

# STATE OF THE UNION



April 2007

## Bargaining in a Boom – Highlights from the Union Agreement Conference

By Liz Purves



Bargaining in a boom economy is about more than money; the issues of job security and benefits must also be addressed. That was the thrust of comments made by CUPE Alberta President D'Arcy Lanovaz in his opening remarks at the Union Agreement Conference held in Calgary February 10-11.

Lanovaz reminded delegates that a boom is always followed by a bust, and said CUPE needed to be prepared by using the leverage workers have in a labour shortage to bargain contract language that protects job security.

"If we spend the boom years raising our wages without protecting public services from contracting out – what do

you think our employers are going to do when their money dries up?" asked Lanovaz. "They are going to look at what (in their eyes) is an inflated wage bill. And they will ask the private sector to do the job. We will lose members, hospitals will not be as clean, trash pick up will cost more, and our water will not be safe."

CUPE economist Toby Sanger reported that Alberta is in the middle of the strongest economic growth in Canadian history. Sanger said the province is posting the lowest unemployment rates on record as well as one of the largest in-migrations. Strong economic growth is expected for 2007 and 2008, with union wage growth of 3 - 4% expected and surpluses for the Alberta and Federal governments. Sanger said that while the strong economy means better job security, inadequate planning and public investment by governments and public sector employers is increasing the threat of privatization.

Sanger said that the boom has created an increase in family incomes, but noted that families are working harder than ever to keep up. Quality of life is not necessarily improving because families have less home time, less time for care of children, aging parents and community activities.

With an increasing wage bill, employers are looking at other ways of cutting costs. Workplace health and safety is being affected and many employers are pushing to shift health care and drug coverage to cheaper 'Health Savings Accounts'.

## P3 schools a disaster waiting to happen

Experience elsewhere should scare Albertans away from 'costly' idea – Lanovaz

**CALGARY** – News that Alberta's new Education Minister is considering using 'public private partnerships (P3s)' to build new schools for Calgary should have parents, taxpayers, and school trustees very concerned.

That was the message from CUPE Alberta President D'Arcy Lanovaz – who said P3s were such a disaster in Nova Scotia that the Conservative government there abandoned it.

"After looking at the Nova Scotia experience, it is clear that P3s will cost Albertans more."

In the late 1990s, the Liberal government of Nova Scotia argued that the need for new school construction was so great, they needed to go the P3 route. The Liberals negotiated a deal to build 55 schools using the private sector.

Lanovaz said the subsequent Conservative government decided to scrap the Liberal P3 plan after costs increased by \$32 million – enough to build three schools.

"Not only did Nova Scotians pay more for construction than they would have by conventional financing, but because the deals were so complicated, a number of disputes arose and went to arbitration," said Lanovaz. "The arbitration results added more costs and resulted in poorer schools."

Lanovaz provided several examples of negative arbitration decisions in P3 schools:

- Schools have lost the right to cafeteria and vending machine profits, and might have to give up a portion of funds raised through school fundraising events.
- Hourly rates for the rental of school space for sports groups have increased from \$7/hour to \$57/hour.
- A leaked report shows that while the government wanted the private partner to carry \$50 million in liability insurance, the private companies only have to carry \$10 million.

In scrapping P3s, Nova Scotia Conservative Education Minister Jane Purves said, "P3 schools grew too elaborate and too costly."

Neil Leblanc, Conservative Finance Minister of NS said, "The former government tried to use accounting to push the costs of the new schools off-book, but they didn't fool our lenders or taxpayers. Debt is debt is debt, and we must account for it."

"If Alberta doesn't heed the lessons of Nova Scotia, we will pay more, get less, lose control over our schools, and make them less safe for our children," said Lanovaz.

"My message to the Alberta government is don't repeat the mistakes of other governments. We have the resources to build our schools – without the extra costs of P3s."





