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Move by Ottawa to Repeal Outdated Wage Regulation Act Welcomed by Construction Industry

EDMONTON April 26, 2012 – The President of Alberta’s largest association of open shop construction contractors praised the federal government for finally including the repeal of the Fair Wages and Hours of Labour Act, known commonly as the Fair Wages Act in the Budget Implementation Act tabled in the House of Commons today. Merit Alberta president Stephen Kushner called the government’s action a good one for Canada’s construction industry.

"We are pleased that that the federal government is moving forward on its commitment to reduce red tape in the construction industry, especially for small businesses," said Kushner. "The measures announced today will increase the ability of small and medium size open shop construction companies to efficiently perform work on federal construction projects and we call on all Members of Parliament from all parties to ensure the Budget Implementation Act is passed without delay."

Kushner added that the change was long overdue and that evaluations and studies undertaken in the 1980’s and 90’s all supported the action announced today. "Wages and working conditions today are a far cry from 80 years ago when this Act was brought in," he said. Back then, there were few, if any, laws and regulations in place at any level to protect the interests of construction workers. Today "there are a host of provincial and territorial measures in place to enhance and protect working conditions, employment standards, labour relations, wages and hours of labour."

Kushner also noted that regulated minimum wages generally have a negative impact on young workers with little experience. They increase the marginal costs of labour and discourage employers from hiring additional workers even in times of great need. Moreover American studies indicate that construction industry productivity is lower in jurisdictions that stipulate minimum wages for public construction projects compared to jurisdictions that use strictly labour market based approaches. According to Kushner, "both wages and working conditions should be determined directly between employers and employees, or through a collective bargaining process within the boundaries of the law."

Merit Contractors Association is a province-wide, not-for-profit association comprised of over 1,300 contractor member firms that employ over 40,000 people in commercial, institutional and industrial construction sectors. The Association was formed in 1986 to serve the needs of the open shop construction industry. Visit www.meritalberta.com

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