

ALBERTA'S MINIMUM WAGE

The Alberta Hotel & Lodging Association (AHLA) is a non-profit industry association founded in 1919. Our members own or operate over 95% of all the guest rooms in Alberta, with hotels, motels, inns, resorts, and lodges in communities all over the province. The AHLA is committed to helping our members make tourism & hospitality an industry of choice, offering meaningful and fulfilling careers.

The AHLA's 2016 survey of wages and benefits paid in Alberta's accommodation industry included data from 281 properties in the province. The average wage for key front line positions was:

Line & Prep Cooks	\$15.80
Front Desk/Reservation Agent	\$14.66
Housekeeping/Laundry Attendants	\$14.34
Food & Beverage Servers	\$12.68
Bartender	\$13.13

While some occupations are at or even above the minimum wage proposed for implementation by 2018, these numbers do not reflect regional differences, nor do they include tips & gratuities, bonuses, or other benefits.

A sudden and significant increase to the minimum wage will result in:

- Increased prices for food & beverage, guest rooms and meeting facilities;
- Cuts to hours of operation and staffing levels, reducing service to visitors and guests;
- Fewer staff employed and hours worked;
- Lower employment of young people and people from underrepresented groups; and
- Reduced total compensation, such as gratuities, bonuses, shift premiums, and benefits.

Tourism is one of Alberta's leading industries, helping to diversify the economy, employing over 114,000 Albertans and generating over \$7.4 billion in annual expenditures. Tourism is environmentally and economically sustainable, and a highly competitive global industry. While Alberta offers world class tourism experiences, we are challenged by air access and a shortage of labour. Unlike agricultural products and oil & gas, Alberta's tourism product is not shipped to customers around the world. Our customers come to us, bringing billions to the provincial economy.

The planned increase to Alberta's minimum wage will have a negative impact on tourism by increasing prices and reducing service, hours of operation, staffing levels, and training.

The net effect will be to reduce our competitiveness and the ability of the tourism economy to contribute to provincial revenues through corporate and personal taxes.



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THE AHLA ENCOURAGES THE GOVERNMENT OF ALBERTA TO:

1. Implement a Wage Differential for Young and/or Inexperienced Workers

Keep minimum wage at the current level for entry-level workers. Upon satisfactory completion of the training/probation period, or 500 hours, new hires would advance to the general minimum wage. A wage differential for young or inexperienced staff effectively creates a hiring incentive and helps them to gain skills and experience that will help build their careers.

2. Restore the Wage Differential for Liquor Servers

This wage differential only applies to employees who serve liquor to customers as part of their regular employment, including bartenders and food & beverage servers. These servers generally receive a significant portion of their compensation through gratuities. This differential:

- Allows employers to pay higher wages to back of house employees who do not earn tips but are essential to serving customers.
- Motivates employees to provide superior service, increasing sales.

3. Review Alberta's Minimum Wage Annually & Make Changes Based on Economic Conditions

The government should conduct an annual review to ensure that adjustments to the minimum wage contemplate economic conditions. A thorough analysis of the impacts of the 2015-16 minimum wage increase should be completed prior to changing minimum wage in 2017.

4. Provide Six Months' Notice of Changes to the Minimum Wage

Reasonable notice is needed to allow businesses to plan and budget for labour costs, one of the hospitality industry's highest operating costs.

5. Identify More Targeted & Effective Methods of Addressing Poverty

Simply increasing the minimum wage will not eliminate poverty. In fact, according to AHLA members, the significant increase contemplated will lead to unintended consequences such as reduced hours, layoffs, and even the closure of businesses. The AHLA encourages the government to seek, identify and implement initiatives that target the root causes of poverty.

