

President's Report

TOM GRAHAM

Over the last twelve months, CUPE members have faced a number of challenges resulting from the provincial government's austerity budget, privatization agenda and attack on public services. In spite of these challenges, our members and our union has remained strong.

Provincial Budget 2017/18

In March of 2017 the provincial government brought down its 2017/18 budget, filled with public service cuts, wage roll-backs, downloading of provincial obligations and massive tax increases.

Last March's budget predicted a deficit of \$685 million along with significant cuts to many public services and municipal support.

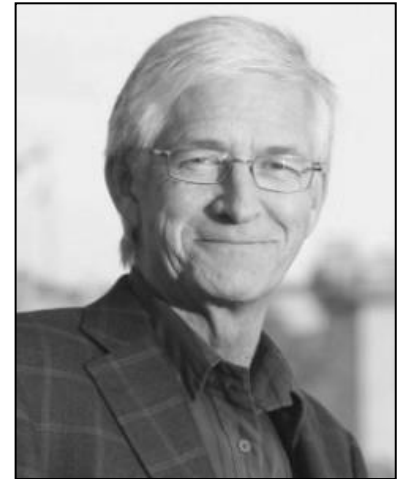
From cuts in education and in municipal funding to the elimination of the provincial public transit system, the provincial government did nothing to live up to its' rhetoric of keeping Saskatchewan strong.

In addition to failing in the delivery of public services, a fundamental purpose of modern governance, the provincial government has implemented the largest, most regressive tax increase we have seen in recent times.

A one percent sales tax increase and an expansion to everything from children's clothing to insurance premiums could possibly bring in hundreds of millions of dollars in provincial revenue, money that few will argue is not needed. This increase is, however, the worst way for a government to raise income. Sales tax is inherently unfair it limits the ability of low income earners to purchase needed items and it lets high income earners off the hook from paying their fair share.

While there was a small (1% over two years) income tax cut, once again it will only benefit those with the highest incomes. Our provincial government has demonstrated its' inability to manage the province's finances and provide the services it was elected to provide and continues to do so.

As well as facing tax increases, layoffs and reduced hours many of our members also have to fight against the government's mandated 3.5% wage roll back followed by three years of wage freezes which would result in an almost 10% reduction in real wages.



*Tom Graham, President,
CUPE Saskatchewan*

To date, every local has said no to this attack on workers and indicate they will continue to do so.

Health Care

On December 4, 2017, Saskatchewan moved from twelve Health Care Regions to one Provincial Health Authority. It was stated by the government that this was not about cost savings, but was aimed at improving patient care. In fairness, it is too soon to judge whether there will be improvements to wait times or better access to family doctors as a result of this change, though it seems unlikely given the experience elsewhere.

Two examples of provinces with a single health authority were Prince Edward Island and Alberta. It is unrealistic to use Prince Edward Island as a comparator as the provincial population is less than that of the city of Regina and the land mass is less than that of the former Regina Qu'Appelle Health Region. Alberta did move to one health region, but has since divided it into five "Zones" when it was discovered that one was unworkable.

A more realistic reason for moving to a single health authority is to enable centralization of services. What this will mean is concentrating services in major centres and creating turmoil for those who provide those services.

Considering how rushed and ill thought through this health care restructure was, I want to commend our

health care workers and their locals for taking this new challenge head on and merging into one local to ensure members continue to receive the best possible representation from their union.

K-12 Education

For the second year in a row, K-12 funding has been reduced. In the 2017/18 budget, provincial funding to school divisions was reduced by 54 million dollars. This equates to around \$500 less per student and has resulted in numerous layoffs and reductions in hours to support staff in some divisions.

At the same time funding for K-12 schools is being reduced, the provincial government has increased the education portion of property taxes collected by a total of \$67 million. We would assume this money would be used to educate children, which is its purpose however it will instead be used to bolster general revenues.

On top of the funding cuts, the province has amended the Education Act.

After it was made clear by Dan Perrins, in his recent report, that there was little appetite from the public to alter the present school division system, the province went ahead and amended the Education Act to basically remove powers from locally elected school boards and place them in the hands of the Ministry of Education. This has resulted in a loss of autonomy and an undermining of the democratic decisions made by taxpayers.

Municipal

With no warning, municipalities found themselves struggling after the Finance Minister announced in last March's budget that they were cutting grants in lieu of taxes to towns and cities. Due to the fact that cannot tax a higher level of government, in this case Crown Corporations and provincial government offices, municipalities have no mechanism to collect property tax from these entities. In the past, it was decided to address this by providing grants that were roughly equivalent to the amount of property tax that would have been collected. This system worked relatively well for many decades.

