



**PEI FEDERATION OF LABOUR'S 2005  
BRIEF TO CABINET**

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## **INTRODUCTION**

The P.E.I. Federation of Labour represents directly approximately 10,000 Islanders who are members of organized labour in this province. These members are from all across Prince Edward Island indeed they are to be found in each and every lot across the province. We represent public and private sector workers. We represent many occupations including white collar, blue collar and professional people. We are as diverse as the Island's workforce and our concerns range from the young and old as we seek to represent the concerns of our members' families including their children and grandchildren, as well as our own retired members. We are the only central body in this province and we are a chartered body of the Canadian Labour Congress which represents 2.3 million workers.

Our organization was born in 1964 and its constitution gives us the mandate and responsibility to represent the interests of all workers in this province. There is no other comparable group or institution mandated to carry out this role. Our concerns and mandate are focussed most simply on the welfare of the worker with this province.

## **FIRST COLLECTIVE AGREEMENT LEGISLATION**

With companies like Wal Mart using every tactic they can come up with to impede their workers' right to organize, it is even more important that there is legislation in place to make sure that workers who decide to exercise this right can get a fair and timely resolution to their first collective agreement.

\_\_\_\_\_A recent example on PEI is the long struggle endured by fish plant workers in Souris and Beach Point to reach their first collective agreement between the now defunct Polar Foods and the U.F.C.W.. This process was unnecessarily lengthened by the lack of first collective agreement legislation. Their struggle which included many delays on the part of their employer as well as filings of well over one hundred unfair labour practice complaints against their employer is unacceptable, particularly in a company in which our provincial funds were invested. It creates an uneven playing field particularly when the delays are meant only to "union bust." and makes a mockery of workers' right to organize.

First Agreement Legislation has been recognized as a key element in recognizing the workers' rights to organize. Even the best method of certification of trade unions will not vindicate the workers' right to organize if the employer decides to drag out collective bargaining

so long that the wishes of the employees in organizing are frustrated. In order to provide a disincentive to employer conduct aimed at undermining collective bargaining and to provide an incentive to the parties to bargain a first collective agreement in a timely manner, most Canadian jurisdictions have legislation which, in a variety of circumstances, permit the imposition of a first collective agreement.

In Atlantic Canada, both Newfoundland and Prince Edward Island have a provision for imposition of a first collective agreement but the **PEI legislation was never proclaimed** due to employer's pressure. We were informed directly by a past Minister of Labour of this province that this was the reason why this legislation was never proclaimed.

Here again, legislatures in the Maritimes have neglected to update and develop our labour laws to ensure that employees right to unionize are not frustrated. Although most Canadian jurisdictions have provisions for imposition of a first collective agreement, there are quite a variety of different schemes to do this. We wish to propose that the labour laws of P.E.I. be amended to provide for the imposition of a first collective agreement in a system with the following features:

- i) When a trade union has been certified and has attempted to bargain a collective agreement with an employer and failed to conclude a collective agreement, either the trade union or the employer should be permitted to obtain binding arbitration of a first collective agreement with the employer.
- ii) At any time after certification and an attempt to bargain, a collective agreement, either the trade union or the employer should have the right to apply to the Provincial Labour Relations Board for the appointment of an arbitrator mutually agreed on by both parties or, if no agreement can be reached, one selected by the Board.
- iii) Both the union and the employer can agree on the appointment of an arbitration board rather than a single arbitrator. Each party should nominate a representative, in addition to the arbitrator mutually agreed to by both parties or selected by the Board.
- iv) Having received a proper request, the Board must appoint the arbitrator or arbitration board and the arbitrator or the arbitration board should

have the right to impose the terms of a binding collective agreement on all parties.

- v) Where either the union or the employer has made an application for the appointment of an arbitrator or an arbitration board, neither party shall have the right to resort to strike or lockout or to continue an existing strike or lockout.
- vi) The cost of the arbitrator appointed by the Board should be borne by the Department of Labour, and the cost of nominees should be borne by their respective parties.
- vii) The Arbitration Board should be authorized to impose a collective agreement with a minimum term of one year and a maximum term of two years but with the right to impose terms back to the date of certification.
- viii) In imposing a first collective agreement, the arbitration board should be required to determine terms and conditions of employment based on the collective agreement terms already agreed between the parties, minimum terms defined in labour standards and other labour legislation and the comparable terms in collective agreements freely arrived at by collective bargaining in the same industry.