## Local Focus: Local 8 – a part of Alberta’s labour history

By Mike Scott

CUPE Local 8 began at a time in which the labour movement was making great strides in Alberta and across Canada. In 1911, Canadian postal workers were organizing into the Dominion Postal Clerks Association; the Great Western Garment Company was founded in Edmonton and organized by the United Garment Workers of America; Calgary transit workers quickly organized calling themselves the Amalgamated Association of Street and Electrical Railway Employees and elsewhere in Calgary a little action in the “Grand Old Lady” laid the foundation to what is known today as CUPE 8.

The support staff for Calgary’s General Hospital had organized and became certified in 1911 when they joined with the National Union of Public Employees. The existing staff association found the need to join a union as many associations were doing in those days and thus they became known as NUPE Local 8. When NUPE merged with the National Union of Public Service Employees in 1963 to form CUPE, Local 8 was able to keep their number and have been known as CUPE 8 representing Calgary health care workers.

In the early ‘70s, Local 8 started branching out by including nursing homes into their certificate and whenever employees at a long-term care were looking for a union, CUPE 8 was willing to accept them into their family.

The major event in the history of CUPE 8 is an illegal strike by hospital laundry workers in 1995. The strike began after the Calgary Regional



Health Authority announced they were contracting out laundry services at Calgary’s General hospital to a private company. After receiving only two weeks layoff notice, all 55-laundry workers went home sick. They met that night and decided to form a picket line at the hospital and fight for their jobs.

Conservatives responded by giving the Capital Health Authority enough money to allow an 18-month ‘no contracting out’ policy and gave the workers a severance package once the 18 months was up. The strike showed the government to be mean spirited, and most of all, beatable.

In 2001 CUPE 8 lost acute care members to the AUPE in a run off vote, leaving the local primarily focused on long-term care.

Today, the local still represents the so-called ‘invisible’ staff running long-term care facilities. We don’t see them on a day-to-day basis but they are integral to the effective operation of a seniors’ facility.

CUPE 8 is growing at a steady pace. Recent amalgamations with Locals 2340 and 182 have seen the membership grow to over 1,300. President Collette Singh says plans to organize new sites continue as they have added two assisted living sites and one care centre as recently as early this year.

The executive of CUPE 8 is kept busy representing workers in one of the most demanding sectors in CUPE, but they are making progress on wages and working conditions for their members.

“The wages are not attractive enough to make it a worthwhile career choice for young people,” says President Collette Singh. “When dealing with the private sector employer, it’s hard to negotiate an attractive wage scale as that cuts into their profits, but we are making gains.”

Workers at Foothills Hospital shortly joined in the walkout, sparking sympathy strikes by other hospital workers effectively shutting down Calgary’s hospital services. Other hospital workers, members of CUPE, the Alberta Union of Provincial Employees (AUPE), the Nurses and Hospital Guild members, and even some doctors staged work to rule protests in support of the laundry staff. The solidarity shown amongst the health care community forced Ralph Klein to negotiate a settlement after insisting he would not get involved.

The 1995 strike made Ralph Klein blink at a time the Conservative Government had a ‘no blink’ policy. The



## Medicine Hat Mayor tells CUPE convention – no P3 arena

**MEDICINE HAT** – Garth Vallely, Mayor of Medicine Hat, told 200 delegates at the CUPE Alberta Convention he didn’t think the City would use a ‘public, private partnership’ to build a new city arena.

“Are we going with a P3 here? No, I don’t see that happening,” said Vallely.

Valley said the city will seek financing from the provincial and federal government as well as the bond market – and encouraged CUPE National President Paul Moist to invest.

But we the city will operate it. You won’t lose jobs, in fact, you’ll likely get more,” said Vallely to applause from the delegates.



## CUPE Alberta to hold Conference on Trades

**EDMONTON** – CUPE Alberta has announced it will hold its first ever ‘Trades Conference’ to examine and address the unique issues of trades in the public sector.

CUPE Alberta President D’Arcy Lanovaz said that while skilled trades don’t make up a large segment of the union’s membership, it is important to address some of the issues unique to the trades.

“Labour shortages have been particularly acute among the trades, and that has led to some unique challenges and opportunities when bargaining for those workers,” said Lanovaz.

