



SASKATCHEWAN JOINT BOARD, RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, LOCAL 568, Applicant v SIGNAL INDUSTRIES (1998) SASKATCHEWAN LTD., Respondent

LRB Files No. 199-18 & 200-18; October 21, 2019

Chairperson, Susan Amrud, Q.C.; Board Members: Aina Kagis and Mike Wainwright

For the Applicant: Larry Kowalchuk
For the Respondent: Larry Seiferling, Q.C.

Organizational Change Application pursuant to section 6-55 of *The Saskatchewan Employment Act* dismissed – Section 6-54 applies – *Culinar* principles satisfied – Employer took active steps to encourage customers to transfer work to its Edmonton location – Application dismissed because Employer complied with section 6-54.

Unfair Labour Practice, s. 6-62(1)(d) dismissed – Employer engaged in collective bargaining in good faith – Employer disclosed information Union required to attempt to bargain workplace adjustment plan.

Unfair Labour Practice, s. 6-62(1)(g) and (4) dismissed – Union activity played no part in Employer’s decision to terminate its employees.

Unfair Labour Practice, s. 6-62(1)(r) granted – Employer contravened section 6-56 by closing plant 86 days after receiving notice to bargain workplace adjustment plan, when section allows closure without workplace adjustment plan or notice to Minister after 90 days.

Section 6 of *The Saskatchewan Human Rights Code, 2018* – Union did not establish that Employer’s decision to close plant breached employees’ freedom of association.

REASONS FOR DECISION

Background:

[1] **Susan Amrud, Q.C., Chairperson:** Signal Industries (1998) Saskatchewan Ltd. [“Employer”] operated a sign making business in Regina from 1998, when it purchased the plant, until November 30, 2018, when the plant closed. During this timeframe, Saskatchewan Joint Board, Retail, Wholesale and Department Store Union, Local 568 [“Union”] represented the

Employer's unionized employees pursuant to a Certification Order that was initially granted December 9, 1971.

[2] On August 20, 2018, James Plastow, Executive Vice President of Operations of the Employer¹, called Cory Jorgenson, Union Staff Representative; the two of them and Janet Semeniuk, the Employer's Director of Human Resources, met that evening. Plastow advised Jorgenson that the next day the employees would receive notice that the plant would be closing on November 30, 2018. During this discussion, Jorgenson raised the issue of severance, and the three of them agreed to meet again.

[3] On August 21, 2018 the Employer provided the employees with written notice that the plant would be permanently closing on November 30, 2018². Written notice was also provided that day to the Minister of Labour Relations and Workplace Safety³.

[4] On September 5, 2018 another meeting was held between Employer and Union representatives, including two shop stewards. Later that day the Union sent a letter to the Employer⁴, providing notice pursuant to section 6-56 of *The Saskatchewan Employment Act* ["Act"] for the purpose of commencing collective bargaining to develop a workplace adjustment plan. The letter also asked the Employer to provide the Union with certain information it said it required for the purpose of considering alternatives to the proposed organizational change and developing a workplace adjustment plan. The Employer responded later the same day⁵, declining to provide the requested information, reserving its right to deny that section 6-56 applied to the closure, but agreeing to meet further.

[5] The Employer sent an email to the Union on October 17, 2018⁶ requesting another meeting. That meeting took place on October 22, 2018. While the Union said it would be willing to consider concessions in the collective agreement to keep the plant open, the Employer was firm that the plant was closing and that decision would not be reversed. Following that meeting the parties agreed to try mediation. On November 14, 2018, the parties met with a labour relations officer in caucuses; they did not meet face to face. The mediation failed. Following the mediation,

¹ James Plastow is actually Executive Vice President of Operations of the Employer's parent company, ATS Traffic. At the hearing neither party differentiated between the two entities.

² Exhibit U-1 was a book of documents entered as one Exhibit. This document is found at Exhibit U-1, Tab 3.

³ Exhibit U-1, Tab 5.

⁴ Exhibit U-1, Tab 6.

⁵ Exhibit U-1, Tab 7.

⁶ Exhibit U-6.

the Employer withdrew its severance offer⁷, and its offer to give out Long Service Awards for 2018. Despite the Union's overtures, the Employer stayed firm that the plant was closing November 30, 2018.

[6] Michael Van Alstine, employee and shop steward, testified about the effect of the closure on him. As he is unemployed, he is no longer a member of the Union. This means his previous association with other Union members, at meetings, conventions, Christmas parties, fishing trips, etc., is curtailed. He did admit though, that he can still go to Union meetings and associate and socialize with other members. Wayne Mitchell, another long-term employee, gave similar evidence. When people have worked together for over 30 years, no longer seeing them on a daily basis is a difficult adjustment.

[7] James Plastow gave evidence on behalf of the Employer. He described how the sign business has changed over the years. He testified that prices and profitability have decreased and competition has increased. At one time the Employer had five plants in western Canada: Langley, Saskatoon, Dauphin, Regina and Edmonton. Only Dauphin and Regina were unionized. Keeping more than one plant open became unsustainable. The non-unionized plants in Saskatoon and Langley closed in 2014. The Dauphin plant closed in 2017 and the Regina plant in 2018. The decision was made to keep the Edmonton plant open because it had the most efficient and up-to-date digital equipment. When the Regina plant closed, no new employees were hired in Edmonton.

[8] Mr. Plastow noted that the contracts previously carried out in Regina were not reassigned by the Employer to the Edmonton plant, and that it was up to the customers whether they transferred the contracts to Edmonton or re-tendered them. Two customer contracts were filed as part of Exhibit U-13. Both required written consent of the customer to the assignment of the contract. The evidence was clear, though, that the work previously done in Regina is now being done at the Employer's Edmonton plant.

[9] All witnesses agreed that, throughout the 30 years the Employer ran the plant, the Union and Employer enjoyed a positive relationship. There were no strikes or lockouts. Collective bargaining was carried out in an amicable, non-adversarial manner. Mr. Mitchell testified that in

⁷ This testimony, and Exhibit U-10, November 27, 2018 email from Employer to Union confirming that the severance offer had been withdrawn, was accepted into evidence on the basis that it was evidence that an offer was made and withdrawn.

the 38 years he had worked at the plant, there were just three grievances, only one of which went to arbitration, and that was before the Employer purchased the plant.

