

December 15, 2015

Dear Law Amendments Committee:

I find it sad and ironic that on a day this Committee sits before passing Bill 148: The Public Service Sustainability Act, Vladimir Putin signs a law allowing Russia to ignore international human rights rulings. Undoubtedly, Russia will be condemned for passing this law, perhaps by some sitting on this committee. As you read and listen to people speak about Bill 148, I hope that you will think about what is happening in Russia, and how Bill 148 sets the province down the same path.

Collective bargaining is defined as “a method of jointly determining working conditions between one or more employers on one side and organized employees on the other. The normal outcome is a collective agreement outlining terms and conditions of employment as well as issues such as union recognition, grievance procedure and special committees”.<sup>1</sup> Previously, all provincial governments and the federal government agreed that it is in the public interest to permit and encourage collective bargaining. It is common practice that in situations where a group such as the public service does not have the right to strike, binding arbitration by a tribunal settles disputes when a mutual agreement cannot be reached. These fundamental principles of collective bargaining are imperiled by Bill 148.

Further, Bill 148 is in violation of Civil Service Master Agreement and perhaps the court of law. Anyone who votes in favour of Bill 148 will not only be encouraging the breaking of collective bargaining rights, but will also be on the wrong side of history. I ask each committee member to reflect how you will be viewed by leaders and citizens in Nova Scotia as well as other provinces and international communities. What message is being sent if Nova Scotia does not uphold rights, does not bargain in good faith, and does not uphold agreed upon and signed collective agreements?

As a public servant, I am concerned about the future of the public service in Nova Scotia. On one hand, we are told we are valued for the work we do. On the other hand, the rhetoric is that we are overpaid, redundant, and that the government can no longer afford benefit packages such as the Long Service Award. There is a need to make cuts to the public service and services need to be privatized to manage the deficit. In this note, I would like to take an opportunity to share my experiences and offer some advice based on these experiences.

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<sup>1</sup> <http://www.thecanadianencyclopedia.ca/en/article/collective-bargaining/>

The Honourable Stephen McNeil has recently been quoted as saying the province cannot afford to leave wage and benefit decisions to a third party arbitrator. May I remind you that your MLA wages and benefits were reviewed and set by a third party committee which compared your wages and benefits to elected officials in other provinces. If this process was fair for you, why is legislation needed to place limits on arbitrators in determining wages and benefits for public servants? It seems rather hypocritical.

James Sawler, an Associate Professor in the Department of Economics at Mount Saint Vincent University, wrote an opinion piece in *The Chronicle Herald*, which was published on March 20, 2015. In that opinion, Dr. Sawler argued that austerity has not worked elsewhere and that a vibrant public service is needed in Nova Scotia. From my experiences and as someone who has specialized in community economic development and rural sociology, I concur.

There is no doubt that Nova Scotia has challenges going forward. The recent budget update clearly indicates that problems reside on the revenue side and not on the spending side. Revenues are down, but departmental spending has been controlled. Still, Nova Scotia's GDP to debt ratio has been falling in recent years, and our ratio is comparable to the national average and much lower than that of Ontario and Quebec. The Conference Board of Canada estimates that the Nova Scotia economy will grow by 2.3% in 2016. Looking at the numbers objectively, the present and future do not look as bleak as the budget suggests.

For the past six years, I have been fortunate to work with intelligent, knowledgeable, and dedicated colleagues who believe in the Public Service Values. My fear is that actions such as contracting out services, reducing benefits, and wage restraints will result in the public service losing highly skilled, experienced workers. The reality is that there may not be an incentive to stay in the province as the economic disincentives will outweigh the perceived quality of life benefits. Losing these public servants is especially troubling considering that innovation is paramount in moving the province forward. The public service needs people with experience and diversified skill-sets, especially considering the public service will experience staff turnover from a wave of retirements, only made worse if this Bill becomes law. Current demographics show that a wave of retirements will occur in the near future leaving a dearth of experience in the public sector. Further, downsizing the public service will have an effect on supporting the pensions promised to retirees and affect the services the public expects and receives. What this Bill does not consider is that many of my colleagues and I have options. I chose to make Halifax and Nova Scotia my home, and I am writing this letter because I, like many of my colleagues, want to live here and play a role in helping Nova Scotia reach its potential.

Eliminating benefits such as the Long Service Award will have a disastrous impact on the morale of public servants. If you do not believe me, check the most recent results of the How is Work Going Survey. While I have not seen the most recent results, it is likely that they are even worse than the previous results as the Public Service Commission has not even released them. The Long Service Award is the only retention mechanism in place for unionized public servants. A decision to eliminate the Award will impact new and recent hires disproportionately. Recent and

new hires will have the most to lose, while public servants near retirement will be relatively unaffected.

If the Long Service Award is frozen, I will have accumulated six weeks of payment upon retirement. In reality, this sum is not much. Without an opportunity to earn bonuses or increase my income aside from increases that are collectively bargained, there is no longer an economic incentive to work for the public service with the exception of receiving a pension upon retirement. Considering that most other provinces have lower taxes, higher salaries, and a lower cost of living aside from housing, there really is not much of an economic incentive to remain in Nova Scotia. Many younger and middle-aged Nova Scotians have already figured this out and moved to other provinces.

In sum, I urge you to contemplate the latent effects of Bill 148 as the province currently has difficulty attracting and retaining young and middle-aged workers with skill-sets that will be needed to deal with the challenges facing the province. Public servants want to be actively engaged. My hope is that you will allow us to be partners on the journey to making our province a better place to work and live.

I would welcome an opportunity to discuss any of these issues further should you desire.

Sincerely,

Dr. Andrew Knight

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