap between women and men (the most acute wage gap in Canada) and the drag on the economy this creates, by striking a special Premier's Task Force.

Temporary Foreign Workers

Canada's Temporary Foreign Worker Program (TFWP) is creating a sub-class of workers vulnerable to exploitation who never receives full citizenship rights. This, in turn, can be used by employers to suppress wages and conditions for all workers. Many of these workers are brought to Alberta for jobs that pay the province's minimum wage – presently the lowest in Canada.

Recently announced changes to a pilot project of the TFWP include an expansion of occupations under which employers do not have to even consider hiring Canadians before hiring non-Canadian workers, despite there being 5.6 unemployed Canadians for every vacant job in the country.

The AFL's position is that workers coming to our province under the TFWP are vulnerable and at risk of exploitation and the Government of Alberta ought to include their welfare in discussions around the Social Policy Framework.

Many temporary foreign workers avoid making employment standards or health and safety complaints because they result in being fired. And being fired now results in a TFW being unable to get any another job. Temporary foreign workers are therefore left to suffer in silence.

Furthermore, it is our position that this program is increasingly being used by some employers as the first choice for workers, not the last resort. Another recently announced change to the program allows, in certain cases, employers to pay these workers up to 15 per cent less than the wages earned by Canadians. Not only is this exploitative and unfair, but it will also put downward pressure on the wages earned by Canadians in similar occupations.

Recommendation:

- Lobby the federal government to scrap the TFW program in favour of an immigration policy that brings in new Canadians in order to build our economy in a sustainable way.

Workplace Conditions

No one should lose their life or get injured while on the job, and yet Alberta is the one of the most dangerous places in Canada to be a worker.

Our province consistently records more workplace deaths than the national average. As a proportion of our overall labour force, we have more people working in dangerous occupations and industries than other provinces. In 2009, the Alberta government spent less on occupational health and safety than the Getty government did in 1991. Over that same period, the number of Albertans working in dangerous occupations has more than doubled.

Insufficient as our province's health and safety framework is, some workers are outright excluded from it. There are thousands of them. They're our province's farm workers.

Farm workers are:

- Excluded from mandatory *Workers' Compensation Board* coverage
- Excluded from the Alberta *Employment Standards Code*
- Excluded from the Alberta *Labour Relations Code*
- Excluded from sections of the Alberta *Highway Traffic Safety Act* prohibiting transportation in the back of a pickup truck
- Excluded from the *Occupational Health and Safety Code* – Alberta is the *only* province to completely exclude farm workers.

The Alberta Federation of Labour wants to change that because farming has changed. It is now dominated by huge corporations operating massive hog barns, corporate farms and mushroom factories, employing hundreds of workers. The law needs to reflect this new reality.

Because farming's changed and we think the law needs to change to reflect that reality. It's time to end the drought in legal protection for farm workers. And it's time to end the free ride for agricultural employers.

Our recommendations to make our workplaces safer straightforward and most are in place in other provinces in Canada. It's time for Alberta to reverse our health and safety record, and to lead the country in keeping people safe at work.

Recommendations:

- **Allow farm workers to be covered under the *Employment Standards Code*, the *Occupational Health and Safety Act*, the *Workers' Compensation Act* and the *Labour Code***
- **Establish mandatory Joint Health and Safety Committees:** these committees provide an outlet for concerns about workplace safety and a decision-making structure for improving safety. These committees are the means to keeping employers and workers talking about safety issues and are key to involving workers in pragmatic ways to keep workplaces safe. Alberta is the only province that does not have employer/worker health and safety committees.
- **Administrative Fines for Employers with Unsafe Worksites:** workplace safety inspectors should be able to issue tickets on-site for safety violations during proactive inspections. Furthermore, the AFL takes the position that it should be employers that are fined for safety violations, not workers. Five other provinces (B.C., Manitoba, Ontario, Quebec and Nova Scotia) issue fines to employers who maintain unsafe worksites.
- **Increase OH&S Inspectors and Inspections:** Alberta should increase the number of inspectors, the number of proactive, surprise inspections, off-hours inspections, to reflect the reality of our workforce.
- **Increase Resources for Prosecutions:** Alberta needs to take worksite fatalities and injuries seriously. We should immediately increase resources for prosecuting employers whose unsafe worksites cause injury and death.
- **Post Employer Safety Records Online:** The AFL recommends a full, transparent, and fair process for posting employer safety records. Those who maintain safe worksites will have nothing to hide. Those who don't will be easily held to public account.