[10] On September 20, 2018, the Union filed two applications with the Board with respect to the shutdown of the plant:

- Unfair Labour Practice Application⁸ that alleged that the Employer was in contravention of clauses 6-62(1)(g) and (r) and subsection 6-62(4) of the Act; and
- Technological or Organizational Change Application⁹ pursuant to section 6-55 alleging the Employer failed to comply with section 6-54 of the Act.

[11] An Application for Interim Relief¹⁰ was heard by the Board on October 12, 2018 and dismissed on November 5, 2018¹¹.

[12] At the commencement of the hearing of its two Applications, the Union asked the Board to bifurcate the issues of liability and remedy. The Employer opposed that request. After hearing argument, the Board held that the issues of liability and remedy would be bifurcated and that, were the Board to find for the Union, a further hearing would be held to determine an appropriate remedy, if the parties were unable to resolve the issue themselves.

Relevant Statutory Provisions:

[13] The Board considered the following provisions of the Act in the determination of this matter:

Interpretation of Part

6-1(1) In this Part:

(e) ***“collective bargaining”*** means:

(i) negotiating in good faith with a view to the conclusion of a collective agreement or its renewal or revision;

(ii) putting the terms of an agreement in writing if those terms were arrived at in negotiations or are required to be inserted into a collective agreement by this Part;

(iii) executing a collective agreement by or on behalf of the parties; and

(iv) negotiating from time to time the settlement of disputes and grievances of employees covered by a collective agreement or represented by a union;

⁸ LRB File No. 199-18.

⁹ LRB File No. 200-18.

¹⁰ LRB File No. 201-18.

¹¹ *Saskatchewan Joint Board, Retail, Wholesale and Department Store Union, Local 568 v Signal Industries (1998) Ltd.*, 2018 CanLII 127661 (SK LRB).

Good faith bargaining

6-7 Every union and employer shall, in good faith, engage in collective bargaining in the time and in the manner required pursuant to this Part or by an order of the board.

Technological change and organizational change

6-54(1) In this Division:

(a) **“organizational change”** means the removal or relocation outside of the bargaining unit by an employer of any part of the employer’s work, undertaking or business;

(b) **“technological change”** means:

(i) the introduction by an employer into the employer’s work, undertaking or business of equipment or material of a different nature or kind than previously utilized by the employer in the operation of the work, undertaking or business; or

(ii) a change in the manner in which the employer carries on the work, undertaking or business that is directly related to the introduction of the equipment or material mentioned in subclause (i).

(2) An employer whose employees are represented by a union and who proposes to effect a technological change or organizational change that is likely to affect the terms, conditions or tenure of employment of a significant number of the employees shall give notice of the technological change or organizational change to the union and to the minister at least 90 days before the date on which the technological change or organizational change is to take effect.

(3) The notice mentioned in subsection (2) must be in writing and must state:

(a) the nature of the technological change or organizational change;

(b) the date on which the employer proposes to effect the technological change or organizational change;

(c) the number and type of employees likely to be affected by the technological change or organizational change;

(d) the effect that the technological change or organizational change is likely to have on the terms, conditions or tenure of employment of the employees affected; and

(e) any other prescribed information.

(4) The Lieutenant Governor in Council may make regulations specifying the number of employees that is deemed to be “significant” for the purpose of subsection (2) or the method of determining that number.

Application to board for an order re technological change or organizational change

6-55(1) A union may apply to the board for an order pursuant to this section if the union believes that an employer has failed to comply with section 6-54.

(2) An application pursuant to this section must be made not later than 30 days after the union knew or, in the opinion of the board, ought to have known of the failure of the employer to comply with section 6-54.

(3) On an application pursuant to this section and after giving the parties an opportunity to be heard, the board may, by order, do all or any of the following:

(a) direct the employer not to proceed with the technological change or organizational change for any period not exceeding 90 days that the board considers appropriate;

(b) require the reinstatement of any employee displaced by the employer as a result of the technological change or organizational change;

(c) if an employee is reinstated pursuant to clause (b), require the employer to reimburse the employee for any loss of pay suffered by the employee as a result of the employee's displacement.

(4) A board order made pursuant to clause (3)(a) is deemed to be a notice of technological change or organizational change given pursuant to section 6-54.

Workplace adjustment plans

6-56(1) If a union receives notice of a technological change or organizational change given, or deemed to have been given, by an employer pursuant to section 6-54 or 6-55, the union may serve notice on the employer in writing to commence collective bargaining for the purpose of developing a workplace adjustment plan.

(2) The written notice mentioned in subsection (1) must be served within 30 days after the date on which the union received or was deemed to have received the notice.

(3) On receipt of a notice pursuant to subsection (1), the employer and the union shall meet for the purpose of collective bargaining with respect to a workplace adjustment plan.

(4) A workplace adjustment plan may include provisions with respect to any of the following:

(a) consideration of alternatives to the proposed technological change or organizational change, including amendment of provisions in the collective agreement;

(b) human resource planning and employee counselling and retraining;

(c) notice of termination;

(d) severance pay;

(e) entitlement to pension and other benefits, including early retirement benefits;

(f) a bipartite process for overseeing the implementation of the workplace adjustment plan.

(5) Not later than 45 days after the union received a notice of technological change or organizational change pursuant to section 6-54, the employer or the union may request the director of labour relations to direct a labour relations officer to assist the parties in collective bargaining with respect to a workplace adjustment plan.

(6) If a union has served notice to commence collective bargaining pursuant to subsection (1), the employer shall not effect the technological change or organizational change with respect to which the notice has been served unless:

(a) a workplace adjustment plan has been developed as a result of collective bargaining;

(b) the minister has been served with a notice in writing informing the minister that the parties have engaged in collective bargaining and have failed to develop a workplace adjustment plan; or

(c) a period of 90 days has elapsed since the notice pursuant to subsection (1) has been served.

Unfair labour practices – employers

6-62(1) It is an unfair labour practice for an employer, or any person acting on behalf of the employer, to do any of the following:

...