Both Saskatoon and Regina lost over 10 million dollars each and smaller centres relative amounts,

leaving all to scramble and either cut services or raise taxes or both.

On top of the cuts in grants, the province has also announced they will freeze revenue sharing from PST income to that of last year's level further tying the hands of local government.

Post-Secondary

Our universities and other post-secondary institutions also faced significant cuts in funding. Over 30 million dollars, the equivalent of 5% of provincial funding, has been cut from post-secondary institutions. This will mean increased tuition, job loss and a general degradation of our higher learning institutes.

Once again, we see the failings of the provincial government being downloaded to others with no accountability from the Saskatchewan Party.

In addition to facing layoffs and threats of wage roll backs, our members at the U of S are also facing an attack on their pension plan.

In a rare move, the University of Saskatchewan filed a grievance regarding the Non Academic Defined Benefit Pension Plan. The grievance argued that the employer had the right to make unilateral changes to the plan. Unfortunately, the arbitrator found in favour of the employer, and we suspect that future members of the plan will not enjoy the protection of a defined benefit pension.

Community Based Organizations (CBO)

For several years now, members in the CBO sector have not seen a raise in pay. This is a direct result of the province refusing to properly fund these group homes and day care centres. This last budget was no exception and once again CBOs will struggle to make ends meet.

During the 1990s a coalition comprised of ourselves, SGEU and SEIU West (Tri-Union coalition) made significant improvements to the wages and working conditions of CBO workers. Presently we have struggled to continue CUPE's involvement, and we strongly encourage members in the CBO sector to assist us in carrying on this important work.

We have joined with SEIU West and SGEU to promote a website dedicated to CBO matters, www.saskpeoplewhocare.org, but we need to do more. We want to encourage CBO Locals to join with us to pressure the government to properly fund this important sector of our society.

Local 600 / Valley View Centre

As plans or the lack of a plan continues to threaten the future of Valley View Centre in Moose Jaw, the province is adding more stress to the long-suffering members who continue to provide excellent care and service to the residents in their care.

In spite of an uncertain future, our members do their jobs with compassion and professionalism. As their reward, the province has added more stress to the situation by applying to the Labour Relations Board for a certification change from CUPE to SGEU. To be clear, this is a move by the Government of Saskatchewan and not by our friends in SGEU.

We can only surmise the motive for this action is an attempt to undermine a worker's right to belong to the union of their choosing. Perhaps the most likely reason for the government's action is to avoid severance pay when Valley View does finally close its doors.

If this speculation is true, it speaks to more than simple financial mismanagement. It shows a mean spirited attitude toward those who care for society's most vulnerable, a far cry from former Premier Brad Wall's statement that "Saskatchewan will be the best place for people with disabilities to live".

Privatization and Public Private Partnerships (P3s)

One area that did see significant funding was infrastructure spending. While this should be a positive signal, it unfortunately has a down side. Most of the new infrastructure projects are privatized, the most expensive way to rebuild and improve our roads, schools, hospitals and other structures that allow a modern society to function.

Public-private partnerships (P3s) are a proven failure across the world. They do not transfer risk away from the public sector, but they do take away control from the public and they cost more.

When the provincial government first entered into the promotion of P3s, they assured us that they had learned from the mistakes of others and that things will be different here. This is an interesting position of the government who, on one hand, state this is the most efficient and cost-effective way to proceed while, at the same time, admitting that P3s have failed in the past.

Presently, there are three major P3 projects in the province.

Nine new joint-use schools have opened their doors to students for the school year, however it is still unclear how much they will cost us in the end and who has actual control. We were told at the beginning that we would own these schools, however we now find out that any modifications, which include things as simple as hanging items on the wall, need the approval of the corporate consortium that built and apparently control the schools. If we owned these buildings one would think approval would come from the school division. There are already disputes around snow removal, which was not clearly described in the P3 contract leaving the school divisions on the hook. Prior to these schools' completion, it was determined they were all too small requiring the purchase of several portable classrooms at a cost of millions of dollars. This expenditure was above and beyond the contract and therefore an added expense to the province.

On the TransCanada highway outside Regina the Regina Bypass project continues. Presently estimated at four times the original cost and already showing design problems, it has us trapped into a two-billion-dollar debt and a thirty-year maintenance contract with a foreign corporation.