Labour Code Review and the Barriers to Unionization

Unions help create and maintain the middle class by negotiating better working conditions, pay, and benefits for their members. Those gains are shared with the rest of society because they're often matched by non-union employers.

Consider some of the work-related things most Canadian workers, be they unionized or not, now enjoy: time off on weekends, maternity and paternity leave, workers' compensation, even universal health care – all initiated because of the efforts of unions and their allies.

Given the growing inequality in Alberta and around the world, people need unions now more than ever, not just in terms of workplace gains, but also as an effective check-and-balance to forces that would have inequalities increased and enhanced, rather than eliminated. As Paul Krugman, professor of economics at Princeton University and columnist at the New York Times

notes, unions also provide an important counterbalance to the political influence of corporations and the economic elite.

Alberta has the highest levels of wage inequality in Canada, but unions provide the most equal workplaces for women in our province. Alberta women working full-year, full-time earn only 68 per cent of the amount men earn. Canada-wide, women earn 79 per cent of what men earn. The recession did not change the pay gap for Alberta women, which remains at the level most other provinces were at in the 1970s.

Unions are one of the best cures for the unfair pay gap that exists between men and women working in Alberta. When women are covered by unions, their wages keep better pace with men's. Without unions, women – especially young women – are earning median hourly wages that are low by any measure and do not keep pace with the economy.

<i>Unionized Men's Median Hourly Wages – 2011, Alberta</i>	<i>Unionized Women's Median Hourly Wages – 2011, Alberta</i>	<i>The Pay Gap: Women's Wages as a % of Men's</i>
Age 15-24 \$20.00	Age 15-24 \$17.84	89%
Age 25-54 \$29.67	Age 25-44 \$26.44	89%
Age 55+ \$31.00	Age 55+ \$25.10	81%

<i>Non-Unionized Men's Median Hourly Wages – 2011, Alberta</i>	<i>Non-Unionized Women's Median Hourly Wages – 2011, Alberta</i>	<i>The Pay Gap: Women's Wages as a % of Men's</i>
Age 15-24 \$15.00	Age 15-24 \$12.00	80%
Age 25-54 \$27.00	Age 25-54 \$19.59	72%
Age 55+ \$26.00	Age 55+ \$18.00	72%

(Source: Alberta Federation of Labour, March 8, 2012, <http://www.afl.org/index.php/Press-Release/women-in-alberta-much-better-off-in-unions.html>)

Alberta's *Labour Relations Code* ("the *Code*") is of vital concern to the Alberta Federation of Labour (AFL) because it sets the terms for free collective bargaining, through which the terms and conditions of employment are established for literally hundreds of thousands of unionized workers in the province of Alberta.

The AFL is the largest union organization in the province, representing more than 145,000 of those workers and yet was not initially consulted when a review of the *Code* was launched last summer. The government initially chose not to seek input from the AFL or from major unions whose members would be affected by proposed changes.

The fundamental flaw with the process around the review of the *Code* is one of basic democracy. The labour unions and organizations, representing tens even hundreds of thousands of workers, were left out of the process determining changes to legislation that affects them at a basic level.

Furthermore, as unions are a force to help alleviate poverty and discrimination, the government's unfair, behind-closed-doors process ought to be open to more than a select few; it ought to be as open and public as this process to develop a *Social Policy Framework* appears to be.

We submit that if there is to be a review, it should be fair, held in a public forum, and in front of a neutral panel. If the *Code* is to be opened for changes, the AFL has several concrete suggestions that would bring real stability, help grow our economy and benefit both employees and employers.

The AFL asks that the current process for reviewing the *Code* be stopped immediately. If the government insists on reviewing the *Code*, we think that a fair, neutral, consultative, public process should take the place of the current furtive process.

Recommendations:

Amend the *Alberta Labour Code* to include the following:

- Allow for card check certification;
- Allow all affected construction workers to vote in a certification vote;
- Enhance the ability of workers to be organized while working in remote locations;
- Allow for first-contract arbitration;
- Remove the special opportunity for revocation of bargaining rights in the construction industry;
- Remove all restriction and statutory interference with MERFs;
- Require all collective agreements to include arbitration as the final option for resolution of all workplace disputes;
- Require minimum financial support for the union by a legislated Rand Formula;
- Enact whistle-blowing protection to the *Code*;
- Remove the apparent restrictions on secondary picketing; and
- Prohibit the use of replacement workers when a lawful picket line is in place.

Pensions

Millions of Canadians have no workplace pension, private pension, or registered retirement savings plan. And those lucky enough to have pensions are seeing their dreams of a poverty-free retirement increasingly under threat. Those workers who do have pension plans or RRSPs have seen the value of those slashed as a result of the global economic meltdown. Workers in many industrial sectors have seen their pensions wiped out or drastically reduced as companies go out of business or because the plans are severely underfunded.