(d) to fail or refuse to engage in collective bargaining with representatives of a union representing the employees in a bargaining unit whether or not those representatives are the employees of the employer;

...
 (g) to discriminate with respect to hiring or tenure of employment or any term or condition of employment or to use coercion or intimidation of any kind, including termination or suspension or threat of termination or suspension of an employee, with a view to encouraging or discouraging membership in or activity in or for or selection of a labour organization or participation of any kind in a proceeding pursuant to this Part;

(h) to require as a condition of employment that any person shall abstain from joining or assisting or being active in any union or from exercising any right provided by this Part, except as permitted by this Part;

...
 (k) to threaten to shut down or move a plant, business or enterprise or any part of a plant, business or enterprise in the course of a labour-management dispute;

(l) to declare or cause a lockout or to make or threaten any change in wages, hours, conditions or tenure of employment, benefits or privileges while:

(i) any application is pending before the board; or

(ii) any matter is pending before a labour relations officer, special mediator or conciliation board appointed pursuant to this Part;

...
 (r) to contravene an obligation, a prohibition or other provision of this Part imposed on or applicable to an employer.

...
 (4) For the purposes of clause (1)(g), there is a presumption in favour of an employee that the employee was terminated or suspended contrary to this Part if:

(a) an employer or person acting on behalf of the employer terminates or suspends an employee from employment; and

(b) it is shown to the satisfaction of the board or the court that employees of the employer or any of them had exercised or were exercising or attempting to exercise a right pursuant to this Part.

(5) For the purposes of subsection (4), the burden of proof that the employee was terminated or suspended for good and sufficient reason is on the employer.

Argument on behalf of the Union:

Technological or Organizational Change Application, LRB File No. 200-18

[14] The Union argues that an organizational change occurred here that invokes the application of section 6-54 of the Act. There was a “removal or relocation” of work outside the bargaining unit. The Employer’s evidence amounts to an admission that this happened. The work is still being done, by its non-Union employees in Edmonton. Subsection 6-54(2) required the Employer to give notice of a proposed change; it is not sufficient to give notice after the final decision has been made, as happened here. The notice provided did not satisfy the detailed

requirements of subsection 6-54(3). As a result of the Employer's failure to comply with section 6-54, the Union has proven its claim under section 6-55 and the Board should direct the reinstatement of the employees and reimbursement for their loss of pay.

[15] The Union pointed to *Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v Regina Exhibition Association Limited and Doug Cressman*¹² ["*Regina Exhibition*"] in support of its argument that a permanent closure of a business constitutes a "removal" for the purposes of section 6-54. It also referred to *Loraas Disposal Services Ltd. v Saskatchewan Joint Board, Retail, Wholesale and Department Store Union*¹³ ["*Loraas*"], in which the Court of Appeal restored the Board's decision that found that the closure by the employer of one of its divisions resulted in a technological change within the meaning of clause 43(1)(c) of *The Trade Union Act*¹⁴. It argues that in *Loraas*, the Court of Appeal overturned the decision of the Court of Queen's Bench¹⁵ that reversed the *Regina Exhibition* decision.

[16] The Union served notice in writing on the Employer under section 6-56 to commence collective bargaining for the purpose of developing a workplace adjustment plan. As a result, it says, the parties were required to meet and engage in collective bargaining. They did meet, but the Employer did not bargain in good faith. The Employer is not entitled to refuse to talk about the list of issues set out in subsection (4).

[17] The Union relies on *Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v 101109823 Saskatchewan Ltd. (O/A The Howard Johnson Inn – Yorkton)*¹⁶ ["*Howard Johnson*"]. In that case, the Board found that the predecessor to section 6-56¹⁷ did not apply because the employer took no active steps to transfer the work elsewhere. In this matter, the Union says, all of the work was transferred to the Employer's Edmonton plant.

[18] This is not, the Union says, a situation like *United Food and Commercial Workers, Local 1400 v Sobeys Capital Incorporated*¹⁸ ["*Sobeys*"] where the Board found that the work was

¹² [1997] Sask LRBR 749.

¹³ 1998 CanLII 12407 (SK CA).

¹⁴ The portion of the definition of technological change found in clause 43(1)(c) of *The Trade Union Act*, "the removal or relocation outside of the appropriate unit by an employer of any part of the employer's work, undertaking or business", is now essentially the definition of organizational change in section 6-54 of the Act.

¹⁵ *Regina Exhibition Association Ltd. v Saskatchewan Joint Board, Retail, Wholesale and Department Store Union*, 1998 CanLII 13912 (SK QB).

¹⁶ 2014 CanLII 64280 (SK LRB).

¹⁷ Section 43 of *The Trade Union Act*.

¹⁸ 2014 CanLII 63993 (SK LRB).

abandoned. The work was not abandoned in this case. That means the Employer had a duty to comply with section 6-56 of the Act.

Unfair Labour Practice Application, LRB File No. 199-18

[19] The Application filed by the Union relied on clauses 6-62(1)(g) and (r). In oral argument, the Union cited numerous other provisions of section 6-62 in support of its argument that the Employer had committed unfair labour practices.

[20] With respect to clause 6-62(1)(d), the Union argues that the following finding by the Board in *Howard Johnson* is directly applicable in this matter:

In its applications, the Union alleged that the Employer failed to actively engage in the process of collective bargaining. If we had found that the closure of the restaurant had represented a technological change (which we did not), this allegation would have been well-founded. In our opinion, the evidence did not demonstrate engagement by the Employer in a process of collective bargaining. The Employer's representatives met with the Union but essentially abandoned the process upon seeing that the Union's position. The Union offered to continue bargaining with the Employer but it declined to do so. If we have found the closure of the restaurant to be technological change, the Employer's conduct would not have satisfied the duty to bargain collectively with the Union. On the other hand, because we were not satisfied that the closure of the Employer's restaurant triggered the application of s. 43, the Employer was under no duty to bargain collectively with the Union. As a consequence, no violation can be found against it for failing to do so.¹⁹

The evidence here did not demonstrate the engagement by the Employer in the process of collective bargaining that section 6-56 required of it.

