

## Dues increase – New questions, new answers

This page is where we will be posting answers to some questions we receive from members during the voting period. So please send any questions you may have about the vote to us at the following email address: [ecomunications@acep-cape.ca](mailto:ecomunications@acep-cape.ca). All of the information concerning the dues vote is available on the CAPE website at: <http://www.acep-cape.ca/EN/dues/>.

**Q. The ballot needs clarification.** Question 1 is asking us to vote in support of an \$8 increase in monthly dues starting in September 2013 and a \$5 increase starting in September 2014. Am I correct in assuming that this would bring my monthly dues up to \$43 in September 2013 and \$48 starting in September 2014? Will there be a new \$5 increase in September of each year thereafter?

**A. The interpretation in the first part of your query is correct:** [Question 1](#) asks you to support or reject two consecutive increases in monthly dues: the first of \$8 and the second of \$5, for a total increase of \$13 over a two-year period. The \$5 increase would be implemented in September 2014. It would not be followed by additional \$5 increases each year.

**Q. I have no idea what the Consumer Price Index (CPI) is or how it is calculated, much less how it will be used as the basis for automatic annual increases starting in September 2015 if I vote yes to [question 2](#).** Can you explain how the CPI is calculated? Who calculates it? How much has it gone up in recent years?

**A. The Consumer Price Index (CPI)** is a measure used by Statistics Canada (and therefore probably calculated by CAPE's own EC members) "[of the rate of price change for goods and services bought by Canadian consumers](#)." If CAPE members vote "yes" to question 2, CAPE will use the CPI increase published by Statistics Canada in June of each year, starting in 2015, as the percentage rate by which to increase dues.

For example, if dues are \$48 per month and the CPI is 2% in June 2015, dues will increase to \$48.96 per month in September 2015:  $(48 \times 2 / 100 = 0.96)$   $(48 + 0.96 = 48.96)$ .

The following table shows the [annual percentage increase in the CPI](#) over the last 10 years.

Year	CPI in %
2012	1.5
2011	2.9
2010	1.8
2009	0.3
2008	2.3
2007	2.2
2006	2.0
2005	2.2
2004	1.8
2003	2.8
2002	2.2

**Q. The idea of basing dues increases** on the Consumer Price Index (CPI) is a good one. It will make the frequency and size of increases less arbitrary.

First of all, what version of the CPI are we talking about here? Is it the all-items CPI, or a different one? Is it the CPI for Canada? In particular, is it seasonally adjusted or not? None of this is specified in the wording of the proposal.

**A. The CPI we refer to is the Canadian CPI** for all items, as defined by Statistics Canada. While it is not specified in the resolution, we will be using the non-seasonally adjusted CPI.

**Q. The wording of the proposal implies** that you will be using the annual change in the monthly CPI for June (compared to the CPI for the previous June). However, the table in your information document (*New questions, new answers*) shows the annual change in the annual CPI over a calendar year. Obviously, the figures are not the same.

**A. The table in question was produced** as one member asked us to explain the concept of the CPI and provide a historical example of changes in the CPI. To illustrate how the CPI changes over time, we used the table produced by Statistics Canada showing the [change from the previous year](#). The note at the bottom of the Statistics Canada table states that “annual average indexes are obtained by averaging the indexes for the 12 months of the calendar year.” For the purposes of the dues increase, however, our calculation will be based on the annual change in the CPI from June of the previous year to June of the reference year. In 2015, the reference period of July 2014 to June 2015 would thus be used, and this index would be published by Statistics Canada in July 2015.

**Q. Why June?** How is the month of June representative of the 11 other months of the year?

**A. June was chosen because** the index for June is published in July and we are required to notify the Treasury Board by August 1 for the dues increase to take effect in September.

**Q. And what if the change in the June/June CPI** is negative, as was the case in 2009 (which sometimes happens when annual changes in a monthly CPI are used): will the dues go down?

**A. The resolution states that an increase** would be based on the increase in the CPI. This means that there would be no increase in dues if the CPI remains unchanged or declines. It should be pointed out that June 2009 was the first negative 12-month change in the CPI for June since 1994.