Alberta's situation is the worst in Canada: Albertans are on track to only be able to replace 45% of their income in retirement, versus 50% nationally. The generally recommended percentage to avoid a large drop in living standards after retirement is 70%.

What does this mean? Canadian pension analyst James Pierlot estimates that, by 2030, "two-thirds of Canadian retirees will not have enough retirement income (and) are looking at relative poverty."

It doesn't have to be this way. The Alberta government must show leadership in order to stop this slow-motion train wreck now before innumerable Albertans join the ranks of seniors in poverty.

Clearly, it's time to reform Canada's pension system. The average monthly CPP benefit paid to Alberta retirees today is \$511.30, just a little over \$6,100 per year. Most federal and provincial politicians across Canada agree that the CPP needs expanding, but the government of Alberta is blocking the way. Rather than modestly increasing the CPP benefit to keep more seniors out of poverty, Alberta is pushing for a supplemental plan that will not solve the problem.

We need a real solution, a significant expansion of the CPP, rather than the Band-Aid solution being pushed of a voluntary "supplement" to the CPP. Alberta needs to get out of the way of national pension reform.

Recommendation:

- The Government of Alberta should join the AFL in its campaign for a modest expansion of the existing CPP and increase the OAS/GIS by 15%.

Child Care

For most Alberta working families, it is economically impossible to survive on one income. Two income families, where both parents work, are the reality working people live with. The need for child care in these cases is self-evident. For single parents (most of whom are women), the issue is even more pressing.

While it is true that not all parents in the workforce are working full-time, the time requirement for child care is large. Children of working parents in Alberta require some kind of care arrangement for 22 hours a week.

Child care is an equity issue. The labour movement is a staunch supporter of women's rights to participate freely and fully in our society. For working women, child care is an essential component of their right to work, and to find and hold good jobs. Working women need affordable accessible quality child care.

In short, child care is a union issue because it is a problem not just for union members, but for all working Albertans with families have to grapple with every day

There are many problems with child care in Alberta. There aren't enough spaces to meet the need. Provincial funding is grossly inadequate. Child care fees are too high. Qualified child care workers are grossly underpaid in comparison with other occupations requiring similar

education, skills and responsibilities. The quality of child care varies from centre to centre and from year to year across the province. Enforcement of regulations is insufficient. Operators cannot keep meet the demand in rapid urban growth centres like Fort McMurray.

High quality early childhood development and education services, delivered by the public sector, have an incredible effect on the economy. First, they are a great equalizer – children from low-income backgrounds who have access to these services do better in life. Second, when women have access to reliable, high-quality, low-cost child care, their participation in the workforce experiences less interruption and they are able to earn higher wages. Both of these effects are well-documented and the Government of Alberta would do well to examine this massive body of educational and economic evidence and implement a low-cost public child care program modeled on the system that has been so successful in the province of Quebec. At a minimum, the Government of Alberta ought to immediately overhaul its approach to child care funding, by providing direct funding to non-profit and public centres with the aim of reducing fees for parents and investing in wage enhancements for staff. These investments can, over time, be accompanied by a gradual reduction in the amount government pays out in direct subsidies to parents, which essentially act as a government subsidy to for-profit child care companies. Research indicates the centre-funding model of public finance for public child care delivers better outcomes, lower costs, better wages for staff, and better retention of workers.

Recommendations:

- The province should support child care with full funding.
- Public support of child care should be for regulated not-for-profit facilities only.
- Ensure that facilities are optimal and that staffing levels and training are of the highest standard with wages and benefits commensurate with education, skills and responsibilities.
- Support fully regulated not-for-profit child care. The performance of for-profit centres is too inferior to justify the expense of public funds.
- Strike a special Premier's task force to issue binding recommendations on Maternity/Parental Leave benefits in Alberta, with the specific aim of replicating the Quebec programs that offer longer and better maternity leave benefits in addition to the basic benefits.

Policies aimed at Single-Parent Families living in Poverty

Recognize that children living in poverty have parents, and be honest about who their parents are and what they need. Children living in poverty most often live in lone-parent families. The majority of lone-parent families are headed by women. Therefore, a real effort at ending child poverty starts with admitting the root of the problem – women's economic inequality. The vast majority children living in poverty in Alberta live in families where at least one parent participates in the workforce at least part of the year. In other words, our low-wage labour market is partly responsible for children living in poverty.

