

UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1400, Applicant v. JANELLE KOWALCHUK, Respondent and BW MOOSE JAW HOTEL INC. (O/A BEST WESTERN PLUS), Interested Party

LRB File No. 131-14; August 5, 2014

Vice-Chairperson, Steven D. Schiefner; Members: John McCormick and Allan Parenteau

For the Applicant:

For the Respondent:

For the Interested Party:

Drew S. Plaxton

Appearing in Person

Paul J. Harasen

PRACTICE AND PROCEDURE - Timeliness - Employee in recently certified bargaining unit begins gathering support for rescission application under provision of Trade Union Act - Trade Union Act contains restrictions limiting the filing of rescission application to prescribed open period - Prior to the occurrence of open period. Trade Union Act is repealed and replaced with Saskatchewan Employment Act - New legislation does not restrict the filing of rescission applications to prescribed open period but includes two (2) year waiting period – Employee files rescission application during open period prescribed in old legislation but before expiration of two (2) year waiting period in new legislation - Trade union brings application for summary dismissal of employee's rescission application on basis of timeliness - Employee argues she had an accruing right to file rescission application under provision of old legislation and that right ought to be protected by provisions of Interpretation Act - Board concludes, because employee had not filed application with Board prior to introduction of new legislation, employee's rights had not yet crystallized sufficient to be protected pursuant to provisions of Interpretations Act – Board concludes that employee's rescission application must comply with new legislation, including new waiting period - Union's application for summary dismissal is granted.

<u>Trade Union Act</u>, s. 5(k). <u>Saskatchewan Employment Act</u>, s. 6-17, 6-111(1)(o) & (p). <u>Interpretation Act</u>, 1995, s.34(1)(c).

REASONS FOR DECISION

Background:

- [1] Steven D. Schiefner, Vice-Chairperson: These proceedings involve the temporal application of new legislation to proceedings before the Saskatchewan Labour Relations Board (the "Board"). As has been noted by this Board (and others), determinations of this nature are often difficult.
- The genesis of the issue is this case was an application by Ms. Janelle Kowalchuk to decertify her workplace. Ms. Kowalchuk works at the Best Western Plus hotel located in Moose Jaw, Saskatchewan and her employer is BW Moose Jaw Hotel Inc (the "Employer"). In her application, Ms. Kowalchuk seeks to have the employees of the hotel, who were recently unionized, revisit the representational question. She relies on authority set forth in *The Trade Union Act*, R.S.S. 1978, c.T-17, and has filed a rescission application with this Board; an application bearing LRB File No. 126-14. The United Food and Commercial Workers, Local 1400 (the "Union"), however, asserts that, because Ms. Kowalchuk's application was filed after the coming into force of the new *Saskatchewan Employment Act*, S.S. 2013, c.S-15.1, her application is subject to that new legislation and, because it was filed prior to the expiration of the two (2) year waiting period set forth therein, it is untimely.
- In furtherance of its belief that her application is untimely, the Union filed an application asking this Board to summary dismiss Ms. Kowalchuk's rescission application. The question to be resolved in these proceedings was whether or not Ms. Kowalchuk's right to revisit the representational question at her workplace had sufficiently solidified or crystallized prior to the change in legislation that it ought to be protected either at common law or by the provisions of *The Interpretation Act, 1995*, S.S. 1995, c.I-11.2. The Union's application for summary dismissal of Ms. Kowalchuk's rescission application was heard and granted by the Board on July 24, 2014. These are our Reasons for that decision.

Facts:

- [4] The facts relevant to these proceedings were not in dispute.
- [5] The Union was certified by the Board to represent a unit of employees of the Employer on August 12, 2013. See: LRB File No. 053-13. There is no collective agreement in force between the Union and the Employer.