We believe that the importance of first contract arbitration is not necessary in the actual use of these provisions. The existence of such provisions provide a powerful disincentive to tactics of attrition in bargaining a first collective agreement. It provides an incentive for employers to deal seriously with the issues presented in bargaining first collective agreements and to do so in an expeditious way. The employer is required to recognize that the employees have made a choice to be represented by a trade union, and that it is obliged to collectively bargain the terms and conditions of employment. The first contract arbitration provision would permit first collective agreements to be established relatively expeditiously and without strikes or lockouts.

By the time the second collective agreement is bargained, all parties will have had the experience of working together in the administration of a collective agreement and the free

collective bargaining system will permit them to tailor terms and conditions of employment in a manner mutually agreed at the bargaining table.

## **HUMAN RIGHTS - EQUITY ISSUES**

We ask that the Province adopt similar rules of conduct for provincially appointed members of administrative tribunals as are found federally under “The General Principles of Conduct of Administrative Tribunals” enforced by the office of the Ethics Counsellor Federally.

## **EMPLOYMENT STANDARDS LEGISLATION - OVERTIME EXEMPTIONS**

The PEI Federation of Labour is pleased to see that the Employment Standards Board is looking into removing the Standard Work Week Exemption Order for Community Care Facilities. However, we feel that the review should go farther and look at removing all overtime exemptions from the provincial Employment Standards Act.

The main reason for having Overtime rules is to financially deter employers from forcing workers to work excessive hours on a regular basis and allow workers to not only have a social and family life outside of work but also allow them time to recuperate from the physical and mental stresses that are apart of every bodies daily work experience.

Considering that study after study is showing that excessive work hours are dangerous, unhealthy, and disruptive of family and community life and with PEI (tied only with Nova Scotia and Ontario,) already having the highest standard work week in Canada within its Employment Standards Act, it is incomprehensible to us that our Employment Standards would further reduce this deterrence by allowing an exemption that permits a standard work week of up to 75 hours.

The particular exemption allowed for Community Care Facilities is even more confusing as it goes directly against the reason given in the Act for establishing overtime exemptions in the first place of **“Due to down time, the seasonal nature and the effect weather conditions have on certain industries, the Employment Standards Board has issued an Exemption Order extending overtime hours to some specific industries”**. Employment in Community Care Facilities meet none of these conditions and with most of the jobs in these facilities being continuous year round employment, it means workers in community-care facilities are being

exploited even more than the workers in the industries the exemptions were meant to cover.

Therefore, the PEI Federation of labour urges the Provincial government to not only reduce the standard work week for Community Care Facilities but to also remove all overtime exemptions from the Employment Standards Act.

And with British Columbia, Saskatchewan, Manitoba, Quebec and Newfoundland all having a standard work week of 40 hours and Alberta and New Brunswick having a standard work week of 44 hours; we also urge you to reduce the standard work week within the Act from 48 to 40 hours in order to bring PEI more in line with the majority of Canada.

### **CURRENT EXEMPTIONS TO THE EMPLOYMENT STANDARDS ACT**

<b>HEAVY EQUIPMENT OPERATORS</b>	<b>55 hours</b>
<b>SEASONAL HIGHWAY CONSTRUCTION WORKERS</b>	<b>55 hours</b>
<b>FISH PROCESSING INDUSTRY - INSIDE WORKERS</b>	<b>55 hours</b>
<b>FISH PROCESSING INDUSTRY - OUTSIDE WORKERS</b>	<b>75 hours</b>
<b>PEAT MOSS INDUSTRY</b>	<b>60 hours</b>
<b>COMMUNITY-CARE FACILITY WORKERS</b>	<b>60 hours</b>
<b>AMBULANCE DRIVERS</b>	<b>60 hours</b>
<b>TRUCK DRIVERS</b>	<b>55 hours</b>
<b>SANDBLASTING</b>	<b>60 hours</b>

### **EMPLOYMENT STANDARDS LEGISLATION - OTHER ISSUES**

**STATUTORY HOLIDAYS:** Employees on Prince Edward Island who fall under Federal jurisdiction are entitled to nine paid holidays, with the most recent changes to Employment Standards Act - Remembrance Day was added bringing P.E.I.'s number of statutory holidays up from the lowest in the Country (five) where it was joined by Newfoundland and Nova Scotia, equal to number of statutory holidays in New Brunswick. We welcome the addition of Remembrance Day as a statutory holiday particularly to honour workers who left their employment and who fought on behalf of Canada.

