ACEP CAPE
Association canadienne des employés professionnels
Canadian Association of Professional Employees

President's Report – AGM, November 2012

Good evening, and welcome to CAPE's Annual General Meeting. Before I begin, let me remind you that the meeting is being held in both official languages and that listening devices are available for all those who wish to make use of the interpretation services being provided here this evening. The French-language feed is on channel 2 and the English-language feed is on channel 1.

I will now ask the members of the National Executive to introduce themselves one by one: … I believe that Ann Kurukshuk-Nemec is on the telephone.

My special thanks go out to each one of you for your many hours of devoted service to your Association each month, both within the NEC and on its sub-committees.

I am sure that, because of work force adjustment, you have seen colleagues leave the workplace. This phenomenon has also affected the National Executive Committee. Patrick Warner left for retirement in January of 2012. Michael Zinck, who served under three different presidents at CAPE, and Janet Marshall left the NEC after our June meeting. Ray Zwicker left us after our September meeting and Ambrose Wong will be leaving the Public Service in early December. I would like to thank them for their contribution to our organization.

Now, let's move on to the management team. I would like to introduce Donna Martin, our Manager of Administration Services, and Jean Ouellette, who is the Executive Director of Operations. Unfortunately, Executive

Director of Policy Claude Danik, who is also CAPE's Chief Negotiator, could not be with us here this evening. I want to say thank you to the management team. None of our accomplishments would have been possible without you. Thanks for making my life so much easier.

Some of you have probably noticed that the members of CAPE's staff are not in attendance tonight, although it has been the practice in the past to have them here to give you a chance to meet with them and get to know them better. However, in an effort to save money, we decided not to invite them this year. But even though they are not here, they deserve a round of applause for the fantastic work they accomplish – sometimes with very limited resources.

The President's annual report is an opportunity for you to hear all about your Association's accomplishments over the past year. And God knows this has been a very busy year for CAPE, marked by two predominating issues: work force adjustment in the wake of the federal budget tabled late last winter by Finance Minister Jim Flaherty, and bargaining – or rather the lack of bargaining.

Let's begin by looking at work force adjustment. This is an "improv" exercise the like of which has never been seen before in the federal public service. The Harper government used every available forum to proclaim long and loud that it intended to mount a review of government spending, but that this review would in no way affect services provided to the Canadian public. This was one of the planks in the election platform that won the Conservatives a majority back in May 2011. From then on, the reality of what was in the works began to take shape. In the months leading

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up to the tabling of the budget, some ministers even went so far as to suggest that spending cuts might total as much as $8 billion.

At that point, events started to move fast. Early in 2012, CAPE and the Canadian Centre for Policy Alternatives published analyses of the potential consequences of these kinds of spending cuts. While the findings of the two studies differed somewhat in terms of the magnitude of the impact the cuts would have on the economy, they did prompt Minister Flaherty to delay the tabling of the budget.

In fact, the federal budget was not tabled until late March of 2012, even though federal budgets traditionally tend to be tabled in late February or early March.

As it turned out, the infamous budget of March 29, 2012, did not contain $8 billion in spending cuts. Rather, $5.2 billion in cuts were announced together with the elimination of 19,200 public service jobs – most by attrition, of course!

Minister Flaherty, through Treasury Board President Tony Clement, had previously asked federal departments and agencies to prepare scenarios for cutback levels of 5% and 10% that would guide him in preparing his austerity measures. In other words, during the fall of 2011 and the early winter of 2012, departments and agencies were given an opportunity to start preparing properly for what was to come, but very few of them did.

CAPE did anticipate what was coming, however, and in the fall of 2011 we wrote to all federal departments and agencies to find out whether they had a work force adjustment committee and an action plan already in place. Their replies arrived nearly all at once and contained essentially the same wording – proof that Treasury Board was standing in the wings and orchestrating what approach they should take. Nobody had a committee or a plan.

Officially, whenever CAPE complains to Treasury Board about the actions of a department or agency, the answer we get is invariably that "Deputy Ministers have delegated authority, and there is nothing we can do." Yet, when we approach those same departments and agencies, the line they feed us is that they are "acting on instructions from Treasury Board." Somebody is not telling the truth. That much is clear.

Speaking of lies, we were at the bargaining table this year with Treasury Board, and all we heard was, "We don't have any money." And yet, the government is more than ready to spend freely on advertising to get people to swallow its austerity plan or to play up the fact that the War of 1812 was an important milestone in Canadian history. Plus there never seems to be any lack of federal budget funds to pay for fighter planes and warships, Queen's Jubilee Medals, or the parachuting of jobs into the ridings of Cabinet ministers such as Christian Paradis and Keith Ashfield.

