

President's Report

TOM GRAHAM

Greetings delegates,

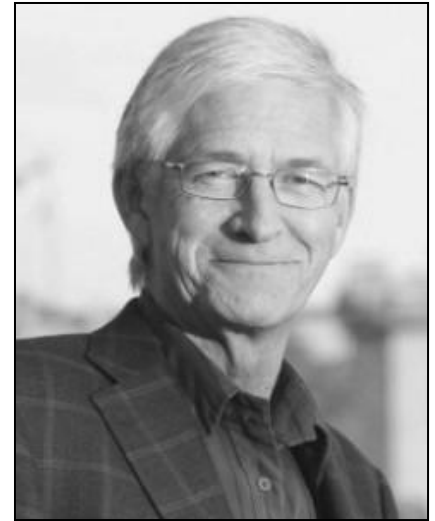
For over 50 years, CUPE locals have united through CUPE Saskatchewan to advance fairness and defend the public services we proudly deliver to our neighbours, families, and friends in communities across our province.

As we gather at our Annual Convention, we reflect on an active year for CUPE Saskatchewan resisting an ever-expanding privatization agenda, contending with a changing and more regressive labour law environment since *The Saskatchewan Employment Act* has come into effect, defending against attacks on our members' pensions most notably with the Regina Civic Pension Plan and now the Municipal Employees' Pension Plan (MEPP), and continuing our efforts to build solidarity among members and engaging the broader public. Moreover, the long battle to restore balance to collective bargaining by challenging the law severely restricting the right and ability of public sector workers to take strike action if necessary came to a historic culmination with the Supreme Court of Canada ruling on January 30, 2015 which declared *The Public Services Essential Services Act* to be unconstitutional and provides one year for its revision.

The year ahead, with the government's response to the Supreme Court ruling in question and fuelled with heated rhetoric from the premier rather than respect for the highest court's ruling, combined with a federal and provincial election on the horizon, will be a particularly crucial year in shaping the political landscape of our immediate future.

Saskatchewan's community union will devote our efforts, focus and resources to challenging the increasing privatization of public services including the public-private partnership (P3) privatization model for infrastructure touted by our provincial government yet already proven to be a reckless use of public dollars and a costly mistake in every other jurisdiction. We will also stand prepared to seriously and meaningfully discuss with the provincial government future legislation that protects public safety and respects workers' rights.

While the challenges we face indeed seem to loom large, they are not insurmountable. Setting aside legal and legislative hurdles, our best path for resisting the agendas of privatization, inequality, and restrictions on workers' rights is two-fold: an engaged membership and an informed general public aware of the true consequences of the right-wing political agenda.



Saskatchewan people can count on CUPE to be a strong unyielding voice for the ownership and control of public services, for the defence of the rights of workers to bargain without interference, and for fairness that raises the quality of life for everyone. Together, CUPE members and the communities we serve can and will stand firm against any challenge.

I wish to take the opportunity to thank Saskatchewan's Regional Director and national staff in the province and in Ottawa for their support and assistance in our many endeavours. I wish to acknowledge the support of the National Executive Board for their approval of our financial requests to provide increased resources for CUPE Saskatchewan's activities, and I wish to thank the members of the CUPE Saskatchewan Executive Board for their commitment and hard work.

For our day to day operations, I wish to extend my particular appreciation and recognition to the staff of CUPE Saskatchewan - Jodi Reavley and Nathan Markwart, Executive Assistant - for their excellent and dedicated work.

Most importantly, I wish to thank all CUPE members for their participation and activism. CUPE's greatest strength is our members.

The following is my complete report.

In solidarity,

A handwritten signature in black ink that reads "Tom Graham". The signature is written in a cursive, flowing style.

TOM GRAHAM
President, CUPE Saskatchewan

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PRESIDENT'S REPORT TO THE 50TH ANNUAL CONVENTION

(For the period: March 2014 - March 2015)

Over the past twelve months, resisting privatization and labour legislation remained the top priorities for CUPE Saskatchewan.

PRIVATIZATION

Our members in the health care sector are feeling the most direct impact of the provincial government's agenda to hand over public services for private delivery. Health care laundry services are the most compelling example of this trend.

Over 300 of our members will see their employment end when K-Bro Linen, an Alberta-based corporation, takes over hospital laundry. Four communities (Prince Albert, Moose Jaw, Yorkton and Weyburn) will see their hospital laundry outright privatized.