Lanovaz said the conference was part of CUPE’s Strategic Directions initiative, adopted by the 2005 National CUPE convention.

“Convention felt it was important to hold sectoral conferences,” said Lanovaz. “And in Alberta, the trades are one sector we have a lot of work to do in.”

The conference will include panel and workshop discussions addressing bargaining and labour relations issues, sharing information and strategies among locals.

The conference will take place April 27-29 in Edmonton.

## TILMA – A bad deal

**MEDICINE HAT** – An agreement signed in secret between BC and Alberta could restrict virtually all business conducted by school boards, municipalities and the provincial government. That was the blunt message delivered to CUPE Alberta delegates by Trade Researcher Ellen Gould.

Gould said the Trade Investment Labour Management Agreement (TILMA), was easy to understand.

“The key clause in the agreement is that it says government’s cannot restrict business,” said Gould. “Businesses can sue governments for up to \$5 million if they are restricted.”

Gould said the clause would make Alberta and BC “more deregulated than Texas,” since almost every action taken by government restricts business in some way.

According to Gould, actions to restrict smoking in public places, ban junk food from schools, or control development or zoning would subject governments to lawsuits.



## A new Premier for Alberta – what does it mean to CUPE?

By Lou Arab, Communications Representative

**EDMONTON** – Love him or hate him, Ralph Klein had a huge influence on Alberta. It was hard to not have a strong opinion about the Premier most people knew as ‘Ralph’. And working in the public sector – it was pretty hard to escape his influence.

A 5% pay cut, blowing up of a hospital, Bill 27 regionalization of health care, over crowded schools, crumbling infrastructure, and neglected long term care facilities – which ever branch of the public service you worked in - it was hard for public sector workers to escape Klein’s legacy.

But, we did get a \$400 cheque from the man.

Times have changed. Ed Stelmach won a surprising victory to take over the PC leadership, and now occupies the Premier’s office. What can CUPE members, and Albertans, expect?

### P3s

Education minister Ron Leipter has said the Stelmach government will use public private partnerships to build new schools. P3s had been largely abandoned by the Klein government after cost estimates for a new law courts building in Calgary increased by 67%.

P3 schools – in which government leases a building instead of purchasing it outright – increase costs to the taxpayer because the government pays twice, once to purchase the land, and again to lease the facility. A Conservative government in Nova Scotia

abandoned P3s after costs escalated out of control, and communities reacted in anger over increased costs to sports teams and other community groups looking to rent space.

### Long-Term Care

Two years after a scathing Auditor General’s investigation – Alberta Seniors’ facilities are still not in very good shape.

Under-funding and staff shortages continue to be a major issue. Careers in long-term care have long been low on pay and high on workload. So, with the current labour shortage pushing wages up almost everywhere else, staff are leaving for higher paying, lower stress careers.

The Stelmach government has promised little in the way of increased funding for staff and operating expenses. And, moving away from a system of private lodges and facilities isn’t even on the new Premier’s radar.

### Health Care

Health care is one area where there is cause for very guarded optimism with the new government. Abandoning massive privatization projects that Ralph Klein often mused about, Health Minister Dave Hancock says the government will look at promoting healthy lifestyles as the principal means of bringing costs down in health care.

However, the Stelmach government has failed its first test in that regard. When Hancock pointed out that building healthy lifestyles contradicts the government’s opposition to a province-wide workplace smoking ban, he was angrily denounced by other Conservative MLAs. Currently, individual municipalities can decide if they want to allow smoking in workplaces.

New Premier, same old problems for CUPE members.



But even on the issue of privatization, many analysts are saying that while the government has abandoned large-scale privatization projects, it may come back in other forms.

NDP leader Brian Mason commented that while large-scale privatization schemes seem to be off the table, they may still kill public health by a series of smaller scale projects.

“The Conservatives having learned their lesson with the defeat of the ‘Third Way’ and they know that Albertans do not support privatized health care,” said Mason. “While they are unlikely to launch further out-and-out privatization schemes, the risk is that they will allow public health care to die the death of 1,000 cuts.”