The arbitration decisions produced this year for the EC and TR groups did not buy into Treasury Board's arguments. In the EC Collective Agreement signed on October 15, CAPE obtained approximately $35 million more than what Treasury Board had been offering at the bargaining table. As for the TR group, the arbitral award resolved a number of long-standing irritants, including certain premiums for translators and interpreters in the Parliamentary sector, and the granting of two breaks per workday – something other public servants have been entitled to for ages.

Only one of our groups is still bargaining: the Library of Parliament. Here as well, we have gone to arbitration because of the employer's unwillingness to settle anything at the bargaining table. We appeared before the Arbitration Board on Thursday and Friday of last week. The parties will have the opportunity to submit additional observations in December and January, and the arbitration decision will then be released, probably around the end of January.

I have been bargaining on behalf of CAPE members for a long time, and this is the first time I can remember getting so many calls of congratulations from other unions. And believe me, we got a lot of those calls – especially after the EC arbitral decision. Exactly what factors led us to achieve such positive results? The huge amount of work done by our bargaining teams in preparing for the bargaining process and the arbitration process that followed; the fine work of our negotiator; the considerable expertise of the law firm representing us; and the fact that we did not hesitate to invest the necessary funds. Considering the kind of results we achieved, it is clear that every dollar we spent was well worth it.

Even though the government claimed it did not have any money to bargain with, it did have enough money to drag out the entire process and take us to arbitration. After all, isn't it one of the goals of this government to weaken unions? Why else would it continue to mount more and more attacks against our right to organize? Bill C-377, for instance, would force unions to spend more time justifying their existence than defending their members. And MP Pierre Poilievre has similar designs, as he pushes to abolish the Rand formula in order to make it easier to bring unions to their knees. Unfortunately, all of these circumstances are conspiring to make life more expensive for us, and this is just the beginning. With a majority in the

House of Commons, the party in power is now entirely free to pursue its agenda.
Nevertheless, we have been meeting with Senators and MPs to explain to them that attacks against the Public Service and against unions also have an impact on the Canadian public. Of course, we are very warmly received by those Parliamentarians who belong to the opposition parties, but we get a cold shoulder when we approach MPs who are with the party in power.
Meanwhile, CAPE's members voted against a proposed dues increase. In hindsight, it must be acknowledged that this was undoubtedly the wrong time to hold such a vote. Perhaps the amount of the proposed increase was too high. To make a long story short, we will have to examine the reasons that led to this refusal.

But how do we reconcile the desire to be the best federal public service union with the fact that some of our members agree with Stephen Harper's assertion that we have to do more with less? The fact of the matter is that CAPE's members and staff are the ones who will suffer if we decide to cut down on spending instead of raising dues, which have stayed the same for more than six years. If your wages had been frozen for six years, what would you have done?
You see, ours is one of the best unions in the federal public service. The leadership we have demonstrated is now widely recognized, thanks to the work we have accomplished in a number of vital areas, such as work force adjustment, our analysis of the federal budget cuts and the Professionals Serving Canadians campaign. CAPE is now a key player alongside the

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Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada. It is no longer just a spectator on the sidelines.

Now let's get back to CAPE business. Consider the EC arbitration. For less than $50,000, we obtained for our members, as I mentioned earlier, approximately $35 million more in wages than what the employer was willing to offer. That is the value of the extra salary step that has been added to the EC collective agreement and which all ECs will obtain in 2013 or shortly thereafter: a value ranging from $1,874 to $4,080. In addition, although severance pay has now ceased to accumulate, we did manage to keep it alive for one more year. This represents an additional week's pay for all those who had not yet reached the maximum amount of years of service. This means an extra $1,081 for an EC-01, $1,617 for an EC-05 and $2,229 for an EC-08. So we feel safe in saying that every dollar we spent on bargaining and arbitration yielded a positive return on investment.

Everything comes down to finances. It is said that money is the lifeblood of any organization. I will forever take pride in repeating that CAPE is the only federal public service union that has managed to perform effectively with monthly membership dues of only $35; but we can't do so anymore, and we have to do a better job of explaining this situation to our members. Local Leaders and Presidents will now have to pitch in and help us to continue the fine work we have always done for our members.

In the meantime, of course, we will have to tighten our belts and reduce spending. The management team has proposed a restraint plan. In recent years, however, many of you urged us to strengthen our resources in areas such as labour relations, communications and parliamentary outreach. Now that we have done so, we must continue to finance these activities or we will be forced to give them up – which is an option I personally cannot accept.

Everyone's priority should be the continued financial health of the Association. In any event, it certainly is my priority. You need a strong union to defend your interests, and you need your union to be financially sound. We are going back to the drawing board, and we will come back in 2013 with new proposals to ensure that those needs are met.

Thank you!

Normally, Claude Danik would be here to report on bargaining. I have given you the highlights. For more information, I would refer you to CAPE's Annual Report for 2011 – 2012, which was posted recently on our website.