**We request that the provincial government also add Victoria Day and Thanksgiving Day as statutory holidays which are recognized by all other provincial and territorial governments outside of Atlantic Canada.**

**MINIMUM DURATION OF VACATIONS:** Prince Edward Island provides two weeks of annual vacation with pay after one completed year of employment. In ten jurisdictions, including New Brunswick and Newfoundland employees are entitled to an additional week of vacation with pay after a specified period of service. This can vary from five to six years of continued employment in most jurisdictions. In New Brunswick it is available after eight years of continuous employment and in Newfoundland fifteen.

**We recommend that after eight (8) years of continuous employment on Prince Edward Island that employees be granted three weeks of annual vacation with pay or 6% vacation pay.**

**FAMILY LEAVES - PAID BEREAVEMENT LEAVE -** We welcome the addition of bereavement leave to our Employment Standards Act and request the addition of one day paid bereavement leave similar to legislation in Newfoundland.

## **OCCUPATIONAL HEALTH & SAFETY AND WCB ISSUES**

### **OCCUPATIONAL HEALTH & SAFETY**

\_\_\_\_\_The new Occupational Health & Safety Act is a very positive step in the right direction and we commend your government for bringing it forward. We are very pleased that one of the components is ensuring Joint Workplace Committees are in place. We certainly agree that education on health & safety is a sure way of reducing the number of injuries in the workplace. From our experience and the experience of the labour movement in other provinces, constant monitoring and education is needed in order for these committees to play their role and make a real difference in the workplaces.

But unfortunately there are still cases where employers have not established committees which are active and protect the rights of workers. Most notably an investigation at an accident in Pownal found that no site safety committee was in place despite a contractor and sub contractor being on site. This is unacceptable and we appreciate that fines were imposed; however the \$2,000 and \$2,500 fines should be imposed before an accident ever occurs on such sites. It is unbelievable that safety lapses like that occur on multi-million dollar construction sites. With the

cost of the whole project being \$3.4 million, the small fines of \$2,000 and \$2,500 are not proportionate to the size of the job at hand - luckily the accident was not worse and did not cause a fatality. None of the work crew were wearing fall protection equipment. .

The fatal accident at Biovectra was to such a degree of negligence that we are pleased that court action was initiated against the employer. It is our view that the accident there was due to the result of a degree of negligence that the owners of that company should be charged under the “Westray Act” recently passed by the House of Commons.

The occupational health and safety workers should be arms length from the WCB of P.E.I. When government stopped funding these positions out of general revenue and funded them out of WCB monies, it calls into question what resources government is willing to invest in ensuring safe workplaces on P.E.I. We need health and safety inspectors who can carry out their role with an adequate amount of resources and well rounded training and who are not subject to the unwarranted criticism of employers.

**Health and Safety officers should do follow up at workplaces where accidents have occurred in order to ensure that the employers make the necessary changes to avoid further accidents. They should also be doing a greater number of workplace spot-checks and there needs to be greater fines to enforce safety on Island worksites.**

## **WORKERS’ COMPENSATION BOARD ISSUES**

We would like to commend the government for moving to expand WCB coverage to all workers in this province including those who work in both agriculture and fishery. This is long overdue as both of these sectors offer Islanders much employment and workers deserve the mandatory protection of WCB. We have had fatal accidents in both agriculture and fisheries in the past year and these accidents are the tip of the iceberg.

We also commend the WCB move to change employers rates related to the accident rate in those occupations. Employers who protect the rights of their employees through pro active safety programs and measures deserve lower rates while industries and occupations with higher accident rates should be charged higher premiums until they reduce these rates. Injured workers should not be penalized due to under funding of the WCB system as the Meredith System should protect their rights. We have also seen many employers try to “blame the victim” during workplace accidents - this is unacceptable.