- Ms. Kowalchuk is an employee of the Employer and a member of the bargaining unit which the Union represents. In promotion of a desire to have the employees of her workplace revisit the representational question, Ms. Kowalchuk began gathering support for a rescission application. At the time Ms. Kowalchuk began gathering support for her application, *The Trade Union* Act was the governing legislation and s. 5(1)(k) of that *Act* prevented her from filing a rescission application until the occurrence of what is commonly referred to as the "open period"; being the period of not less than 30 days or more than 60 days before the anniversary date of the Union's certification Order. In Ms. Kowalchuk's case, the first occurrence of the open period would have been on or after June 14, 2014.
- [7] On April 29, 2014, prior to the occurrence of the open period, and prior to Ms. Kowalchuk filing her rescission application, *The Trade Union Act* was repealed and replaced by *The Saskatchewan Employment Act*. Ms. Kowalchuk filed her rescission application on June 17, 2014 during what would have been the open period under *The Trade Union Act*, had that legislation not been repealed.
- Subsection 6-17(4) of *The Saskatchewan Employment Act* contains a prohibition on filing a rescission application during a period of two (2) years following the issuance of a first certification Order. All parties agreed that Ms. Kowalchuk's rescission application was filed prior to the expiration of the two (2) year waiting period set forth in s. 6-17 of *The Saskatchewan Employment Act*.

Argument for Summary Dismissal by the Union:

The Union argues that the distinguishing feature of Ms. Kowalchuk's application is that it was filed after the repeal of *The Trade Union Act*. While the Union acknowledges that both the common law and s. 34(1)(c) of *The Interpretation Act*, 1995 protect substantive rights that were acquired prior to the repeal of *The Trade Union Act* from being affected by the repeal of that legislation, the Union takes the position that Ms. Kowalchuk's actions in gathering support for a rescission application and her desire to revisit the representational question at her workplace did not transition into or become an "acquired or accrued right" because she did not file her application with the Board until after the change in legislation. The Union argues that it is the act of filling an otherwise valid application with the Board that transforms a desire or an aspiration into a substantive right protected by the common law and s. 34(1)(c) of *The Interpretation Act*, 1995.

- In support of its position that Ms. Kowalchuk's application must comply with the provisions of *The Saskatchewan Employment Act*, the Union relies upon the decisions of the Saskatchewan Court of Appeal in *Scott v. College of Physicians and Surgeons of Saskatchewan*, 95 D.L.R. (4th) 706, [1993] 1 W.W.R. 533, 100 Sask. R. 291, 1992 CanLII 2751 (SK CA); *University of Saskatchewan v. Women 2000*, 268 D.L.R. (4th) 558, 279 Sask. R. 74, 2005 SKCA 42 (CanLII); and *Wal-Mart Canada Corp v. United Food and Commercial Workers, Local 1400*, (2010) 185 C.L.R.B.R. (2d) 79, 326 D.L.R. (4th) 367, 362 Sask. R. 90, 2010 SKCA 123 (CanLII). The Union also relied upon the decision of the Supreme Court of Canada in *R v. Dineley*, 2012 SCC 58, [2012] 3 SCR 187, 353 D.L.R. (4th) 236.
- Relying on this Board's decision in *Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v. CAA Saskatchewan Emergency Road Service*, [2000] Sask. L.R.B.R. 476, LRB File No. 153-00, the Union argues that time limits for rescission application have historically been strictly enforced by this Board and are not the kind of defect that can be cured or otherwise overlooked by the Board. Simply put, the Union takes the position that this Board has no jurisdiction to hear Ms. Kowalchuk's application if it was filed in contravention of the prohibition contained in s. 6-17(4) of *The Saskatchewan Employment Act*. For these reasons, the Union seeks to have Ms. Kowalchuk's rescission application summarily dismissed.

Ms. Kowalchuk's Arguments:

- Ms. Kowalchuk argues that she had no way of knowing that *The Trade Union Act* was going to be repealed when she began gather support for her rescission application. Furthermore, Ms. Kowalchuk notes that she was prevented from filing her rescission application before the change in legislation because *The Trade Union Act* prevented her from filing outside of the "open period" prescribed in that *Act*. Ms. Kowalchuk takes the position that it was not her fault that the legislation changed before she had the opportunity to file her application. Simply put, Ms. Kowalchuk argues that she did everything she could before the legislation changed and that she filed her application in what would have been the "open period" under the legislation that applied when she began preparing her application.
- [13] Ms. Kowalchuk asks that we dismiss the Union's application for summary dismissal and allow her application to continue so that the employees of the Employer can revisit the representational question.

The Employer's Arguments:

[14] Relying on essentially the same cases as were relied upon by the Union, the Employer takes the position that Ms. Kowalchuk's application should not be dismissed.