[21] Also with respect to clause 6-62(1)(d), the Union argues that the duty to bargain in good faith pursuant to section 6-56 included a duty to disclose information. It referred to *RWDSU v Temple Gardens Mineral Spa Inc.*²⁰, which set out the following rules respecting this issue:

In Government of Saskatchewan, supra, the union alleged that the employer failed to provide adequate information pertaining to plans to reorganize government services while the parties were engaged in bargaining to renew a collective agreement. The Board described the scope of the obligation to make disclosure in the context of bargaining in good faith, as follows, at 58:

[The duty to negotiate in good faith] is imposed by Section 11(1)(c) of The Trade Union Act and its legislative counterpart in every other jurisdiction. It requires the union and the employer to make every reasonable effort to conclude a collective bargaining agreement, and to that end to engage in rational, informed discussion, to answer honestly, and to avoid misrepresentation. More specifically it is generally accepted that when asked an employer is obligated:

¹⁹ At para 57.

²⁰ 2002 CarswellSask 860, [2002] Sask LRBR 235 (SK LRB) at para 24.

(a) to disclose information with respect to existing terms and conditions of employment, particularly during negotiations for a first collective bargaining agreement;

(b) to disclose pertinent information needed by a union to adequately comprehend a proposal or employer response at the bargaining table;

(c) to inform the union during negotiations of decisions already made which will be implemented during the term of a proposed agreement and which may have a significant impact on the bargaining unit; and

(d) to answer honestly whether it will probably implement changes during the term of a proposed agreement that may significantly impact on the bargaining unit. This obligation is limited to plans likely to be implemented so that the employer maintains a degree of confidentiality in planning, and because premature disclosure of plans that may not materialize could have an adverse effect on the employer, the union and the employees.

The Employer did not disclose the pertinent information required for the Union to adequately comprehend the Employer's proposals and responses at the bargaining table.

[22] The Union referred to subclause 6-1(1)(e)(iv) in support of its argument that the Employer failed in its duty to engage in collective bargaining. There was a dispute between the Employer and the Union respecting the closure of the plant, therefore the duty arose.

[23] The Union also argues that the obligation to bargain in good faith, imposed by section 6-7, applies to an analysis of clause 6-62(1)(d). The Employer did not bargain in good faith.

[24] Turning to clause 6-62(1)(g), the Union referred to *International Brotherhood of Electrical Workers, Local 2038 v Active Electric Ltd.*²¹:

[61] In Sankundiak Equipment, this Board referenced its earlier decision in Saskatchewan Government Employees Union v Regina Native Youth and Community Services Inc. [Regina Native Youth]. There former Chairperson Bilson explained the policy rationale underlying then subsection 11(1)(e) of The Trade Union Act, RSS 1978, cT-17 [TUA] which has now been superseded by clauses 6-62(1)(a), and (g) of the SEA. She stated:

It is clear from the terms of Section 11(1)(e) of the Trade Union Act that any decision to dismiss or suspend an employee which is influenced by the presence of trade union activity must be regarded as a very serious matter. If an employer is inclined to discourage activity in support of a trade union, there are few signals which can be sent to employees more powerful than those which suggest that their employment may be in jeopardy. The seriousness with which the legislature regards conduct of this kind is indicated by the fact that the onus rests on the employer to show that trade union activity played no part in the decision to discharge or suspend an employee.

This Board has held employers to a stringent standard in this regard. It is highly unlikely that an employer will confess to anti-union sentiment as one of the grounds

²¹ 2018 CanLII 38245 (SK LRB).

for discharge in the first instance, and the Board must look beyond the rationale which provided when the announcement of termination is made.

...

*In determining whether an employer is able to meet the difficult test of showing that activity in support of a trade union was not a factor in a decision to terminate the employment of an employee, the Board has considered a wide range of factors, including the conduct of the employer which might betray anti-union feeling, the timing of the decision, and various other considerations. In this respect, it is not the task of the Board to decide whether there was just cause for the termination. In *The Newspaper Guild v The Leader Post* decision [LRB File Nos. 251-93, 252-93 & 253-93] the Board made this point:*

*For our purposes, however, the motivation of the Employer is the central issue, and in this connection the credibility and coherence of the explanation for the dismissal put forward by the Employer is, of course, a relevant consideration. We are not required, as an arbitrator is, to decide whether a particular cause for dismissal has been established. Nor, like a court, are we asked to assess the sufficiency of a cause or of a notice period in the context of common law principles. Our task is to consider whether the explanation given by an employer holds up when the dismissal of an employee and some steps taken in exercise of rights under *The Trade Union Act* coincide. The strength or weakness of the case an employer offers in defence of the termination is one indicator of whether union activity may also have entered the mind of the Employer.*

[25] In the Union's view, the explanation given by the Employer for the plant closure and employee terminations is not supported by the evidence. The Union submits that the Employer is required to prove that anti-Union animus was not a consideration in its decision to terminate its employees. It is not enough to establish that they had another reason. The Employer agreed that the Union wage rate and benefits was one of the reasons for the decision: that is an admission that Union activity was one of the reasons for their decision.²²

[26] The Union also relied on *Howard Johnson* in support of its argument that the Employer contravened clause 6-62(1)(g):

[76] Having considered the evidence in these proceedings, we were not satisfied that the Employer's conduct was tainted by an anti-union animus for any of the reasons suggested by the Union. Firstly, the Employer provided notice to the Union and to all affected staff of its decision to close the restaurant and that notice was given months before the lay-offs took place. These notices were given long before any applications were filed with this Board or grievance filed under the collective agreement. Secondly, in light of our finding that the closure of the restaurant did not represent a technological change, the Employer can hardly be faulted for refusing to bargain a workplace adjustment plan or for refusing to disclose the information desired by the Union. Finally, for the reasons already stated, we were not satisfied that the Employer's communications were threatening or coercive or that

²² The evidence was not clear on the issue of whether the Employer's Edmonton employees were paid less than the Regina employees. This sentence reflects the Union's assumption/suspicion.

it otherwise attempted to bargain directly with employees or undermine the administration of the Union.

[77] In our opinion, the Employer had good and sufficient reason for laying-off the restaurant staff; namely, the closure of the restaurant. The restaurant was old and had been performing poorly for years. Previous owners had unsuccessfully tried to improve the financial performance of the restaurant and had failed. In our opinion, the evidence in these proceedings does not reasonably lead to the conclusion that an anti-union animus on the part of the Employer had anything to do with the decision to close the restaurant. To the contrary, the more reasonable conclusion is that the Employer's motivation was financial and that the decision to close the restaurant was inevitable.