Recommendations:

- Raise the minimum wage to a rate that at least keeps pace with the Low-Income Cutoff, and index the minimum wage to Average Weekly Earnings increases, like MLA salaries are. End the differential minimum wage for servers.
- Strengthen *Employment Standards* and *Occupational Health and Safety* regulations and inspections, so that people employed in precarious situations and/or low-wage jobs have recourse.
- Amend the *Labour Code* to make it easier for workers to join a union. The union-wage premium for low-income women in particular is significant.
- Raise social assistance rates to the Low-Income Cutoff and index the rates.
- Ensure AISH rates are indexed so that they are insulated from election-time raises followed by freezes for years thereafter.
- Allow people to work more while on social assistance. Right now, many recipients lose their health and dental benefits if they work to supplement their social assistance incomes, but social assistance incomes are extremely low.
- Extend dental and health benefits by raising the amount one can earn before being cut off these benefits.
- Implement a provincial Child Benefit program, as most other provinces have done, to act as a complement to the federal Child Tax Credit system.
- Allow more assets before social assistance is denied. Currently, one has to be destitute before qualifying for social assistance benefits. However, we should not expect destitution before helping people. We have a right to health care in this province, it defies reason why we do not have a concomitant right not to be destitute.
- Invest in more resources for social assistance and AISH recipients.

Better Schools and Basic Education

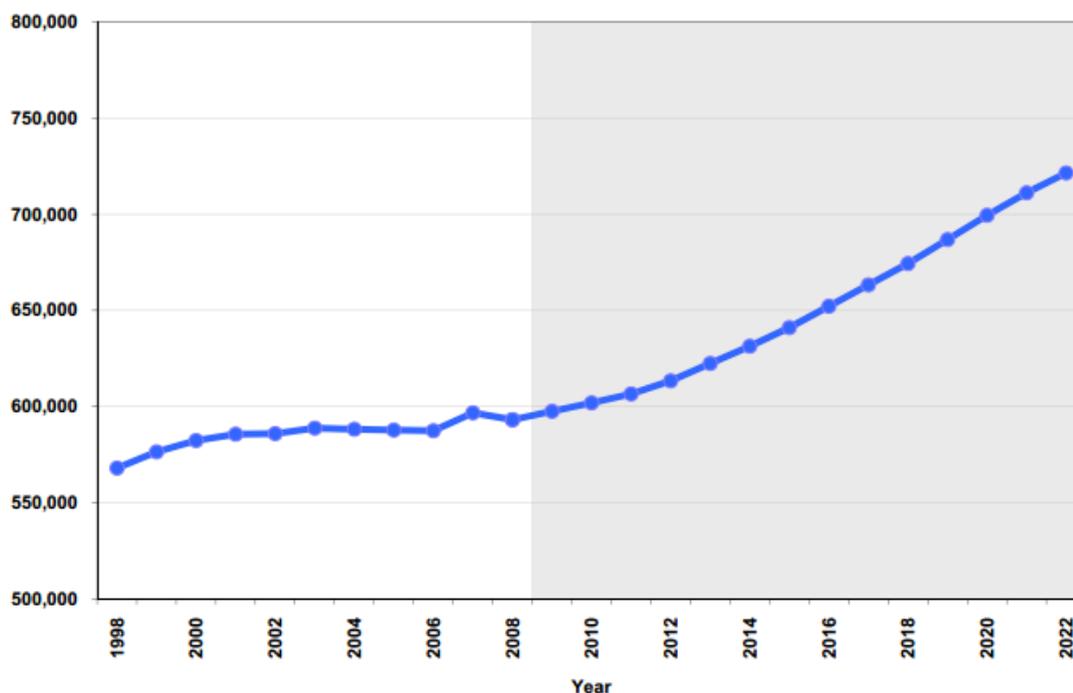
The Alberta Federation of Labour believes that an Albertan's access to quality K-12 public Education is a key determinant of social wellbeing. In support of this contention, The Public Health agency of Canada found that "effective education for children and lifelong learning for adults are key contributors to health and prosperity for individuals, and for the country.

Education contributes to health and prosperity by equipping people with knowledge and skills for problem solving, and helps provide a sense of control and mastery over life circumstances. It increases opportunities for job and income security, and job satisfaction. And it improves people's ability to access and understand information to help keep them healthy."

Alberta's school age population (4-18) is projected to increase by nearly 98,000 in the next 10 years, from just over 600,000 in 2010 to almost 700,000 in 2020.