Employers seem to not want to pay their fair share after it has been discussed and fairly calculated based on past experience. We agree that experience counts and that employers should not cut corners on safety due to its business pressures.

We note that where WCB costs for employers are high in sectors like forestry or fishery , we would want those employers to place their emphasis on decreasing their accident rate rather than complaining about costs of increasing premiums. Also we are concerned that the recent statements by the Minister of Fishery re professionalization issue does not take into effect the need for greater health and safety training in this area for inshore fishing, and shellfish harvesting as their WCB rates increased by 19.8% due to poor experience ratings.

       **Three Day Waiting Period - (3/5 Weekly Salary:)** The 2002 Workers Compensation Board Report, stated that there was a significant decrease in the total number of claims; from 5345 in 2001 to 4802 in 2002, a decrease of 543 cases - over 10%. This leave us to believe workplace accidents are under-reported.

From the experience of New Brunswick which has been faced with a three-day period for a number of years, it is clear to them that some employers are trying to reduce their experience rating by pressuring their workers to not report injuries by having employees use their sick leave , others are forced to stay at work injured. Some employers are even concentrating their efforts in reducing the number of claims accepted by Workers' Compensation Board. This is often called a "Claims Management" approach. We believe this could be happening also here.

In Nova Scotia, a recommendation is going forward by all four stakeholders in the WCB review process that their 2-day waiting period be scrapped. Labour, business, injured workers and safety organizations all agreed that this recommendation go forward. These concerns are reflected in the "Dorsey Report" and the following are the reasons given in that report.

It is clear that the impositions of this 3-day waiting period here at the urging of some employer lobbying groups does not serve the public interest. In fact, this policy probably incurs greater costs on our public medicare system while employers save money.

**The P.E.I. Federation of Labour demand that the three-day Waiting Period to be taken out of the Act.**

## **PROVINCIAL FAIR WAGES FOR CONSTRUCTION SECTOR**

One of the many problems facing the construction industry on PEI is the out flux of skilled tradespeople to other parts of Canada due to the low wages being offered on the Island. In a comparison of the federal wage schedules across Canada, Island electricians and plumbers were the lowest paid in Canada while Island carpenters were the third lowest paid.

The Federation feels the province could do a lot to stem this flow and improve the construction industry' s sustainability by following the federal government and instituting provincial fair wage legislation on provincially funded construction projects and basing those wages so union wages are not undermined by contractors paying low wages and providing little or no benefits.

### **COMPARISON OF CANADIAN FAIR WAGE SCHEDULES**

<b>Province</b>	<b>Electricians</b>	<b>Plumbers</b>	<b>Carpenters</b>
Alberta	25.08	23.61	21.02
British Columbia	22.73	22.64	20.92
Manitoba	22.85	21.78	19.89
New Brunswick	17.94	20.59	14.99
Newfoundland	18.84	18.84	14.28
Northwest Territories	23.78	23.93	21.23
Nova Scotia	20.1	19.15	18.75
Nunavut	23.49	19.23	19.06
Ontario	28.71	27.97	24.36
<b>PEI</b>	<b>16.22</b>	<b>17.23</b>	<b>15.18</b>
Saskatchewan	21.62	20.39	18.02
Yukon	\$23.50	\$23.50	\$23.50

Note: Based on averaging Federal fair wage schedules for each Province.

## **RECOGNIZING THE NATIONAL BUILDING CODE ACROSS PEI**

The National Building Code of Canada (NBC) is designed to ensure that buildings are structurally sound, safe from fire, free of health hazards, and accessible. The fact that only Summerside and Charlottetown is covered under the Code is reprehensible and as was shown in the recent fire in Bloomfield, buildings not built to code have the potential to be vary dangerous.

It is the government's responsibility to make sure minimum standards are met to ensure not only that the public gets what they pay for but to also ensure that the public's safety is not sacrificed in the name of profits or incompetence.

Therefore the Federation of Labour urges the government to institute the National Building Code, return Inspection of Electrical installations to compulsory rather than random, and make sure that there are sufficient resources and penalties in place to ensure that these codes are enforceable. All Islanders should have the right to feel that their homes and the buildings they work in and shop in are safe and at least meet minimum acceptable Canadian standards.

## **CARIBOU FERRY SERVICE AND SUBSIDY INCREASE**

As the provincial government knows the ferry in Wood Islands provides not only much needed direct employment on the ferries themselves but also is a key component to the present and future economic development of Kings County.