[15] The Employer argues that it was unnecessary for Ms. Kowalchuk to file her application with the Board for her right to file a rescission application to become protected from legislative change by s. 34(1)(c) of *The Interpretation Act, 1995*. The Employer argues that, as soon as Ms. Kowalchuk began gathering signatures in support of her rescission application, she was pursuing and acting on a right granted pursuant to The Trade Union Act, namely, the right to ask the employees of her workplace to revisit the representation question. The Employer argues that this was a substantive right granted under The Trade Union Act and that Ms. Kowalchuk's actions were sufficient for this right to fall within the definition of an "accruing" right, which is also protected by s.34(1)(c) of The Interpretation Act, 1995. The Employer takes the position that The Interpretation Act, 1995 not only protects "acquired" or "accrued" rights but it also protects "accruing" rights. The Employer argues that Ms. Kowalchuk's right to revisit the representational question was an accruing right at the time the legislation changed because she had already begun gathering signatures in support of her application. The Employer takes the position that this right is also be protected from legislative change pursuant to s. 34(1)(c) of *The Interpretation* Act, 1995 and her rescission application ought to be unfettered by new restrictions imposed by The Saskatchewan Employment Act after she began preparing her application.

[16] Counsel on behalf of the Employer filed a detailed written brief of law, which we have read and for which we are thankful.

Relevant statutory provision:

[17] The relevant provisions of *The Trade Union Act*, R.S.S. 1978, c.T-17, are as follows:

- **5**. The board may make orders:
 - (k) rescinding or amending an order or decision of the board made under clause (a), (b) or (c) where:
 - (i) there is a collective bargaining agreement in existence and an application is made to the board to rescind or amend the

order or decision during a period of not less than 30 days or more than 60 days before the anniversary of the effective date of the agreement; or

(ii) there is no agreement and an application is made to the board to rescind or amend the order or decision during a period of not less than 30 days or more than 60 days before the anniversary date of the order to be rescinded or amended;

notwithstanding that a motion, application, appeal or other proceeding in respect of or arising out of the order or decision is pending in any court;

- [18] The relevant provisions of *The Saskatchewan Employment Act*, S.S. 1985, c.S-15.1, are as follows:
 - **6-17**(1) An employee within a bargaining unit may apply to the board to cancel a certification order if the employee:
 - (a) establishes that 45% or more of the employees in the bargaining unit have within the 90 days preceding the date of the application indicated support for removing the union as bargaining agent; and
 - (b) files with the board evidence of each employee's support that meets the prescribed requirements.
 - (2) On receipt of an application pursuant to subsection (1), the board shall direct that a vote be taken of the employees in the bargaining unit.
 - (3) If a majority of the votes cast in a vote directed in accordance with subsection (2) favour removing the union as bargaining agent, the board shall cancel the certification order.
 - (4) An application must not be made pursuant to this section:
 - (a) during the two years following the issuance of the first certification order; or
 - (b) during the 12 months following a refusal pursuant to this section to cancel the certification order.

. . .

6-111(1) With respect to any matter before it, the board has the power:

. . .

- (o) to summarily refuse to hear a matter that is not within the jurisdiction of the board;
- (p) to summarily dismiss a matter if, in the opinion of the board, there is a lack of evidence or no arguable case;
- [19] Section 34(1)(c) of *The Interpretation Act, 1995*, S.S. 1995, c.I-11.2, is also relevant to our determinations. This provision provides as follows:

34(1) The repeal of an enactment does not:

. .

(c) affect a right or obligation acquired, accrued, accruing or incurred pursuant to the repealed enactment;

Analysis:

On July 24, 2014, we stated our opinion that Ms. Kowalchuk's rescission application must comply with the provisions of the new *Saskatchewan Employment Act* notwithstanding that she began working on her application under a different legislative regime. Simply put, it was (and continues to be) our opinion that, because her application was not filed prior to the change in legislation, it did not achieve the requisite status to be protected from legislative change either by the common law (i.e.: the presumption against the retrospective application of new legislation to existing substantive rights) or by the provisions of *The Interpretation Act, 1995.* In our opinion, Ms. Kowalchuk's application must comply with the provisions of *The Saskatchewan Employment Act* and that statute contains a two (2) year waiting period. Because Ms. Kowalchuk's application was filed prior to the period set forth in s. 6-17(4) of *The Saskatchewan Employment Act*, her application is untimely. In our opinion, we are without jurisdiction to hear her request that the employees of the Employer revisit the representation question until after the expiration of the prescribed waiting period and, therefore, her rescission application must be dismissed.

