

Negotiation update: slow, but still moving

This is probably the longest bargaining round we have ever been a part of, with exception, of course, when we had to create a Collective Agreement from scratch when we certified in 1995.

Despite the lengthy process, it is safe to say that bargaining continues to move forward. Some may argue that turtles are moving faster, but the thing to take away from this is that regardless of the speed, we continue to move forward which is much better than no movement at all.

Many of the non-monetary articles that were opened by the union and the Administration are closed and settled. One of the few major pieces that remain outstanding include an Administration proposal to increase the subjectivity of the hiring process, something that we are strongly opposed to. We believe that the job evaluation system sets clear definitions for minimum qualifications for all of our positions. The Administration would like to add components that are difficult to measure in an objec-

tive way and want to put all of these components ahead of seniority in determining the best candidate to the point where seniority will rarely be a factor. While there is no perfect hiring system, our existing system works for 95% of position hires and still gives flexibility to our managers in determining the best candidate for their departments and faculties.

At this time, there has been little discussion on monetary items with the exception of the Pension Plan. The University continues to rely on their proposal to the Provincial Government to push for major structural changes to the Plan. The government allowed proposals for relief to any University with a solvency ratio less than 90%. While many Universities have solvency rates in the 60%-70% range, Laurier's plan was at 89.7%. Your bargaining team remains unconvinced that the problem with our Plan is entirely structural, but in more ways cyclical, where factors like interest rates, inflation, and the economy as a whole play a bigger role in the health of the Plan. Until we are able to come to an agreement on what the problem is, it remains difficult to agree on a solution. OSSTF has hired a very reputable consulting firm with a broad range of pension plan experience to assist in bargaining pension.

There are bargaining dates scheduled for December, and we expect to have more specific information on the Pension Plan provided to us by the Administration's actuary which will hopefully put us in a position to properly address the Administration's concerns.

Sincerely,
Niru Philip
Chief Negotiator, WLUSA/OSSTF D35

join us for the
OSSTF/WLUSA Holiday Event

door prizes, treats, refreshments

Tuesday, December 20 * 11:30-2:00 pm

Paul Martin Centre
(toy drive or food bank donations requested)

Salaries and benefits under attack

"Everyone talks about the weather. Why doesn't someone do something about it?" -- Mark Twain

Why has government budgeting begun to look like weather forecasting? Lately we're getting a lot of messages like this: "A recession [severe storm] is on its way. We all need to tighten our belts [head for basement shelter] just in case it turns into a depression [tornado]." "Tightening our belts," of course, means "lowering our expectations" about wage increases and benefit and pension plans. What's implied here? The economy is a force of nature: unpredictable but inevitable. "Resistance [bargaining] is useless."

But let's snap out of it. Human beings run the economy and they collectively decide what direction it's going to take. The economy is neither a meteorological phenomenon

nor a driverless car.

The big problem for most of us, however, is that we're not part of that collective in the driver's seat. And the government's public drama of playing the role of the brave captain at the helm of a ship in a hurricane and shouting at us to stay below decks doesn't encourage us to double check the weather report.

A Sinking Pension Plan?

Here at WLU the major storm warning centres on the vulnerability of the pension plan. At a time when the administration is negotiating with a number of bargaining

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Salaries & benefits under attack

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units on campus, we need to understand how problems with pensions are related to the University's internal economic dynamics as well as how Canada's economy as a whole affects the resources available for universities.

We know that pension funds are in trouble and we know it's related to falling stock values. We also hear that government spending must be cut ("Lower the mainsails!") along with taxes in order to get the economy going again. But, during September's general meeting, many members heard an assessment of our plan by Buck Consultants, an actuarial firm hired by WLUSA/OSSTF. They advised us that "the sky is not falling." They pointed out that our plan was designed to deal with the kind of market fluctuations we're now experiencing and it's doing its job properly. Armed with this knowledge and other details of the assessment, our bargaining committee can now negotiate on our behalf more appropriately.