In addition to laundry services, we are concerned about other portions of our work in health care being handed over to the private sector. While it would be speculation at this time as to what services may be affected, we need to be prepared for more threats to our members' job security and the public services they provide.

Privatization is a huge threat, and is not merely confined to health care, but to almost every sector. Furthermore, the dismantling of public ownership and control through privatization is not confined to affecting CUPE members, but all public sector workers. The provincial government is now talking about the whole or partial privatization of liquor sales and liquor board stores, and expanded its far-reaching privatization agenda to include pushing the privatization of infrastructure through public-private partnerships (P3s).

P3s have, regrettably, come of age in Saskatchewan. Until the first P3 in Canada with the Confederation Bridge in 1994, which was proven to be \$45 million more than a traditional build, P3s were largely something that was happening elsewhere. Since then, P3s were mainly used in Quebec, Ontario, British Columbia and Alberta. We should be able to look at these examples of P3s and see them for what they really are: an overpriced privatization scheme.

In British Columbia, the Auditor General pointed out that interest rates paid by P3 consortiums was nearly twice that of public sector costs - driving up the overall cost of the project. In Ontario, the Auditor General stated that Ontario residents would have paid \$8 billion less over ten years if traditional procurement had been used for projects in that province. One would think that evidence like this would cause our provincial and municipal politicians to take a second look at expensive P3 fiascos and stay away from them. Unfortunately, quite the opposite is happening.

Saskatchewan's government is fully embracing P3s in spite of the overwhelming evidence demonstrating that P3s are a costly mistake. Beginning with the now infamous Regina Waste Water Treatment Plant, the list of P3 projects continues to grow. Saskatoon's municipal operations centre, schools, long term care facilities, bridges and roadways are now all included in a growing list of new infrastructure that will be privatized through P3s. We expect that virtually any significant infrastructure project that comes up will be designed, financed, built, maintained and operated as a P3.

Some of the blame for this reckless use of our tax dollars can be placed on the federal government and its insistence on using P3s to access federal funding, which in fact is a very real problem. Acknowledging that there is pressure from Ottawa to use P3s does not explain, however, why schools and long term care facilities are using the P3 privatization model since neither of these services uses federal funds.

It should be clear from the evidence of costly P3 mistakes across Canada that they are a great way for investors to make money and the worst way to provide public infrastructure and services.

LABOUR LEGISLATION

With *The Saskatchewan Employment Act* coming into force last April, the labour relations landscape has changed. While there are some significant differences in the law today as a result, none will have as much impact as the recent Supreme Court of Canada ruling on Saskatchewan's *Public Service Essential Services Act* (PSESA).

On January 30, 2015, the Supreme Court of Canada released its ruling on the PSESA. In the 5-2 decision, the court found the PSESA to be unconstitutional and has given the provincial government one year to comply with the ruling. As well as finding the law to violate the rights of working people, the court found the right to collective bargaining includes the right to strike.

What this ruling means in regard to essential services is that while a legislature has a right and an obligation to ensure public safety, it must do so in a way that has a minimal impairment on the rights of the workers providing the service. Where these rights are impaired more than minimally, an alternative dispute resolution mechanism must be made available. We still need to see how the provincial government will react to the ruling; however, it is likely we will see some third party process, such as interest arbitration, in cases where job action is ineffective due to a high number of workers determined to be essential.

As you may have heard, the premier has openly mused that the provincial government sees an alternative to rewriting its essential services legislation to comply with workers' constitutional rights by using the "notwithstanding clause". In Canada, we have The Charter of Rights and Freedoms as part of our constitution. Brought into force in 1982, it protects our basic rights of association, expression and other basic fundamental rights. In order to convince a number of provinces to sign on to The Charter, at that time, Section 33 was included, commonly referred to as the "notwithstanding clause". Section 33 allows the federal parliament and provincial/territorial legislatures to create or maintain laws that violate The Charter for a period of up to five years. Rarely used, the notwithstanding clause has been invoked only a handful of times by provinces and used once in Saskatchewan by Grant Devine to force back to work legislation implemented in 1986.

Despite the premier's public statements regarding invoking this constitutional loophole, we believe we have an opportunity to discuss ways to protect our rights while ensuring public safety.

As well as the expected new essential services legislation, we have the rest of *The Saskatchewan Employment Act* (SEA) to contend with. Brought into law on April 29, 2014, The SEA replaces most of the labour legislation that was in place prior to that date. *The Trade Union Act* and *The Labour Standards Act* no longer exist as law, and have been replaced by *Part VI Labour Relations* and *Part II Employment Standards* respectively. In addition to this complete rewrite, new sections and their interpretations are further complicated by, essentially, a complete lack of regulations.