[27] These findings, it argues, require the Board to look closely at the credibility of the claims the Employer makes that its actions were motivated by economic considerations. They also require the Board to find in this matter that the Employer's decision to close the plant and terminate its employees was tainted by anti-Union animus.

[28] Subsections 6-62(4) and (5) reverse the onus of proof under clause 6-62(1)(g). They apply, according to the Union, because the employees were terminated while they were attempting to exercise their rights under Part VI. Subsection (5) places the burden of proof on the Employer to satisfy the Board that the employees were terminated for good and sufficient reason.

[29] With respect to its claim that the Employer contravened clause 6-62(1)(h), the Union noted that the Employer chose to close its unionized plants. By closing the unionized Dauphin and Regina plants and keeping open only the non-unionized Edmonton plant, the evidence showed a pattern of anti-union conduct.

[30] Clause 6-62(1)(k) was contravened when the Employer threatened to shut down the plant in Regina in the course of their labour-management dispute respecting bargaining of the workplace adjustment plan required by section 6-56. The Union argues that the Employer threatened closure of the plant to discourage Union activity. This, it said, was also evidenced by the fact that the work previously being done in Regina is now being done in the Employer's non-unionized plant in Edmonton.

[31] With respect to clause 6-62(1)(l), the Union says the closure occurred while these Applications were pending before the Board.

[32] In response to the Employer's arguments that provisions like s. 6-62(1)(g) and (4) do not apply in a business closure situation, the Union urged the Board to follow the dissent in *Plourde v Wal-Mart Canada Corp.*²³ [*Plourde*] which made the following comment:

*Depriving employees of their right to rely on access to the fullness of this remedial scheme for dismissals when a workplace closes, including the presumption, deprives them of these rights in situations when they are most needed. To suggest, as the majority does, that the full substantive and procedural benefits of ss. 15 to 19 are unavailable to provide a remedy in the case of a business closed for anti-union reasons, represents a marked and arbitrary departure from the philosophical underpinnings, objectives and general scope of the Labour Code. Dismissed employees are entitled to have their dismissals scrutinized for anti-union motives under ss. 15 to 19. There is no reason to deprive them of access to this same remedial scheme, including the wide remedial scope in ss. 118 and 119, when their dismissals result from an employer closing down the entire workplace.*²⁴

[33] The Union says the Reasons for Decision dismissing the Interim Application in this matter found that *Plourde* is no longer being followed.²⁵

The Saskatchewan Human Rights Code, 2018

[34] Finally, the Union argues that the Board should apply section 6 of *The Saskatchewan Human Rights Code, 2018* [*SHRC*] and make a determination that the employees' right to free association has been contravened by the closure of the plant:

Right to free association

6 Every person and every class of persons has the right to peaceable assembly with others and to form with others associations of any character under the law.

[35] The Union referred to a number of cases in support of its argument that the Board has jurisdiction to enforce the *SHRC* and order damages in favour of the employees pursuant to its provisions²⁶.

²³ [2009] 3 SCR 465, 2009 SCC 54 (CanLII).

²⁴ At para 69.

²⁵ The Reasons actually said: "In *Wal-Mart*, the *Plourde* decision and the *Place des Arts* decisions were distinguished by the Supreme Court" (*supra*, footnote 11, at para 30).

²⁶ *Johner's Homestyle Catering v Retail, Wholesale and Department Store Union, Local 568*, November 2, 2010 (unreported); *Johner's Homestyle Catering v Retail, Wholesale and Department Store Union, Local 568*, 2012 SKQB 539 (CanLII); *Saskatchewan Joint Board Retail, Wholesale, Department Store Union v 101239903 Saskatchewan Ltd. and Broadway Lodge Ltd.*, July 20, 2017 (unreported); *Saskatchewan Joint Board, Retail, Wholesale and Department Store Union v Saskatoon Co-operative Association Limited and United Food and Commercial Workers, Local 1400*, 2018 CanLII 68443 (SK LRB).

Argument on behalf of the Employer:

Technological or Organizational Change Application, LRB File No. 200-18

[36] The Employer argues that the purpose of section 6-54 of the Act is to deal with situations where technology is coming into the workplace. The section allows for a collective agreement to be opened so that the parties can talk about the effect of the change. It does not apply to a closure. The definition of “organizational change” makes clear that it only applies in situations where “part of the employer’s work”, not all of it, is affected.

[37] The Employer closed all of its plants across western Canada, except the state of the art facility in Edmonton. The reasons for this decision were the changing marketplace, increased competition and increased efficiency at the Edmonton plant. The Board does not have authority to order the Employer to remain open – or in this case, to reopen and buy back the equipment. In Saskatchewan, it has already been determined that a closure is not a “removal” of work and the organizational change provisions in the Act do not apply to a permanent closure²⁷.

[38] The Employer argued that the fact that some work is now being done in Edmonton was not a transfer by the Employer. The decision was made by the customers to ask the Edmonton plant to perform the work.

[39] The Employer was honest with the Union and its employees from the start; it did not give them false hope that the plant could be saved. The notice it gave on August 21, 2018 was not a threat of closure to obtain concessions. The Employer gave its employees the notice required by section 6-54 of the Act; that section required no more than 90 days’ notice, and the Employer provided over 100 days’ notice.

[40] The Employer, like the Union, relied on paragraphs 76 and 77 of *Howard Johnson*. It noted that, in that case, which is very similar to this matter, the Board dismissed the union’s application:

Having considered the evidence in these proceedings, we were not satisfied that the Employer’s decision to close the restaurant at the Hotel represented a “technological change” within the meaning of s. 43 of The Trade Union Act. However, even if we had found that these actions represented a technological change, we were satisfied that the notice provided by the Employer regarding the closure of the restaurant satisfied the obligations imposed upon it pursuant to s. 43 of the Act. Finally, even if we had found that the Employer’s decision to closure the restaurant had represented a technological

²⁷ *Regina Exhibition Association Ltd. v Saskatchewan Joint Board Retail Wholesale & Department Store Union*, 1998 CanLII 13912 (SKQB); *United Food and Commercial Workers, Local 1400 v Sobeys Capital Incorporated*, 2014 CanLII 63993 (SK LRB).

changes, we were not satisfied that the Employer violated s. 11(1)(c) in refusing to disclose the information sought by the Union. On the other hand, the Employer would have been subject to a duty to bargain collectively with the Union regarding a workplace adjustment plan; a duty which would not appear to have been satisfied by the Employer. On the other hand, we would not have prevented the Employer from implementing the subject change or otherwise order the restaurant to be re-opened.²⁸

[41] The only trigger for an application pursuant to section 6-55 is an employer's failure to comply with section 6-54, and the Employer did comply. Despite the fact that the section does not apply to this matter, the notice provided by the Employer complied with the requirements of this section. Even if section 6-55 applies, it only leads to a discussion, not to an Order that an employer cannot make a proposed change.