Tax Cuts for Whom?

The most dramatic cuts to tax rates have been for the very rich, as can be seen by the change to the highest personal income tax bracket in Canada. During the 1940s this rate peaked at about 80 percent. It's now down to about 42 percent on average across Canada and the current federal government insists on bringing it down further. It also wants to continue to reduce the income tax rate for corporations, currently around 18 percent, to about 15 percent. These decreases in government revenue have a massive impact on funds available for Canada's infrastructure: our systems of transport and travel, utilities, education, and health.

Yet those in the top bracket (earning more than \$126,000) have not experienced the same income pressures as the rest of us. Income (calculated in current dollars) for those of us in the middle brackets has been virtually flat since the mid-1970s. In other words, our buying power hasn't changed in 35 years. However the income of the top 1 percent of taxpayers has increased about 175 percent during the same period. Clearly, we're more productive, but the benefits of that improvement are accruing to a small elite in a massively disproportionate way.

Even across-the-board tax cuts won't benefit 90 per cent of income earners. Instead, we need to strengthen the government's resources for stabilizing the economy. Among other things, this means making sure that our education system can face the challenges posed by a changing world economy. It means more investment in schools, not cuts to funding.

There's a lot of talk lately about how public sector workers are overpaid and overprivileged with cushy benefits and pension packages. In fact, we're generally in the middle of the pack as Canadian income earners, since the median taxable income of Canadian taxpayers in 2009 was \$48,300, which, by the way, is an increase of just 5.5 percent (corrected for inflation) since 1976. The last thing we need -- or deserve -- is a reduction in income or benefits. [The median income for full-time WLUSA members for 2010 before taxes was close to \$58,000. In order to compare this to the Canadian median of \$48,300, you need to subtract your taxable deductions, including RRSP and pension contributions, union dues, and child care expenses.]

In light of the policies of current fiscally conservative governments (and the provincial Liberals are being pushed this way), we need to be particularly careful to maintain the conditions in our collective agreement that give us job security.

Threats by various levels of government to cut spending are a form of intimidation of public sector workers. It warns us not to rock the boat, since administrators of public institutions are quick to argue that a troubled department is ripe for "restructuring." But government spending cuts also make life visibly very difficult for the unemployed. Only our legal rights to challenge arbitrary layoffs protect us from being squeezed between these two positions.

Inequality on Campus

The WLU community itself reflects some of the growing inequality that we see in the country as a whole. For example, between 2005 and 2010 the salaries of 16 of the most senior executive positions in the administration increased by about \$757,000, or 35 percent. That's roughly 7 percent per year. Our salaries grew by about half that (roughly 17.75 percent for the entire five years). If the executive salaries for just these 16 people had increased at the same rate as ours, the university would have had an extra \$151,000 to help with the budget or to invest in the pension plan.

And then there's the quality-of-life issue of workload. According to WLU's Human Resources Annual Report 2009-2010, full-time student enrolment increased 18.5 per cent between 2005 and 2010. The number of management positions grew by 48 per cent, full-time faculty positions increased by 15 per cent, but WLUSA full-time positions increased by only 7 per cent. This underfunding policy — an unwillingness to invest in support staff — puts more pressure on us to work harder. What did we do to deserve that?

WLU declared a surplus of about \$14 million last year, but who decides how that money will be reinvested? Granted that the management of the university has the legal rights to such decisions, surely they understand a fundamental benefit of democracy: the more that employees are engaged in the shape and direction of their daily labour, the more committed they will be to its success.

But when scarce cash gets diverted into capital budgets (mostly buildings) under the excuse that "the government earmarks funds for building construction," why should we passively accept such priorities? Governments don't dream up these plans on their own; universities form powerful lobby groups to attempt to shape such policies. If we peer through the fog, we can see more of the human forces at work behind the "weather."

At the very least, we should raise the question of whose needs are being met by property expansion at the expense of salaries and benefits for support staff.