The Wood Islands ferry also affects the Island economy by providing a more efficient way to transport goods to Nova Scotia and is the Island's only other way to move vehicles on and off the Island. The loss or another reduction of this valuable service will have a major economic impact to the whole Island and could be disastrous should anything ever happen to the Confederation Bridge.

\_\_\_\_\_ With the proposal for major reductions to this important service, the PEI Federation urges the provincial government to do what it can to ensure that the federal government not only renews the current subsidy but also makes a long term commitment to the sustainability of this valuable gateway to Eastern PEI.

## **PENSIONS LEGISLATION - PROCLAIM THE ACT NOW**

\_\_\_\_\_ The Federal Government and every province, except for one, has pension benefits legislation in place - that is, legislation that regulates workplace pension plans. The one exception to the rule is Prince Edward Island. The P.E.I. Legislature adopted the Pensions Benefit Act in April of 1990, but the legislation was never proclaimed, therefore, never been in force.

### ***Why is Pension Legislation Important?***

Because it protects working families. Pension benefits legislation is important for working people who belong to workplace pensions. This type of legislation typically provides protection and rights for plan members in three areas:

- 1) it requires employers to finance pension plans in a way that minimizes the risk that pension promises cannot be fulfilled;
- 2) it requires pension plans to include certain types of benefits (e.g. survivor benefits and benefits on termination of employment prior to retirement); and
- 2) it establishes certain membership rights (e.g. access to information about the plan.)

The P.E.I. legislation that was never proclaimed, included these kinds of protections for plan members.

Pension benefits legislation recognizes that if employers are left to operate workplace pensions without regulation, certain problems are likely to arise. Employers will take shortcuts in financing the plans; they will approach the design of pension plans thinking only of their interests (e.g. they may decide that to make the plan a means of keeping people working for them, they will not pay benefits to people who leave the employer before retirement age); and, they will treat the pension plan as if it is their personal property.

\_\_\_\_\_ PEI's workers have worked hard to setup pension plans and make sure that the contributions they make to those plans will help ensure they can afford the retirement they deserve after all their years of effort and service to society. After 15 years of waiting, they deserve the same basic piece of mind that all other Canadians have. They need to know that there is legislation in place to make sure that the retirement they have worked so hard to earn is there for them when they retire. **IT'S TIME TO PROCLAIM THIS LEGISLATION NOW.**

## **DAY OF MOURNING MONUMENT**

Every day, thousands of workers are going to work in order to feed themselves and their families. These workers, be they men or women, old , middle-age or young are expecting to come back to their loved ones in the same health as when they left. The reality is that a number of them will get injured or even die.

From 1993 - 2003, PEI has averaged approximately 5,500 injuries and 3 deaths per year on Island worksites . We also know that there are a number of workers who have died due to workplace related illness and are not part of the statistics.

Last year, the federation decided to undertake a very important step in helping all of us remember this situation by deciding to erect a monument on behalf of all workers who have been injured or died on the job on PEI. It is our greatest hope that this monument will not only act as a lasting and fitting tribute to all those workers who have paid the ultimate price while doing what most of us take for granted, earning a living, but also act as a strong reminder to all workers of the importance of taking their safety seriously when they go to work each day.

Thus far, the City of Charlottetown has passed a resolution stating they would be responsible for the upkeep and maintenance on the monument, our labour movement donation drive is coming along very nicely with support from many union locals on PEI and more coming in almost daily, and the monument has been ordered; the only piece missing is the location for the monument.

The federation has always appreciated the support that the provincial government has shown the Day of Mourning ceremony and the effort that Minister MacFadyen has put into getting land for the monument around Province House but with April 28, 2005 fast approaching, we hope that the province can hasten the process of obtaining the land in time for the monument to be installed before the ceremony and if that is not possible, we hope that Minister MacFadyen will at the very least be able to announce that the deal for the land has been completed at the ceremony.

## **HEALTHY CHILDREN - /CHILDCARE / DENTAL PLAN /AND BEST START**

The P.E.I. Federation of Labour would like to express its concern about cutbacks in two

key programs which serve children the “Best Start” program and the Children’s Dental Program.