[42] Since section 6-54 does not apply in this matter, neither does section 6-56. If the Board decides it applies, the Employer complied with it. It met with the Union as subsection (3) requires. Subsection (4) sets out provisions that a workplace adjustment plan may (not shall) include. The ability of the Employer or Union to engage the assistance of a labour relations officer pursuant to subsection (5) actually occurred in this matter. Subsection (6) sets out the Board's authority; that authority is spent because the 90 days mentioned in clause (c) have expired. Nothing in this section requires the Employer to keep the plant open beyond the 90 days. The employees were paid through to the end of November, even though they were only required to work halftime in November, after which time the plant closed.

Unfair Labour Practice Application, LRB File No. 199-18

[43] With respect to clause 6-62(1)(d), the Employer notes that it participated in bargaining with the Union on September 5 and October 22 and in mediation on November 14, 2018. Being unable to reach an agreement does not lead to a finding that it bargained in bad faith.

[44] The Employer referred the Board to four cases with respect to the issue of whether the Employer's actions breached its duty to bargain in good faith²⁹. The overriding theme in all of these cases is that both parties are entitled to bargain hard for the agreement that they believe to be acceptable. The content of an agreement is for the parties to determine in accordance with their own perceived needs and relative bargaining strength. There is nothing unusual in the fact

²⁸ At para 5.

²⁹ *USWA, Local 9011 v Radio Shack*, [1985] OLRB Rep 1789, 11 CLRBR (NS) 160 (Ont LRB); *BFCSD, Local 304 v Canada Trustco Mortgage Co.*, [1984] OLRB Rep 1356, 8 CLRBR (NS) 275 (Ont LRB); *CAW-Canada v United Group – Taxi Division*, [2009] SLRBD No 15, 167 CLRBR (2d) 1 (SK LRB); *UFCW, Local 226-2 v Western Canadian Beef Packers Ltd.*, 1993 CarswellSask 733, 19 CLRBR (2d) 39 (SK LRB).

that parties' bargaining positions may change over time. There is no requirement that either party make concessions. Collective bargaining does not require a party to give up something. The Board cannot tell a party what they should have agreed to. This matter is different than *Howard Johnson*, where the employer refused to meet with the union. The following comment appears quite applicable to this situation:

Thus, from an employee viewpoint the right to engage in collective bargaining is not a right to achieve the terms of employment employees may wish. It is simply an opportunity to combine together to try and achieve their needs with the possibility that economic realities will dictate quite a different result in any particular situation.³⁰

[45] In *CAW-Canada v United Group – Taxi Division*,³¹ the Board discussed the line between hard bargaining and bad faith bargaining, relying on its previous decision in *International Brotherhood of Electrical Workers, Local 2067 and SaskPower and Government of Saskatchewan*³²:

[103] The Board then considered cases which illustrated how the Board had interpreted its role in enforcing the duty of bargain. It also examined various legal articles written on the duty to bargain in good faith. It concluded on p. 8 as follows:

It is our conclusion from reading the academic works referred to us by counsel for the Union that they do not support the conclusion that Canadian labour relations boards have intervened – or even that they should intervene – to influence the course of negotiations between two parties to collective bargaining, with the exception of circumstances where the position taken by one of the participants in illegal, stands in fundamental contravention of the objectives of collective bargaining legislation, or arguably, precludes the attainment of essential procedural protections for employees or trade unions. They do not seem to us to invite an extension of labour relations board intervention to otherwise modify or manipulate the bargaining positions adopted by the parties.

[104] The Board concluded on p. 9 that “[I]t is our view that the fact that an Employer adheres firmly to a position that no general wage increase will be offered is not in itself a failure to bargain.

[46] While the Employer agrees that unions have a right to the information necessary for them to properly perform their statutory role, it denies the Union's claim that it contravened its duty to bargain in good faith when it declined to provide the information requested by the Union. The decision to close the plant was not an issue that the Employer was required to bargain or prepared

³⁰ *BFCSD, Local 304 v Canada Trustco Mortgage Co.*, *supra*, footnote 29, at para 29, quoting from para 67 of *Radio Shack*, [1979] OLRB Rep. Dec. 1220.

³¹ *Supra*, footnote 29.

³² [1993] 1st Quarter Sask Labour Rep 286, LRB File No. 256-92.

to bargain. As a result, the Employer was not obliged to disclose the information on which it relied in making that decision.

[47] Turning then to clause 6-62(1)(g), the Employer says that it does not apply. The Employer was not trying to discourage Union activity. The act of closure is what the Union objects to but announcing or implementing a closure is not an unfair labour practice. The Employer referred to two decisions of the Supreme Court of Canada which, it says, stand for the principle that, as long as a closure is genuine and permanent, it is not an unfair labour practice for an employer to close down its operations.

[48] In *IATSE, Stage Local 56 v Société de la Place des Arts de Montréal*³³ [*Place des Arts*] the Court held:

28 There is another consideration to bear in mind when interpreting s. 109.1(b), namely the right of enterprises governed by the Code to go out of business, either completely or in part. This right is clearly established in Quebec law. It is enjoyed equally by unionized and non-unionized enterprises. The leading case is City Buick Pontiac (Montréal) Inc. v. Roy, [1981] T.T. 22, at p. 26, in which Judge Lesage made the following observations:

[TRANSLATION] In our free enterprise system, there is no legislation to oblige an employer to remain in business and to regulate his subjective reasons in this respectIf an employer, for whatever reason, decides as a result to actually close up shop, the dismissals which follow are the result of ceasing operations, which is a valid economic reason not to hire personnel, even if the cessation is based on socially reprehensible considerations. What is prohibited is to dismiss employees engaged in union activities, not to definitively close a business because one does not want to deal with a union or because a union cannot be broken, even if the secondary effect of this is employee dismissal. [Emphasis omitted by SCC.]