[21] As we noted, the temporal application of changes in legislation to proceedings before the Board can be a difficult task. This issue was considered by the Board in some detail following the introduction of a mandatory vote system for certification applications in Saskatchewan in 2008. See: United Food and Commercial Workers, Local 1400 v. Wal-Mart Canada Corp., 2009 CanLII 13640, LRB File No. 069-04. Although the substance of the legislative change in those proceedings was different, in our opinion, the analysis and observations of the Board on the temporal application of legislation are relevant to Ms. Kowalchuk's rescission application. In Wal-Mart Canada case, the Board concluded that it was the act of filing an otherwise valid application with the Board that made a right under the old legislative regime sufficiently tangible or solidified so as to crystallize that right and justify its protection under both the common law and s. 34(1)(c) of The Interpretation Act, 1995. In that decision, this Board canvassed the common law presumption against the retrospective application of legislative changes; the provisions of The Interpretation Act, 1995; and the decisions of the Saskatchewan Court of Appeal in Woman 2000, supra, and Scott, supra, at paragraphs 33 to 35, 39 & 40. These paragraphs read as follows:

[33] The Trade Union Amendment Act, 2008 did not contain a transition provision providing for the retroactive application of the changes set forth therein nor did it contain other express language dealing with the issue of retrospectivity. The only legislative aides available to the Board are the provisions of The Interpretation Act, 1995, R.S.S. c.I-11.2. Specifically, ss. 34(1)(b) and (c) and 35(1)(d) and (e), which provide as follows:

Repeal

34(1) The repeal of an enactment does not:

. . . .

- (b) affect the previous operation of the repealed enactment or anything done or permitted pursuant to it;
- (c) affect a right or obligation acquired, accrued, accruing or incurred pursuant to the repealed enactment;

Repeal and replacement

35(1) Where an enactment is repealed and a new enactment is substituted for it:

- (d) a proceeding commenced pursuant to the repealed enactment shall be continued pursuant to and in conformity with the new enactment as far as is consistent with the new enactment;
- (e) the procedure established by the new enactment shall be followed as far as it can be adapted in relation to the matters that happened before the repeal;
- [34] The Saskatchewan Court of Appeal in <u>Women 2000, supra</u>, observed that s. 34(1)(b) and (c) of <u>The Interpretation Act, 1995</u> merely reflect and codify the common law presumption that the legislature does not intend legislation to be applied in circumstances where its application would retroactively interfere with vested rights; the presumption articulated in such cases as <u>Spooner Oils Ltd v. Turner Valley Gas Conservation Board</u>, [1933] S.C.R. 629; and <u>Gustavson Drilling v. Canada (Minister of National Revenue)</u>, supra.
- [**35**] The policy rationale for the presumption against interference with vested rights was articulated by Judith Sullivan, <u>Driedger on the Construction of Statutes</u>, 3rd ed. (Canada: Buttersworth, 1994) ("Driedger") at p. 530 as follows:

To deprive individuals of existing interests or expectations that have economic value is akin to expropriation without compensation, which has never been favoured by the law. To worsen the position of individuals by changing the legal rules on which they relied in arranging their affairs is arbitrary and unfair. Where the application of new legislation creates special prejudice to some, or windfalls for others, the burdens and benefits of the new law are not rationally or fairly distributed. These effects may be hard on the individuals involved and they undermine the general security and stability of the law. For these reasons interference with vested rights is avoided in the absence of a clear legislative direction.

. . .

[39] Criteria for recognizing a vested or accrued right were articulated by <u>Driedger, supra</u>, at p. 530 and 531 as follows:

Recognizing vested or accrued rights. In their effort to determine what is a vested or accrued rights, the courts focus sometimes on the common law presumptions, sometimes on the language of the Interpretation Acts. Regardless of focus, the central problem is the same. The court must decide whether the particular interest or expectation for which protection is sought is sufficiently important to be recognized as a right and sufficiently defined and in the control of the claimant to be recognized as vested or accrued.