Alberta Student-Aged Population Projection

Source: Student Population Projection and Teacher Forecasting Model, Workforce Planning, Alberta Education. This projection was calculated on June 25, 2010 using the "Historical Average" method, based on ten-year historical average data.



(Source: Government of Alberta, "Alberta School-Aged Population Projection," March 24, 2011, <http://education.alberta.ca/media/6537761/albertastudentagedpopulationprojection.pdf>)

Cuts to K-12 education in recent years are bound to have detrimental social outcomes. Increased funding that adequately meets soaring student populations is vital.

Albertans need not only well-funded schools, but also the expertise and resources needed for educational supports. School support staff plays a vital role in the education of our children – from supporting students in the classroom, to running libraries and keeping facilities running.

The presence of support staff, working in collaboration with teachers, increase success for all students is essential. Depriving K-12 schools of educational support workers at a time of increasing demands for special needs resources has impacts for all students. Not only are students with special learning needs left without the support that will meaningfully include them in learning, overall student learning is impacted when there are more needs, bigger classrooms, fewer staff and less money.

Recommendation:

- Stable, adequate funding for K-12 education that takes in account present-day and projected student-aged population of Alberta.

Paying for a Poverty-Elimination Strategy

The Alberta Federation of Labour supports the government with its goals of eliminating child poverty in five years and reducing overall poverty in 10 years.

However, as we wrote in the introduction to our submission, we are concerned about indications that the government would use cuts to the Ministry of Human Services' budget to pay for policies aimed at eliminating child poverty and reducing overall policy. Human Services is most likely the ministry that will implement the bulk of policies and programs aimed at eliminating child poverty and reducing overall poverty if the government is serious about these goals.

We can afford to pay for a plan to eliminate poverty without cutting the budget of the ministry that will deliver it. Through revenue reform, we can easily pay for the programs needs to eliminate poverty.

Our flat tax disproportionately benefits very wealthy citizens, and we have the fastest-growing number of super-rich individuals in Canada. When the government dropped personal income tax rates to 10 percent in 2001, the then-Provincial Treasurer Steve West estimated that the government would lose \$1.5 billion.¹ This would be about \$2 billion in today's dollars.

Our corporate tax rates are the lowest in Canada, while corporate profits are the highest. We depend on unstable resource revenues, rather than the more stable footing of tax revenues, for the majority of our program spending, sending the province on a roller-coaster ride every time there is a slight blip in global commodities markets.

Our royalty rates are now amongst the lowest in the world for the oil sands and amongst the lowest in North America for conventional oil and gas. It bears reminding the government that these are non-renewable resources. Once they're gone, they're gone forever.

Despite low royalty rates, the government still saw fit to award a nearly \$3 billion royalty break to oil and gas companies with the Drilling Stimulus Initiative in 2009 to 2011 - nearly \$3 billion in lost royalties with little to show for.

It's clear: Alberta does not have a spending problem; we have a revenue problem. If we have any spending problem at all, it is that we do not the right amount. Alberta lags behind the rest of the country and the rest of the industrialized world on a variety of key social indicators – demonstrating that our investments in social and environmental infrastructure are falling further and further behind.

¹ Government of Alberta, "Alberta's single income tax rate lowered to 10 percent," January 3, 2001, <http://www.alberta.ca/acn/200101/10160.html>

Recommendations:

- Raise personal income tax rates for high-income earners levels that are still the lowest in Canada
- Raise corporate tax rates
- Raise royalty rates on non-renewable resources.

Conclusion

A Social Policy Framework must target barriers to economic justice. The disarming reality that people are living in poverty in the wealthy province of Alberta gives us a clear sign of the work that remains to be done in addressing such barriers.

We hope that our submission will be of use in developing a meaningful and effective social policy framework that not only diminishes the degree to which these barriers impact Albertans, but will eliminate them all together.

Addressing issues and policies concerning minimum wages, temporary foreign workers, workplace health and safety, review of the labour code, barriers to unionization, pensions, institutional representation for Alberta women, child care, single-parent families living in poverty, education, staffing of K-12 schools, and paying for a poverty-elimination strategy are key steps in achieving this goal.

The Alberta Federation of Labour firmly believes that these objectives are not only within our reach, but also something our province can easily afford. Alberta continues to collect severely low levels of corporate and personal tax revenues as well as some of the lowest royalty rates of all oil producing nations in the world. Changing these factors is essential in improving the government's ability to deliver a made-in-Alberta strategy for poverty elimination.

We thank you for the opportunity to present you with viable options for ensuring the wealth of this province benefits all citizens, especially the most vulnerable. Simply put, not only can we afford to do this work, we can't afford *not* to.