Though there are many changes to absorb in the legislation, three of them are worth noting:

1. EXCLUSIONS FROM UNION MEMBERSHIP

Section 6-1 (h)

New "confidential" exemptions of who is defined as an "employee" will effectively ban workers from their right to belong to a union, and they will lose the protections and rights their union provides. The Act will exclude from union membership workers "whose primary duties include activities that are of a confidential nature" related to labour relations, business strategic planning, policy advice, and/or budget implementation and planning.

There have been exclusion for some workers such as those working in a Human Resources capacity in the past; however, The SEA expands those exclusions. We have yet to test what this new definition means, so it will require close monitoring.

2. FRAGMENTING BARGAINING UNITS

Section 6-11

Under 6-11(3), you will find language that excludes supervisors from belonging to the same bargaining unit as those they supervise unless agreement with the employer is reached to include them.

This supervisor language is vague. It indicates that this bargaining unit exclusion will only occur with a new certification; however, others disagree. There is also an argument to make that the legislation violates the Supreme Court ruling in the British Columbia Health Services case where the court ruled that a government did not have the right to bring in legislation that negates language that has been agreed to in a collective agreement. Perhaps the best solution for the present is to attempt to have your employer agree to leave supervisors in the bargaining unit.

3. FINANCIAL STATEMENTS

Section 6-61

Under 6-61(1), Financial Statements, the law now requires all local unions to provide annual statements to the membership. Although our constitution has always required this, the fact it is now a law is insulting. We encourage all locals to comply.

Other changes in The SEA include the ability for the employer to force a final offer vote any time after bargaining has commenced, although they can only do this once. Additionally, we are required, under The SEA, to observe a fourteen-day “cooling off” period and mediation prior to taking any job action.

Time will tell what this new legislation will bring. It is wise to become educated on this topic, and to work with your national representative in determining what the changes mean to your local and what actions to take.

ACTION

CUPE Saskatchewan continued its public campaign opposing privatization as well as its public image initiatives to show our union as a valuable part of the community.

For several years now, CUPE Saskatchewan has been promoting our member engagement policy, “Connecting CUPE”, to assist locals by bringing the larger issues directly to them. Several locals have taken us up on the offer to have us speak to members either directly in the workplace, or through executive and membership meetings. We feel where these opportunities have arisen we were able to share valuable information and collect useful feedback. Some locals, particularly in health care, have expanded on this concept by creating committees within the local to help tackle issues specific to them.

As well as meeting with locals, CUPE Saskatchewan has been assisting locals with specific initiatives. Over the course of last summer, we assisted a number of locals by providing material and equipment to hold BBQs either for their members or in the community. While this seems like a small thing, it certainly encouraged good will and promoted our community union image in the broader public.

In addition to the BBQ circuit that included 18 such events, we assisted locals in their fight against privatization. In North Battleford, we were able to help Local 5111 in holding a successful town hall regarding the Saskatchewan Hospital P3 project. For the event, we secured Maude Barlow, National Chairperson for the Council of Canadians, and Paul Moist, CUPE's National President. In Prince Albert, we assisted Local 4777 with their fantastic music festival, as well as a number of community BBQs, all in opposition to privatization. Also in Prince Albert, we were involved with Local 3736 in their fight against the privatization and closure of the North Sask Laundry. We commissioned a study, “Short-term Gain, Long-term Pain”, and were able to bring in one of the authors, economist Hugh Grant, as the key note speaker at a town hall there.

We will carry on with these initiatives of reaching out to our members and the public about the threat of privatization and the value of the public sector and public sectors employees.

CUPE Saskatchewan is working with the SFL and its affiliates on the development of a petition with a goal of obtaining thousands of signatures throughout the provincial pre-election and election period. The prospective petition is intended to show the governing Saskatchewan Party they do not have a mandate to privatize our public services. In hand with this petition development, CUPE Saskatchewan will be holding a conference on April 20 – 21, 2015 in Saskatoon focusing on privatization and activism. Other unions will be invited to attend.

Over the approaching summer, CUPE Saskatchewan aims to hold 20 BBQs in a number of smaller communities where our members work and live. We hope to speak directly to people about the issues of privatization, and what they want to see in their public services in the future.

Submitted in solidarity,

TOM GRAHAM
President, CUPE Saskatchewan

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