[40] In <u>Driedger, supra</u>, the author goes on to cite with approval the guidance articulated by Vancise J.A. of the Saskatchewan Court of Appeal in <u>Scott v.</u> <u>College of Physicians & Surgeons of Saskatchewan</u> (1992), 95 D.L.R. (4th) 706:

Left with no definition, the courts have established two criteria or factors which will help determine whether a right is acquired, accrued or accruing. First, one must establish a tangible or particular legal right, the right cannot be abstract, it must be more than a mere possibility, more than a mere expectation; and second, establish that the right was sufficiently exercised or solidified before the repeal of the enactment to justify its protection.

[22] In the Wal-Mart Canada case, the Board held that, by virtue of filing its certification application, the applicant trade union (and the employees supporting that application) had an acquired or accrued right to rely on documentary evidence of support unaffected by the introduction of new legislation. The Board summarized its reasons as follows:

In the Board's opinion, upon filing their application for certification with the Board, the Union (and the employees) had an acquired or accrued right to rely upon the card evidence of support filed with their application for certification and that this right was not affected by the subsequent change in the legislation pursuant to the protection afforded to such rights by s. 34(1)(c) of The Interpretation Act, 1995. In addition (or in the alternative), the Board is satisfied that the employees and the Union relied upon the state of law at the time they gathered their evidence of support and that they collectively acted upon that state of the law in making their application for certification. In the Board's opinion, their right to do so was sufficiently tangible and exercised or solidified so as to crystallize that right and justify its protection under the common law presumption against the retrospective application of legislative changes. Furthermore, the Board is satisfied that the change to s. 6 of the Act provided for in The Trade Union Amendment Act, 2008 was not merely procedural based on the practical impact on the parties of the change in the legislation and the observation that the change in legislation altered the legal significance of the facts before the original panel. In so holding the Board relies on the criteria enumerated by our Court of Appeal in Scott, supra, the finding of our Court of Queen's Bench in K.A.C.R., supra, and the decisions of this Board in K.A.C.R., supra, of the Manitoba board in Gourmet Baker Inc., supra, and of the Ontario board in City of Scarborough, supra.

[23] The decision of this Board (that the 2008 change to *The Trade Union Act* did not apply to UFCW's certification application) was upheld by the Saskatchewan Court of Appeal in Wal-Mart Canada Corp v. United Food and Commercial Workers, Local 1400, (2010) 185 C.L.R.B.R. (2d) 79, 326 D.L.R. (4th) 367, 362 Sask. R. 90, 2010 SKCA 123 (CanLII). The Court of Appeal articulated two (2) reasons for doing so. Firstly, Richards, J.A. (as he was then) concluded that the 2008 change to The Trade Union Act, when examined as a whole and in the context of that Act, could not reasonably be characterized as a legislative change that was purely procedural in nature. On this basis, the Court, relying on its prior decision in Scott, supra, and concluded that this Board was correct in not apply the new legislation to the union's certification application because substantive rights were involved and those rights had been sufficiently exercised or solidified prior to the change in legislation. Secondly, Justice Richards went on to note that, when the 2008 change was introduced to The Trade Union Act, the union's certification application had not only been filed with the Board but a hearing had already been concluded by the Board. The Court went on to conclude that, even if it had found the change in voting procedures was purely procedural in nature, it would still have been an error of law to attempt to apply those changes to an application that had been both filed and heard by the Board prior to the change in legislation.

It should be noted that a significant component of both this Board's decision and the decision of the Saskatchewan Court of Appeal in the *Wal-Mart Canada* cases was whether or not the impugned legislative change affected substantive rights or was purely procedural in nature. In these proceedings, the Union did not argue that the change from a prescribed annual open period under *The Trade Union Act* to a two (2) year waiting period with no prescribed time constraints thereafter under the new *Saskatchewan Employment Act* was a purely procedural change. If the legislative changes could be characterized as purely procedural, they would apply to Ms. Kowalchuk's rescission application even if it had already been filed with the Board. Only if Ms. Kowalchuk's rescission application had been filed <u>and heard</u> by this Board, would legislative changes of a purely procedural nature not apply to her application. For purposes of clarity, in our opinion, the legislative changes that are the subject matter of these proceedings are not purely procedural. The subject changes involve and affect substantive rights; namely, the right to file a rescission application with the Board and the right for employees in an organized workplace to revisit the representational question.

