

November 30, 2018

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The Honourable Harry Bains
Minister of Labour
PO Box 9064, Stn Prov Govt
Victoria, BC, V8W 9E2

Dear Minister Bains,

I am the CEO of the Canadian Credit Union Association, the national trade association for 252 credit unions and caisses populaires outside Quebec. Credit unions are financial cooperatives – regulated, full-service financial institutions that are 100 per cent Canadian-owned competitors to the big banks. Credit unions contribute \$6.5 billion to Canada's economy by providing deposit, loan and wealth management services to 5.7 million members, all of whom have an equal say in how their credit union operates through a democratically elected Board of Directors.

Canada's credit unions lead the industry in financial literacy, customer service and innovation. In 2017, credit unions contributed 5.4 per cent of pre-tax income to community causes, compared to an average of 1 per cent for the five big banks. Our employees take cooperative principles to heart – with almost 80 per cent choosing to volunteer during their unpaid time off, and 70 per cent participating in community activities as part of their paid work.

Our sector has been on the cutting edge of many innovations in the financial sector. We were the first to lend to women in their own name, the first to offer daily interest savings accounts, and the first debit card service. Today, credit unions are focused on providing alternatives to payday lending, earning B-Corp certification, and impact investing. Led by our member focus, we tend to be conservative in our lending, capital and liquidity.

British Columbia's 42 credit unions exemplify these practices. We have 379 locations throughout the province with nearly two million members and more than 8,600 employees. It is in your province where credit unions have the largest market penetration of anywhere else in Canada. In British Columbia, credit unions manage more than \$82 billion in assets. Like credit unions all over Canada, in B.C. our model is sustained by the strong relationships we have with our member-owners.

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I am writing to respond to your current consultation on the *Recommendations for Amendments to the Labour Relations Code*. Unionized and partially unionized credit unions in B.C. represent more than 58 per cent of the provincial sector. They further represent nearly 57 per cent of all credit union members in British Columbia, and 63.8 per cent of its employees (at Q2, 2018). Though CCUA is a national association representing 252 credit unions across Canada, we make this submission on behalf of a sub-group of members* in British Columbia and not for the province's credit unions as a collective. That group is listed at the end of this letter.

We appreciate the transparency of the B.C. government in this exercise, and that your goal is to change the B.C. Labour Relations Code. We agree with the public assessment of the report to date – that the recommendations taken as a whole would be viewed more favourably by the union community than by employers. It is not our intent to comment on the overall direction, but rather to focus on several specific recommendations in the report, whose impact will need to be fully understood. In a rapidly-changing workforce environment across all sectors, we support the recommendation to include a five-yearly review for this code, to ensure it remains up-to-date and relevant for evolving labour market conditions. On some of the recommendations, we would suggest certain modifications. They are:

1. Restriction on employer speech during certification drive.

The panel recommended that an employer's free speech during a certification drive be limited to expressing a "fact or opinion reasonably held with respect to the employer's business".

We have concerns that this proposed revision could impinge on the free speech of employers.

2. Expanded remedial certification process.

The panel recommended increasing the Labour Relations Board's ability to order a union be remedially certified (that is, certified without a vote of the membership) in the event that there is an unfair labour practice by the employer in an organizing drive.

The Board currently has the discretion to order remedial certification, but it is usually only done in extreme circumstances. The current language of the Code says that the Board can order remedial certification if the union can demonstrate that it would have had enough support to win a vote if the employer had not interfered.

The proposed language would introduce more subjectivity and ambiguity in the decision making regarding the remedial certification process. We believe this language would open the door and potential for many more remedial certifications and should be carefully considered for its impacts.

3. Shortened time for certification vote.

The panel has recommended shortening the amount of time for a certification vote following a union's application to the board from 10 days to 5 business days.

We believe this may disadvantage employers who, unlike the union, are often caught off guard by a certification application. We recommend consideration of a provision that is fair to both unions and employers. A period of 5 business days would not provide employers who have a workforce with various shifts or with a dispersed workforce with enough opportunity to vote (potential for unfair representation). One of the tenets of modern labour law that originates from the Wagner Principles, include the right for employees to freely choose to be unionized or not. Ensuring that there is sufficient time for employees to become fully informed and have a cast their vote is paramount.

4. Union card validity.

The panel has proposed that membership cards be valid for six months instead of the current 90 days.

We recommend a more reasonable timeframe. Given the realities of a modern workplace, much can change in a six month period. Introducing an extension to membership creates uncertainty over an extended period of time for both employers and employees. Saskatchewan for example has a 90-day period and it works well in that province.

5. Expansion of statutory freeze.

Currently, the Code restricts employers from changing the terms and conditions of employment following union certification for four months or until a collective agreement is reached, whichever occurs first.

Essentially, this requires employers to keep business as usual.

The panel has recommended that this freeze be extended to 12 months to protect employees/unions, in the event that it takes longer than four months to negotiate a first collective agreement.

This change could negatively impact the business, and we recommend a timeframe of six months, which we believe is more reasonable.

6. Maintaining secret vote.

Pursuant to Recommendation No. 5, the panel has proposed to maintain the current secret ballot vote process for certification. We concur with this recommendation. We believe the secret ballot vote works well to ensure that employees have free choice and a confidential means to express their desire whether to become unionized or not. An employee's right to freely choose without interference or pressures from peers, a union or an employer is a cornerstone of modern labour laws and arises out of the Wagner Principle. It is our view that this principle is best upheld by employing the current secret ballot vote.

I want to thank you for your efforts to update the B.C. Labour Relations Code, and for the transparent and inclusive approach you have engaged throughout this process. The members in whose name I make this submission and we as a national association greatly appreciate the opportunity to engage with your government in an open and transparent manner as it conducts this important review. I hope you will find our input and comments helpful as you move forward.

Sincerely,

Canadian Credit Union Association



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*This letter is sent by CCUA on behalf of the following Credit Unions:

Coastal Community Credit Union
First West Credit Union
Grand Forks District Savings Credit Union
Gulf and Fraser Fishermen's Credit Union
Heritage Credit Union
Interior Savings
Ladysmith & District Credit Union
Lake View Credit Union
VantageOne Credit Union
Westminster Savings Credit Union