In North Battleford, the New Saskatchewan Hospital mental health facility continues. Once again, after determining to proceed as a P3, the original cost increased nearly four times from the original estimate and also carries over six million dollars in annual maintenance costs for the duration of the 35-year contract. It is unclear what will occur with this project since the parent company of the lead private partner, Carillion, has declared bankruptcy in the UK and Carillion Canada is also facing financial problems. We do know that the UK government is now on the hook maintaining the services that Carillion was providing there.

Canadian Labour Congress Matters (CLC)

The Canadian Labour congress (CLC) is the central labour body in Canada. Its purpose is multi-faceted; however, a main purpose is to act as a common voice for organized labour in the country. A second purpose is maintaining solidarity and co-operation between affiliated unions. By joining the CLC, a union agrees not to raid other affiliated unions. Raiding is the term used when one union attempts to acquire the members from another union by enticing in any number of ways to leave their present union and join the raiding union.

On January 17, 2018, UNIFOR announced it was disaffiliating from the CLC and began to immediately raid the members of UNITE/HERE who were employed in a number of Toronto hotels. This decision was taken by UNIFOR's National Executive Board and, we understand, without any discussion with its 300,000 members.

By disaffiliating from the CLC, UNIFOR members are now barred from belonging to federations of labour and district labour councils. While this creates significant revenue issues for these organizations, it also prevents many strong activists from fully participating in the important work of the labour movement. It has also created constitutional issues.

The President of the CLC is Hassan Youseff. Brother Youseff has done many good things for Canadian Workers, however he is also a UNIFOR member. The CLC constitution is clear only members of affiliated unions can hold seats on the CLC executive. While Brother Youseff has managed to gain membership in a different union, PSAC, this occurred nearly three weeks after Unifor's disaffiliation. Similar manoeuvres were made by three federation of labour presidents in Alberta, Ontario and Newfoundland and Labrador. Other members of UNIFOR who held a variety of positions in central labour bodies were simply removed or resigned.

CUPE stands strongly opposed to raiding. We believe that a union who wants new members should organize them from the 70% of Canadian workers who presently don't have a union. If a group of members are dissatisfied with their present union, there are provisions for this to happen but it must be without interference from other unions.

Member and Public Outreach

In the face of austerity, we have continued to educate our members and the public on a better way to do things. Through rallies, town halls and working with other unions and groups of citizens, CUPE members ensured that the government heard loud and clear that their plan to diminish public services was going to be resisted.

Lead by CUPE members, thousands protested cuts to libraries and were successful in getting the government to reinstate funding. Our rally last March kicked off a series of similar events over the course of the year. We were able to assist the residents of Ituna, SK and members of Locals 4552 and 4980 in a petition drive to stop the plan of reducing laboratory services from week long to two days. While it wasn't a complete success, it did lead to more coverage and without the effort the community would have lost a valuable service.

We have also been involved in collecting signatures demanding a plebiscite on the future of our crown corporations. We held a number of community events across the province and continue to visit locals and connect with our membership when invited.

Once again, we sponsored lunch for students and staff at the annual Student Leadership Learning Conference, held last year in Tisdale and we have been invited to this year's event in Langenburg, a great way for young people to see unions in a positive light.

Our efforts are paying off. A public opinion poll we conducted in December showed that two thirds of those polled were familiar with CUPE, and well over half of that number had a favourable view of our union.

Moving Forward

Our polling shows that the government is starting to slip, and that people are getting fed up with the secrecy and bad management this government has demonstrated.

"We will be continuing with our community and member outreach. We will increase our fight against

the privatization and deterioration of our public services. We will fight back against wage roll-backs and layoffs and we will continue to build the strength of our union. To do these things, we need every member to work toward these goals.

We are strong as individuals, but we are invincible together.”

I would like to thank our national staff in the province for the work they do and the assistance they provide us. I want to particularly thank our new Regional Director, Debra Grimaldi, who in a very short period of time, has grasped the situation here and has demonstrated thoughtful and wise leadership.

Our Executive has been a great asset to the membership with their solidarity and considered decision making.

I want to thank our CUPE Saskatchewan staff, Jodi Reavley and Nathan Markwart, for their commitment and hard work keeping things on track.

Most of all I want to thank you, the members of CUPE, for the work you do delivering public services and for your support and commitment to your union. Without you, there is no union.

Submitted in solidarity,

A handwritten signature in cursive script, appearing to read "Tom Graham".

TOM GRAHAM
President, CUPE Saskatchewan

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