

January  
2017

The Nova Scotia  
Minimum Wage  
Review Committee  
Report



Honourable Kelly Regan  
Minister of Labour and Advanced Education  
5151 Terminal Road  
Halifax, Nova Scotia  
B3J 2T8

Dear Minister Regan:

The Minimum Wage Review Committee is pleased to advise that we have concluded our annual review of the minimum wage. Please find our report attached, which includes the recommended adjustment to the minimum wage rates (experienced and inexperienced) and the data used to calculate the adjustment.

We wish to acknowledge staff at the Nova Scotia Department of Labour and Advanced Education who continue to support our work.

Respectfully submitted by:

Original signed by

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Rick Clarke

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Steven MacPherson

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## Background Information

Nova Scotia's minimum wage is set by regulations, which provide a mechanism for adjusting the minimum wage by the annual national inflation rate (Consumer Price Index). The Minimum Wage Review Committee is mandated, under the Nova Scotia Labour Standards Code, to conduct an annual review of the minimum wage and submit a report to the Minister setting out its recommendations. Since 2011, when the regulations were amended to include a formula for adjusting the minimum wage, the Committee's review has consisted of monitoring economic conditions in Nova Scotia and applying the formula.

## Profile of Minimum Wage Earners

According to Statistics Canada, in 2015 an estimated 27,800 employees earned minimum wage in Nova Scotia, which is 7.1 % of wage earning workers. Minimum wage earners work throughout the province. They work primarily in retail trade, followed by food and accommodation industries. Most are under the age of 25. Most work part time and go to school full time. Many are sons and daughters living at home. Almost two thirds of minimum wage earners in the province are women. Very few minimum wage workers are unionized.

## Minimum Wage Rates (General) Across Canada

Province/Territory	As of January 1, 2017
Alberta	\$12.20
British Columbia	\$10.85
Manitoba	\$11.00
New Brunswick	\$10.65
Newfoundland and Labrador	\$10.50
Northwest Territories	\$12.50
Nova Scotia	\$10.70
Nunavut	\$13.00
Ontario	\$11.40
Prince Edward Island	\$11.00
Québec	\$10.75
Saskatchewan	\$10.72
Yukon	\$11.07

*Note: Alberta's minimum wage is scheduled to increase to \$13.60 on October 1, 2017.  
British Columbia's minimum wage is scheduled to increase to \$11.25 on September 15, 2017.  
Newfoundland and Labrador's minimum wage is scheduled to increase to \$10.75 on April 1, 2017,  
and then to \$11.00 on October 1, 2017.*

## Inexperienced Minimum Wage Rate

In addition to the general minimum wage rate, Nova Scotia also has an “inexperienced” minimum wage rate. The Nova Scotia Minimum Wage Order (General) sets the inexperienced minimum wage rate at \$0.50 less than the general minimum wage rate. The inexperienced minimum wage is currently \$10.20 per hour. Employers can pay an employee the inexperienced rate only if the employee has worked for the employer for less than three months and the employee has less than three months’ total experience with the kind of work the employee is employed to do.

## Adjusting the Minimum Wage Rate by the Consumer Price Index (CPI)

Minimum wage is currently \$10.70 per hour. Following the formula set out in the minimum wage regulations it is to be adjusted for 2017 by the percentage change in the national CPI for the 2016 calendar year. As noted in the chart below, CPI for the 2016 calendar year is projected to increase 1.4% from the previous year. Multiplying the current minimum wage by 1.4% and rounding it to the nearest \$0.05, in accordance with the formula set out in the minimum wage regulations, results in an increase of \$0.15 to the minimum wage.

## National Consumer Price Index (CPI)

<b>Rate of Inflation, Percent Change, Year over Year, Consumer Price Index, All-Items, Canada</b>	
<b>Year</b>	<b>CPI INFLATION (National)</b>
2016 (projected)	1.4%
2015	1.1%
2014	2.0%
2013	0.9%
2012	1.5%

*Note: Projected CPI is used because at the time of issuing this report the Committee has access to 11 calendar months of CPI data (January to November) rather than 12 calendar months of data (January to December).*

## Recommendation

Applying the formula set out in the minimum wage regulations, we recommend the experienced minimum wage rate increase to \$10.85 per hour and the inexperienced rate increase to \$10.35 per hour, to take effect April 1, 2017.