The “Best Start” program which has been scaled back was billed as a key component of the P.E.I. Healthy Child Development Strategy. 45 Island families have lost support with cutbacks to the Best Start program. This program has been a valuable resource to many Island families and we urge the government to find a way to continue it.

The imposition of user fees in the children’s dental program is also troubling. Changes to the dental care program for children will result in families having to pay a 20% co-pay, this program which was free for children aged 3 - 16 since its inception in 1971 will hurt one of the most successful preventive health care programs in the province. The rule that families with incomes less than \$30,000 can apply for an exemption will still mean that some families with two parents both earning low wages may no longer qualify for the program. This change may hurt the children of some of these working poor to a greater degree and will become part of a two tier health care provision with the loss of universality. What is most troubling is that these cuts may save short term dollars but the investment in children at a young age will save dollars in the long run. An ounce of prevention is worth a pound of cure.

## **CHILD CARE**

We urge the province to offer a constructive role in promoting and building a strong national child care program and are dismayed that a recent federal-provincial meeting on this issue did not yield any resultant agreement. Parents on P.E.I. pay 80% of the costs for early childhood care and education while the national average is less than 50%.and many parents, particularly those with low incomes find it hard to access childcare, which meets their needs and may have to rely more heavily on lower paid or family assistance to meet their means.

Early Childhood Educators on P.E.I. earn much less than the national average and have little or no access to paid sick days, extended healthcare benefits, disability insurance, pensions or RRSP’s and the turnover rate is twice the national average. Meanwhile, this province boasts the highest labour participation rate of women in the workforce in the country which means the need for child care is even higher in this province.

The Federation stands with the 90% of Canadians who want a National Childcare Act with sustainable public funding and non-profit delivery; public accountability tied to clear plans, goals and timelines; and a guarantee that public money goes to put children into quality,

affordable child care - not to put money into investors pockets.

## **POST SECONDARY EDUCATION**

The P.E.I. Federation of Labour wishes to express its concern that the high costs of post secondary education are making this education less affordable and accessible for students in this province. We are concerned that the Federal government has not addressed this issue in its recent budget when Paul Martin promised in the last federal election to reverse his massive cuts to post secondary education he made when finance minister and created the CHST. We have noted that this province is on record of wanting the reintroduction of a budget transfer of funds from the federal government to the province and that it is within the constitutional realm of this province to ensure affordable and accessible post secondary education for students here which will enable our economy to be successful in the future by having a workforce which will meet our needs. We are also gravely concerned that post secondary education funding from the federal viewpoint has included funds for research and development while core funding has not grown and deferred maintenance costs have been rising.

Mr. Martin's broken campaign promise to restore core funding by creating a dedicated transfer payment for post secondary education of \$7 to \$8 billion is shocking in regard to the \$45 billion federal surplus. A Statistics Canada study entitled "Participation in Post Secondary Education in Canada" which has examined participation rates in both university and college between 1993 and 2001 conclude that young students, particularly those from moderate and low income families were less likely to attend university in 2001 than they were in 1993. Between 1993 and 2001, average undergraduate tuition fees increased 77% which is ridiculously high.

U.P.E.I. now even has a food bank on campus to meet the needs of its students. Currently, tuition fees have risen faster in 1982 - 1992, 1992 - 2002 than at any other 10 year time period in Canadian history since 1857. By 2010, a four year undergrad Arts Degree at UPEI will cost \$44,567.94 with only the costs of tuition, books and incidental costs are factored in exclusive of room and board. Youth from high income families are 2.5 times more likely to attend university than youth from low-income families.

We encourage our provincial government to be more outspoken in its support for the efforts of Island Senator Libby Hubley to keep post secondary education affordable for all students regardless of income and do what it can to make post secondary education affordable for all Islanders to help secure the educated workforce needed to drive the Island's future.

## **PUBLIC SCHOOL SYSTEM**

In 2002 - 03, PEI spent \$1,185 per capita per student in the education system which is lower than many other provinces . A recent committee has been formed to look at education issues within P.E.I. The mandate of this committee must be to make sure that the resources are there to deliver a high quality education system on PEI.