It should be noted that our determination does not turn on whether the legislative change affected substantive rights or were purely procedural in nature; our determination turns on whether or not Ms. Kowalchuk's right to revisit the representational question at her workplace had sufficiently solidified or crystallized prior to the change in legislation that it ought to be protected either at common law or by the provisions of *The Interpretation Act, 1995*. It is only if the subject legislative changes affected substantive rights (which point was not disputed) and those rights were sufficiently solidified or crystallized prior to the change in legislation that Ms. Kowalchuk's rescission application would be protected by the provisions of *The Interpretation Act, 1995*.

The Employer argues that, when Ms. Kowalchuk began gathering support for a rescission application, she put in motion actions that would inevitably give rise to the filing of an application for rescission and the employees of her workplace being asked to revisit the representational question. In this regard, the Employer notes that Ms. Kowalchuk did, in fact, file a rescission application with the Board and that all that was left was for this Board to order a representational vote in the workplace. As such, the Employer characterizes her rights as "accruing" and argues that such rights are also protected by the provisions of *The Interpretation Act, 1995*.

With all due respect to Ms. Kowalchuk's desire to revisit the representational question at her workplace and her efforts in gathering support for a rescission application, her actions were insufficient to solidify or crystallize a substantive right (i.e.: the right to revisit the representational question at her workplace) into the kind of right that is protected by either the common law or s. 34(1)(c) of *The Interpretation Act, 1995*. In our opinion, it takes more than preparing a draft rescission application and more than gathering support for that application to transform either her aspirations or her actions into a right that was sufficiently exercised and solidified to warrant protection from legislative change. At a minimum, it is the act of filing an otherwise valid application with the Board that would have been necessary to solidify and crystallize her rights under the old legislation; irrespective of whether those rights are described as "acquired", "accrued" or "accruing".

[28] In our opinion, the earliest point when an applicant could be said to have "put in train a process that would inevitably lead" to the revisit of the representational question is when an otherwise valid application is filed with the Board. In other words, for Ms. Kowalchuk's

previous right under the old *Trade Union Act* to be transformed into the kind of right that is protected at common law or by *The Interpretation Act, 1995*, she must have gathered her support evidence, completed her applications, and filed that application with the Board prior to the legislative change. Although her actions began when *The Trade Union Act* was the governing legislation, those actions were not complete; the train could not be said to be "*in motion*"; until her application was filed with the Board and that did not occur until after the legislation changed. In our opinion, Ms. Kowalchuk's desire to revisit the representational question and/or her actions in gathering evidence of support pursuant to *The Trade Union Act* were insufficient to solidify or crystallize her right to revisit the representational question so as to be protected by s. 34(1)(c) of *The Interpretation Act*, 1995.

It was (and continues to be) our opinion that Ms. Kowalchuk's application must comply with the provisions of *The Saskatchewan Employment Act*, including the new requirement that she wait two (2) years from the issuance of the Union's certification Order before she can file a rescission application with this Board. We agree with the position advanced by the Union, that this Board does not have authority to accept the early filing of a rescission application. In our opinion, the waiting period prescribed in s. 6-17(4) was intended by the Legislature to promote a particular labour relations policy; namely, stability in a new organized workplace, wherein a trade union's right to represent its members in a newly organized workplace is unassailable for a prescribed period of time. To which end, although we have considerable sympathy for the fact that Ms. Kowalchuk's aspirations have been temporarily thwarted by the recent changes in legislation, it would represent both an error of law and policy to allow Ms. Kowalchuk's rescission applications to proceed prior to the expiration of the prescribed waiting period.

Conclusions:

- [30] For the foregoing reasons, the rescission application of Ms. Kowalchuk, bearing LRB File No. 126-14, must be dismissed on the basis that it was filed in contravention of s. 6-17 of *The Saskatchewan Employment Act*.
- [31] Board members John McCormick and Allan Parenteau both concur with these Reasons for Decision.

DATED at Regina, Saskatchewan, this 5th day of August, 2014.

LABOUR RELATIONS BOARD

Steven D. Schiefner, Vice-Chairperson