[49] The Court went on to say that “it was not for the Labour Tribunal to sit in judgment of the employer’s reasons for shutting down but only to assure that the employer carried out that decision genuinely and did not merely engage in an elaborate sham to break the employees’ strike³⁴.

[50] In *Plourde*, the Commission des relations du travail (CRT) and the courts were asked to reconsider *Place des Arts*. The CRT concluded that an employer could not be compelled, on the basis of freedom of association, to remain in business against its will. The Supreme Court agreed with the CRT that the termination for union activity provision and the corresponding reverse onus does not apply in a closure situation.

³³ [2004] 1 SCR 43, 2004 SCC 2 (CanLII).

³⁴ At para 31.

[51] The closure here was genuine and permanent. The employees' dismissal was the result of the plant closure, not Union activity. The Employer did not breach clause 6-62(1)(g).

[52] With respect to clauses 6-62(1)(h), (k) and (l), the Employer objected to the Union raising these arguments at the last minute, without referring to them in its Application. The Employer also argued that none of the allegations under these provisions had been proven.

The Saskatchewan Human Rights Code, 2018

[53] The Employer rejects the Union's claim that the Board should order the Employer to pay damages under the *SHRC*, on two bases. First, if the Union thinks it has a claim under the *SHRC*, the Employer says it should take that claim to the Saskatchewan Human Rights Commission. Secondly, freedom of association does not require the Employer to keep its business open just because it is unionized. Nothing the Employer did breached its employees' freedom of association. The Union has not proven a breach of section 6 of the *SHRC*.

Analysis and Decision:

Technological or Organizational Change Application, LRB File No. 200-18

[54] In determining whether section 6-54 applies to this situation, the first issue is whether the Employer proposed an organizational change, that is, "the removal or relocation outside of the bargaining unit by an employer of any part of the employer's work, undertaking or business".

[55] In *Sobeys*, the Board held:

[42] Since 1972, the definition of "technological change", related only to a part of the "work, undertaking or business, has remained unchanged. So has the Board's interpretation of that provision as not being applicable to permanent closures of the whole of an employer's work, undertaking or business. Even Acme Video, which decision was quashed by the Court of Queen's Bench related to a partial closure. Re: Regina Exhibition Assn. Ltd. was a complete closure situation which the Board held to be a "technological change". However, that decision was quashed on review by the Court of Queen's Bench as noted above.

[43] The principles announced by the Board in Culinar remain as the guiding principles today:

(1) the work continues to be performed; (2) the location of the work is moved outside the bargaining unit; and (3) the work is now performed by employees of the Employer in a different work location or by employees of a third party.

[44] Applying those principles, the work of the Employer in this case is not going to continue. Nor is it being moved outside the bargaining unit, but rather is being abandoned. The work is not being performed in a different work location or by employees of a third party. Accordingly, this fact situation does not fit within these criteria and therefore the

permanent closure of the Sobeys store in Yorkton is not a “technological change” within the meaning of Section 43 of the Act. We would dismiss the application.

[56] This is not a case like *Sobeys*, where the employer closed its store, abandoned its customers and played no role in relocating its business elsewhere. All of the guiding principles established in *UFCW, Local 1400 v Culinar Inc.*³⁵ exist here: the work continues to be performed; the location of the work was moved outside the bargaining unit; and the work is now performed by employees of the Employer in a different work location or by employees of a third party (depending on whether the employees in the Edmonton plant are characterized as employees of the Employer or a third party).

[57] As the Board stated in *Howard Johnson*:

The determining factors in the application of s. 43(1)(c) is not whether there has been a full or partial closure; the determining factor is whether or not there has been a transfer of work previously done by employees of the bargaining unit to another location or to another party. A decision to merely cease providing a service (as was the case with Sobeys’s grocery store in Yorkton and at the Silver Sage Casino) is not technological change within the meaning of s. 43(1)(c) unless the employer takes active steps to remove or relocate the work outside the bargaining unit. The employers in both the Sobeys Capital case and the Regina Exhibition case merely abandoned the market leaving its previous customers to find their groceries and gaming opportunities elsewhere. Neither employer made any effort or arrangements to transfer the work to another of its locations or retain the services of a third party to perform that work.

[58] The work previously done at the Employer’s plant in Regina is now being performed by its employees in Edmonton, and the Employer took active steps to encourage its customers to transfer the work to that location. It did not abandon the market and leave its customers to find someone else to make their signs. While the Board has no jurisdiction over the Employer’s Edmonton operations, it is not prepared to ignore the facts. Even if section 6-54 only applies to a partial closure, the difficulty in treating this case as a complete closure is that the Employer’s own witness did not. Based on his evidence this situation is comparable to *Loraas*, where the Board found that the organizational change provisions applied when the employer closed one of its divisions.

[59] Given that section 6-54 applies, the next question is whether the Employer complied with its obligations under that section. The first requirement, in subsection (2), was that it give at least 90 days’ notice to the Union and the Minister of the proposed organizational change. It did that;

³⁵ [1999] Sask LRBR 97 (SK LRB).

in fact, it gave over 100 days' notice. The Union questioned whether the notice met the requirement that the change be "proposed", since the Employer had already made a decision to proceed with the closure. Reading subsection (2) as a whole, the Board is satisfied that this plan, having not yet been implemented, was "proposed". Next, subsection (3) sets out what the notice must state. The notice the Employer gave to the Union and the Minister complied with all of those requirements. Since the Employer complied with section 6-54, the Union's application pursuant to section 6-55 is dismissed.

[60] However, section 6-56 allowed the Union, once it received notice of the organizational change pursuant to section 6-54, to serve notice to commence collective bargaining for the purpose of developing a workplace adjustment plan. It served that notice on September 5, 2018. Subsection 6-56(6) allows the Employer to proceed with the organizational change, in the absence of a workplace adjustment plan, in two circumstances: if the Minister was served with notice that the parties engaged in collective bargaining and failed to develop a plan or if 90 days have elapsed since the Union gave notice to commence collective bargaining for the purpose of developing a plan. Neither of these are present here. No notice was served on the Minister. The plant closed on November 30, 2018, 86 days after the notice was given by the Union. The Act does not spell out the consequences if this section is not complied with. However, clause 6-62(1)(r) makes it an unfair labour practice for an employer to contravene an obligation, a prohibition or other provision of Part VI imposed on or applicable to an employer. The Board finds that the Employer committed an unfair labour practice pursuant to clause 6-62(1)(r) by proceeding to close the plant in contravention of section 6-56.

