

## **Bill 5 – How does the *Public Sector Employers Amendment Act* impact CUPE Locals?**

### **What is PSEA?**

The *Public Sector Employers Act* (PSEA) was introduced in 2019. It allows the provincial government to provide bargaining directives to employers in the broader public sector.

### **What is the purpose of PSEA?**

The purpose of *PSEA* is to give the provincial government more control over public sector employers and collective bargaining. It allows the province to coordinate monetary proposals and bargaining strategies for employers in the broader public sector.

### **Are PSEA directives wage mandates?**

No. Under *PSEA*, the Minister can only require employers to comply with the directives. Reaching a collective agreement requires agreement from the employer and the union. In CUPE, and most unions, it also requires ratification by members. The Minister cannot direct unions or union members and cannot decide what wage settlements in collective agreements. It is more accurate to call it the employer's offer than a "mandate". The directives can change and have in fact changed during this round of bargaining.

### **Which CUPE locals are impacted by PSEA?**

*PSEA* primarily impacts locals in K-12 Education, Post-Secondary Education, Public Healthcare. The amendments do leave the door open for the government to add additional employers who receive funding from the province to provide a public service. *PSEA* does not apply to municipalities.

### **How will Bill 5 impact public sector bargaining?**

Bill 5 creates a framework to increase government control and to centralize and coordinate employer-side bargaining, labour relations and human resources. There are three main mechanisms that will facilitate employer coordination and government control within a sector and across the public sector as a whole:

- 1) Employer Committees – the Minister can establish Employer Committees to collect and share compensation data or information related to collective bargaining, to coordinate bargaining, and to develop, support and monitor the implementation of compensation and bargaining strategies.

- 2) Employer Associations – the Minister can establish an Employer Association. This is similar to an Employer Committee, but has broader purposes and powers. For example, an Employer Association can also coordinate other human resources and labour relations matters outside bargaining and can, if authorized under the Labour Relations Code, bargain on behalf of all employers in a sector.
- 3) Public Sector Employers' Council – the Minister can create a Public Sector Employers Council with representatives from government and broader public sector employers to advise the Minister. This provides greater ability for the government to coordinate bargaining across sectors.

These changes allow employers to coordinate with each other in addition to allowing the government to issue directives to employers. They increase the scope of what the government can direct and employers can coordinate to include labour relations matters outside bargaining. They increase centralization and coordination of bargaining for employers but not for unions.

### **Does Bill 5 create central bargaining or sectoral bargaining?**

No. Bill 5 does not create a central bargaining framework, sectoral bargaining or alter the scope of existing bargaining units and collective agreements.

Bill 5 does allow the government and school boards or health care employers to create an Employer Association to bargain on behalf of all employers in a sector. Bill 5 is best described as an attempt to impose all the benefits for employers of central bargaining with none of the benefits to unions and employees from central bargaining.

### **When will Bill 5 come into effect?**

Bill 5 will need to be debated and voted on in the legislature. That will likely happen this fall. After that, most of the changes require a separate order in council from the Minister and steps to establish new organizations. Changes related to bargaining are not likely to impact current rounds of bargaining; but may impact bargaining for collective agreements that expire in 2024 and onwards.