

Thank you.

As you may know, CFIB represents 5,200 small, independent, local businesses in Nova Scotia. The businesses we all describe as the backbone of our economy and communities and as our most stable and predictable job creators. Lots of different kinds of businesses belong to CFIB - we have agri-business owners, insurance brokers, manufacturers, retailers, wholesalers, restaurants - you name it.

I represent the very businesses this proposed legislation - and the process around it - is ignoring - again.

It was one short year ago that CFIB sat before you to discuss our opposition to Bill 100. Our concerns at that time revolved around two issues:

- 1) The need: no one articulated what problem Bill 100 was attempting to solve and
- 2) The process: as you'll recall, there was no consultation - at least not with the business community on the 'meatiest' parts of the legislation.

Of course, we had and still have specific issues with the LMRC itself - it is clearly not representative of our workforce due to the fact that 82 per cent of the province's businesses -and the employees who work in them - operate in a non-unionized environment. Their views are not represented on this committee.

I bring us back to Bill 100 because for me the fundamental issue isn't just First Contract Arbitration. It's about a pattern that is emerging on issues dealing with labour relations: an outright disregard for the perspective of our province's job creators and a willingness to ignore the principles of good governance.

I believe as legislators, you should be concerned that there has been an absence of substantial reasoning around why FCA is needed in Nova Scotia. This should be the starting point for any discussion on public policy. We do not do things 'just because'. We cannot afford to. We have finite resource so we must choose where we put our efforts wisely. I believe government should use these finite resources to make the lives of people better, to help communities flourish, to help businesses create the opportunities we so desperately need, and to build a better future for our children. There is no evidence that FCA does any of this.

The only argument that has been put forth in support of First Contract Arbitration is that the majority of Canadians live in jurisdictions with some form of it. Never mind that we have one of the best records of labour relations in the country; never mind that since 1998 the board has issued only three orders of bad faith bargaining.

It just may be that our labour relations environment is as healthy as it is *because* the Trade Union Act walks the talk when it comes to the importance of collective bargaining. It requires that parties talk to each other, that they negotiate through their differences and through this build relationships that allow both the business and the people that help it succeed prosper. It is telling that through this process no explanation has ever been provided as to why Nova Scotia has the enviable labour relations environment that we do despite an *absence* of First Contract Arbitration.

I also believe you should be concerned with the process that has marked both Bill 100 and Bill 102: in both instances decisions had clearly been made before any outreach - at least to the business community. For instance, the question posed to the group during the 'study day' on FCA was: what kind of FCA do you want - not do we need FCA in Nova Scotia? Further, there has been a complete unwillingness to discuss other options to improve the process around first contracts other than to rush to legislation, despite other options being suggested.

Finally, government disrespected the very committee it put together to tackle issues like these. Instead, it conveniently ignored the committee's inability to reach a consensus on FCA, rather than asking themselves - with sincerity - if there was a different way to achieve the outcome it said it wanted: to improve the process around first contract.

In this way, not only are both Bill 100 and Bill 102 anti-business, they are also examples of how government should not operate.

Extend these same concerns to the workplace. How successful would a business be if it could not build a business case for why a product was needed. How successful would that business be if it ignored the input of half of its customers. How successful would you be as politicians if you could not articulate why you wanted to be elected - other than to say because other people are doing it - and if you continually ignored the perspective of half of your constituents?

This is essentially what Bill 102 is doing, and Bill 100 before it.

I don't know of anyone who was talking about First Contract Arbitration before Bill 102. I don't know how many of you heard it on the doors you were knocking on during the last election.

I can tell you what people - at least my members - are talking about. They're talking about how increasingly difficult it is to keep the doors open in a small, independent, local business. They talk about how costs have risen all around them - how the HST increase has hurt their families and their customers, how wage pressures are outpacing their ability to pay for them, how they continue to subsidize big business through energy rates, how every year they fall further behind, how their biggest competition for skills and talent is government. Without a doubt, tonight they'll be talking about the latest energy hikes.

We can try as much as we like to put a positive spin on what's happening out there but the reality is there are communities in transition and decline, jobs are being lost, costs are rising, and there is real uncertainty - not just in Nova Scotia but around the world.

All of these issues weave together to tell the story of Nova Scotia: a province whose productivity lags the country, whose economic growth does the same, where every family has a story of a son or daughter, niece or nephew who has left for a job elsewhere. My neighbour just this morning told me his son was leaving for Vancouver for 'greener pastures'.

This is what people talk about. These are people's priorities. These are the priorities of the businesses that belong to CFIB. And I am certain they are also the priorities of families and businesses in your communities. These are the issues we need to be focused on. And every moment we spend discussing issues we don't have means time, energy and resources not being used to address the real problems we do have.

Ramming this through without listening to the concerns that are being raised will have consequences: 1) it will underscore the disconnect between the priorities of Nova Scotians and the people that represent them 2) it will add uncertainty to an already uncertain environment and 3) it will send a message to the businesses that I represent that government has decided where it wants to go - the consultation process is merely a feel-good exercise.

There is still time to change this. This legislation can be put aside. Or changes can be made to soften its impact. Adding insult to injury is the fact that of all the FCA models out there, government has chosen to go with the most extreme. Actions like this are not helpful.

If the real goal in all of this is to improve labour relations and there is clear evidence that collective bargaining is the best way to achieve this, then this must be reflected in any legislation. In its current form, it does not.

Collective bargaining takes time. This legislation imposes a completely unrealistic timeframe to reach an agreement - more time must be provided.

It must require that parties exhaust all voluntary measures and must also exhaust all options made available to them under the Trade Union Act before an arbitrator is brought in.

In other words, more balanced legislation must ensure that having a third party impose a settlement is the absolute exception. It cannot be the default.

Bill 100 was improved - albeit slightly, but improved - but because of the law amendments process.

The small, independent, local business community remains hopeful that you will listen, reflect and help do the same this time. Just because the process up to this point was flawed doesn't mean it needs to be moving forward.

Thank you.