## **POLITICAL APPOINTMENTS TO JOINT BOARDS AND COMMISSIONS, ETC.**

In the two previous federation briefs to Cabinet, we have expressed our real concern that this government and previous governments have been appointing workers representatives to various joint boards and commissions without any input or advice from any organized workers groups in this province. We feel that this ultimately undermines the principles on which these joint boards and commissions were founded and leaves any such member so appointed open to charges of political patronage. While there have been some improvements lately, there are still way too many examples of this occurring.

Recent appointments to the Employment Standards Board and Labour Relations Board for worker representatives took place with no input from labour. Many questions came to mind regarding as to whom and how can that person be seen to represent workers when they may not have the training and knowledge necessary to fulfill their role. In the past, previous candidates so appointed did not have any responsibility to make reports, get feedback, seek and advice, and even lack any structure from which they can gain support. They are hanging in the wind.

We are also very concerned about the recent appointment of the WCB workers advocate without any consultation with the Federation. Being that this position is of the utmost importance to labour and that having the worker's best interest in mind is paramount to fulfilling the mandate of this role, it is incomprehensible to us that the largest labour body on PEI was not consulted during the hiring process.

We do understand that this government is setting up guidelines regarding time lines for appointments and reappointments to various positions. We again ask this government to respect the fact that positions to be filled by worker representatives are filled in a timely manner while ensuring that those appointed represent the interests of workers first and foremost. We will work with other worker's groups to ensure that this takes place. This will also strengthen these

organizations and remove any taint of political patronage

## **EQUALIZATION**

The Federation of Labour supports the province in fighting for a fair equalization formula which will ensure our citizens are entitled to the same level of funding for health care and education which other Canadians enjoy. We recognize there is a fiscal imbalance which will need to be addressed. The federal government should rescind the huge tax breaks of \$4.9 billion given to corporations at the expense of other programs needed by Canadians. Having one level of government have huge surpluses while national standards are not upheld is unacceptable.

## **CONTRACTING OUT AND PRIVATIZATION**

The P.E.I. Federation of Labour would like to reinforce calls to have the government examine its spending on professional and contract services which amount to more than \$100,000,000 in the year ended March 31, 2003. In 1994, these amounts were less than \$25,000,000. We would rather see this work done in house by the government's own Public Servants. By doing, there should be substantial savings to the public purse.

We also know that the provincial government spends in excess of \$6.6 million in annual leasing costs in 2003. Some of these are in long term leases; should not the government build and own its own buildings? These figures do not even include the large liquor stores renovated by the province but sublet from Alan Scales.

## **AFFORDABLE AUTO INSURANCE**

The efforts in the fall of 2003 to look at auto insurance and act equitably towards insurers required to have car insurance in order to transport themselves to employment on P.E.I. have only benefited corporate auto insurance companies at the expense of consumers. Rates have only been driven down by restricting the coverage drivers have in this province. Either way, consumers remain losers as pointed out by the Consumers Association of Canada.

The PEI Federation of Labour is quite concerned about recent restrictions to Insurance legislation especially considering the record profits announced by the Insurance industry. These changes were intended to revive a hurting industry. As 2003's record profits of \$2.63 billion dollars and the recently announced profit of \$4.2 billion in 2004 show that this industry is no

longer hurting and the changes need to be reviewed.

This province also needs to act to ensure that these profits are not made on the backs of seniors on a fixed income, those working close to the minimum wage, and all working Islanders for whom affordable auto insurance is a necessity. This province does not yet have a public transit system and the key to being able to be mobile for work purposes, keeping seniors at home, etc is to ensure that this insurance remains affordable.

The fact that local businesses or tourist facilities (youth hostels) as well as community groups and events are finding it difficult to pay exorbitant public liability rates also needs to be addressed. We feel that these rates should also come under IRAC's supervision.

## **MINIMUM WAGE SHOULD BE A LIVING WAGE**

In last year's brief, the federation provided a set of facts and figures outlining our concerns re low wages on PEI. According to the 2002 Analysis of income in Canada done by Stats Canada, PEI families earn an average \$49,400/year of after-tax income which is \$11,000/year lower than the national average of \$60,500. We would like to emphasize that the issues regarding low wages need to be addressed by all government departments by adapting a strategy to look at employment issues through the policies of each government department.