Unfair Labour Practice Application, LRB File No. 199-18

[61] The Union alleged a number of unfair labour practices by the Employer.

[62] First, it alleged that the Employer failed or refused to engage in collective bargaining with the Union contrary to clause 6-62(1)(d). Despite the fact that the Union did not rely on this clause in its Application, the Board will consider it because of its close connection with section 6-56. As mentioned above, the Union served notice on the Employer under subsection 6-56(1) to commence collective bargaining for the purpose of developing a workplace adjustment plan. As required by subsection 6-56(3), the Union and Employer met. Subsection 6-56(4) sets out a menu of topics that the parties may discuss; there is no requirement that any of them be included in any workplace adjustment plan that the parties may develop. Subsection 6-56(5) allows the Employer or Union to request the assistance of a labour relations officer; that occurred in this case.

Subsection 6-56(6) contemplates that a workplace adjustment plan may not be developed, as it authorizes the Employer to proceed with the organizational change without one if the Minister is served with notice that the parties have engaged in collective bargaining and failed to develop a plan or 90 days have elapsed since the notice to commence collective bargaining was served.

[63] Section 6-7 requires that, when Part VI requires parties to engage in collective bargaining, they do so in good faith. The issue then is whether the Employer engaged in collective bargaining in good faith. The Board finds that it did. The fact that it was not willing to reconsider closure of the plant does not equate with bad faith. Neither does the inability of the parties to reach an agreement. The Employer did not refuse to meet with the Union. It met with the Union in an attempt to collectively bargain a workplace adjustment plan on two occasions and subsequently suggested and engaged in mediation.

[64] The Employer made the decision to close its Regina plant for business reasons. The Union really hoped that it could convince the Employer to change its mind, but that was not to be. All witnesses agreed that this left the employees in a difficult situation. Of the 14 Union members, three had worked at this plant for over 40 years, and four more had worked there for over 30 years. The thought of having to look for work at this stage of their lives was unimaginable. However, that is the situation they face. While this situation may leave the Union with the belief that the Employer went beyond hard bargaining, the Board cannot agree. The Employer was entitled to use its bargaining power to bargain for an agreement that was acceptable to it. There was no requirement that the Employer make the ultimate concession the Union hoped to attain – the ongoing operation of the plant.

[65] The other facet of this issue raised by the Union was whether the Employer contravened its duty to bargain in good faith by refusing to disclose information to the Union that it thought it required “to adequately comprehend a proposal or employer response at the bargaining table”³⁶. The duty to disclose pertinent information during the course of collective bargaining is part of the overall duty to bargain in good faith. The purpose of the disclosure requirement is to enable parties to bargain matters that may impact on the bargaining unit over the term of the agreement. It is true that the Employer did not, until partway through the hearing, provide the Union with the information it requested. However, the requested information pertained to the rationale for the Employer’s decision to close the Regina plant, and that was not a topic of discussion at the

³⁶ *RWDSU v Temple Gardens Mineral Spa Inc.*, *supra*, footnote 20, at para 24.

bargaining table. Therefore, the Board finds that the Employer did not contravene its duty to bargain in good faith by declining to disclose the requested information.

[66] Clause 6-62(1)(g) of the Act requires the Board to consider the Employer's rationale for the termination of its unionized employees. The Employer must satisfy the Board that Union activity played no part in its decision to discharge its employees. The Board finds that the Employer has met this onus. All witnesses agreed that the Employer-Union relationship was amicable and co-operative throughout the 30 years the Employer ran the plant. All of the employees at the Regina plant were terminated, Union and non-Union. When the Employer started closing plants, it closed its non-unionized plants first. The reason for the employee terminations was the plant closure; the Employer's motivation was financial performance of its business overall. The closure was genuine and permanent. The evidence established no anti-Union animus.

[67] The next group of allegations by the Union was that the Employer threatened closure of the plant and ensuing terminations because of Union activity, in the course of a labour-management dispute or while an application was pending before this Board. The Board agrees with the Employer that it was inappropriate for the Union to attempt to rely on these allegations at the last minute, without referring to them in its original Application or making an application to amend its original Application to add them. While none of these allegations was relied on in the Application, the Board would note in passing that none of the allegations was proven. What the Employer communicated was not a threat of a closure; it was a notice of closure. The notice was given on August 21, 2018 and not during a labour-management dispute or while an application was pending before the Board or for the purpose of curtailing Union activity. Therefore, the Union has not proven a contravention of clause 6-62(1)(h), (k) or (l).

The Saskatchewan Human Rights Code, 2018

[68] The final allegation by the Union was that the Employer breached its employees' right to free association. It is not necessary for the Board to consider the issue of whether it has jurisdiction to grant the remedy requested by the Union under the *SHRC*. The evidence did not establish that the employees' freedom of association was affected in anyway by the Employer's actions. The Board agrees with the Employer that the right to freedom of association does not require the Employer to keep its business open forever just because it is unionized.

[69] In summary, the Board finds:

- (a) the Technological or Organizational Change Application was not proven and is dismissed;
- (b) the Employer committed an unfair labour practice pursuant to clause 6-62(1)(r) by closing the plant four days before the timeline established by subsection 6-56(6);
- (c) the Union did not prove that the Employer committed any other unfair labour practice;
- (d) the Union did not establish that the Employer breached its employees' right to free association pursuant to section 6 of the *SHRC*;
- (e) pursuant to its Order that liability and remedy be bifurcated, this panel remains seized of this matter to determine an appropriate remedy for the breach of clause 6-62(1)(r) if the parties are unable to agree.

[70] The Board thanks the parties for the oral and written arguments and Books of Authorities they provided, which the Board has reviewed and found helpful.

[71] This is a unanimous decision of the Board.

DATED at Regina, Saskatchewan, this **21st** day of **October, 2019**.

LABOUR RELATIONS BOARD

Susan C. Amrud, Q.C.
Chairperson