“A clinic here, a specialist there, pretty soon our public health care system is full of holes.”

## Photo contest winner announced!

**MEDICINE HAT** – CUPE 898 Member Lorraine Witiw was the big winner of this year’s CUPE Alberta photo contest, taking grand prize for this photo of a community ‘pirate pool’ party, and also winning in the ‘CUPE at Work’ category.

See all the winners at [www.alberta.cupe.ca](http://www.alberta.cupe.ca).





# “We want a fair and compassionate Canada” – Moist

**MEDICINE HAT** – In his address to CUPE Alberta convention delegates, National CUPE President Paul Moist said the union’s job is to stand up for a ‘fair and compassionate’ Canada.

“We are fighting against the income trusts, the Enrons, the Fraser Institute, the Conference Board of Canada – they all represent greed,” said Moist. “These folks want less wages, less benefits, and no corporate taxes.”

“I am sickened by recent loss of thousands of autoworkers jobs. I am sickened by the loss of thousands of paper-workers’ jobs,” said Moist. “What’s the demand for public services if everyone’s moving? We need to work with autoworkers, paper-workers, CUPE stands for good paying jobs for all Canadians.”

“Our union stands for the opposite of greed. We stand for a fair and compassionate Canada. That is

a Canada worth fighting for. If we lock arms as workers, we can’t help but win.”

Moist highlighted several battles ahead for CUPE, including the Trade, Investment & Labour Mobilization (TILMA) agreement, P3s, and reduction of manufacturing jobs.

The National President recognized the earlier announcement by Medicine Hat Mayor Garth Vallely that the City was unlikely to proceed with a P3 arena, and hinted CUPE would encourage public pension plans to invest in municipal bonds if they are floated by the city to build a publicly owned and operated facility.

Moist noted that Alberta locals are leading the way in bargaining strong contracts, and said the province’s locals are being recognized nationally for fighting racism and volunteering in their communities.



CUPE National President Paul Moist - photo credit Frank Reaume

## Lanovaz re-elected President

**MEDICINE HAT** – CUPE Alberta President D’Arcy Lanovaz was re-elected for another two-year term, defeating challenger Margaret Templeton from CUPE 1606.

### Complete convention election results:

**President**  
D’Arcy Lanovaz, CUPE 38 ELECTED  
Margaret Templeton CUPE 1606

**Secretary**  
Rh’ena Oake, CUPE 1169  
Elected by acclamation

**General VP – South**  
Carol Boklaschuk, CUPE 408  
Elected by acclamation

**Alternate Area VP North East**  
Dee Kibler, CUPE 1661  
Joyce Baker, CUPE 1606 ELECTED

**Alternate Area VP, Red Deer**  
Caleb Rosenthal, CUPE 4733  
Elected by acclamation

**Alternate Area VP – Calgary**  
Shelina Hassanali, CUPE 4731 ELECTED  
Mark Langlois, CUPE 37

**Alternate Area VP – Fort McMurray**  
Emily Bird, CUPE 1505  
Elected by acclamation

**Alternate Area VP – Northwest**  
Ruth Shimka, CUPE 2550  
Elected by acclamation

**Alternate Area VP – Edmonton**  
Lola Barrett, CUPE 41 ELECTED  
Janice Kube, CUPE 3550

**Alternate Area VP – Lethbridge**  
Liz Chistie - CUPE 408  
Elected by acclamation

**Alternate Area VP – Medicine Hat**  
Jake Bratten CUPE 829  
Elected by acclamation

**Young Worker VP**  
Danielle Williamson, CUPE 40  
Elected by acclamation

**Three Year Trustee**  
Gerry Fawcett, CUPE 1169 ELECTED  
Aruna Lall, Local 41

**Area VP - Edmonton**  
Neil Ketler, CUPE 30  
Elected by acclamation

**National Executive Board nominee**  
D’Arcy Lanovaz, CUPE 38  
Elected by acclamation