In the Health and Social Services Portfolio , poverty should be recognized as the major social determinant of health. Health Canada's Report entitled "The Tides of Change" links health issues to poverty. A healthy population is created by ensuring everyone has a reasonable standard of living otherwise poverty is a huge factor in low birth rates, addictions, cancers, and chronic diseases. Poverty and exclusion are interlinked.

As well as the official statistics regarding poverty, we also note the following:

-The CBC Turkey Drive has grown from 200 turkeys 17 years ago to over 2200 today.

-From September 2003 to September 2004, 21,2600 meals were served with an average of 44 clients per meal at the Upper Room Food Kitchen.

-The West Prince Caring Cupboard recorded 717 visits in 2002, 804 in 2003, and by mid November, 2004 that figure had grown to 917.

-Food Bank usage on PEI has grown by 8.5% on PEI over the previous year. The Charlottetown Food Bank serves 17,510 people a year.

-The percentage of working poor who access food banks and soup kitchens on PEI is higher than the National average.

The federation is happy that the provincial government has been increasing the minimum wage on a yearly basis but we are very concerned about the amount of time it is taking to get that wage to a level that workers can subsist on.

Increasing the minimum wage is good for economic development in PEI. Jobs are being created in the province. But according to the Atlantic Provinces Economic Council (APEC), between 1997 and 2002, "Atlantic employment has grown 19% in low-wage industries but advanced only 7% in high-wage industries." "In all four [Atlantic] provinces, accommodation and food services - [a sector in which] earnings are less than half of the all-industry average - accounted for a rising share of total employment between 1991 and 2002." Not surprisingly the accommodation and food services sector tops the list of industries in PEI that pay minimum wage. Another indication of this trend is the decrease in average real weekly earnings in PEI over the past decade, whereas in other regions of the country real earnings have been increasing.

Allowing the minimum wage to remain low permits businesses to depend upon low wages instead of increasing their productivity through training workers and investing in equipment and technology. A higher minimum wage contributes to increased worker satisfaction and commitment to their job and employer. Higher minimum wages also contribute to the local economy. When low income earners get a raise they tend to spend it locally on basic necessities.

Some business advocacy groups are against a significant increase in the minimum wage.

They claim that it will force some small businesses to close shop. There is no question that marginal businesses will find it difficult to adjust to minimum wage increase. But is the higher wage the real problem or is it that these businesses are unable to respond to short-term challenges through innovation? What are we saying about the value of workers if we agree that in order for businesses to be successful, workers must be paid a wage that does not provide them with even a modest standard of living? But of course not all businesses that have benefited from a low minimum wage are small. The fast food chains come to mind - McDonalds, Tim Hortons etc. - profitable companies that choose to reward executives, share holders and owners rather than pay workers a living wage. Low-income Islanders are forced to subsidize these companies with their underpaid labour and our communities are increasingly left to subsidize corporate profits through

charities such as food banks. Government supports low-income workers as well when they are earning so little each month that their income must be subsidized through social assistance.

For those small businesses that cannot quickly adjust to an increased minimum wage temporary support should be provided through, for example, short-term tax measures.

So what kind of a increase are we talking about? The minimum wage needs to increase to at least \$ 8.25 an hour just to lift individual workers out of poverty and to \$10.00 an hour to move it to a living wage. Such a move would benefit not only those most in need but contribute to healthy communities and a vibrant productive economy.

The problem with a low minimum wage is compounded by the fact that only 43% of Islanders work full-time and year round causing many to rely on the 55% of their wages that EI supplies.

We urge the government to do what it can to eliminate the working poor on PEI and ensure that all working Islanders can afford to live on the wages they work so hard to earn.

Attached to the brief is a vision and recommendations from the PEI Living Wage Coalition and documentation regarding the distribution of wealth in Canada to illustrate the resources do exist to pay a living wage but they are in the hands of a few.

## **CONCLUSION**

The P.E.I. Federation of Labour values the opportunities this government has given us to express our issues to its members and we are quite pleased that at least some of the issues that we brought forth in last years brief have been positively addressed by this government most notably proportional representation and the certification of the electrical trade under the Trades and Qualification Act.

Having said that there is still a lot of issues that need to be addressed and rest assured the Federation of Labour will continue the fight to make sure that labour's issues are brought before the provincial government and that labour's voice is always taken seriously in any decisions this government makes on issues that will affect Island workers.