



# UTFA Bargaining Report

University of Toronto Faculty Association July 26, 2010

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## Bargaining Report #7

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#### UPDATE REGARDING GOVERNMENT OF ONTARIO'S MOST RECENT STATEMENTS REGARDING WAGE FREEZE

Dear Members:

Many of you have likely heard or read about developments with respect to public sector bargaining in Ontario and the intentions of the Government of Ontario to become more directly involved in negotiations involving public sector workers, including university academic and general staff.

As you know, we have completed the arbitration hearings for the period covering July 1, 2009 to June 30, 2011 and we have been waiting since mid-May for the compensation portion of the award to be released by Mr. Martin Teplitsky, Q.C. We have nothing new to report in this regard.

However, on Tuesday July 20, Dwight Duncan, the Minister of Finance, met with numerous stakeholders, including representatives of public sector workers, and said that he was encouraging all those in bargaining to agree to a pause and as well requesting that all interest arbitrations be put on hold. This latter request directly pertains to UTFA's ongoing arbitration. But we certainly have not agreed to any such "pause" nor, as discussed below, do we see any basis for doing so.

Subsequently, the government has advised that it is convening sectoral "consultations" with the university sector scheduled for August 9–20 at the Royal York in Toronto. Initial indications are that the Government wishes participants to work around the clock for twelve days to reach a consensus. The objective of this "consultation" is for labour and management in the university sector, working with Government representatives, to come up with solutions and options on how to meet the Government's policy objectives. These objectives specifically include a two year wage freeze for public sector workers in Ontario who bargain collectively as announced in the Ontario budget in March. It is clear that the Government wishes to intervene more directly in pursuit of this goal, yet it is equally clear that the Government has not as of this time decided to directly legislate a broader public sector wage freeze that would affect UTFA members.

There has been considerable consultation involving both the Canadian Association of University Teachers (CAUT) and the Ontario Confederation of University Faculty Associations (OCUFA). UTFA officers, staff, and advisors have participated in these consultations and are fully briefed. Key objectives of these consultations include information sharing and deliberation among faculty associations currently in bargaining to evaluate possible courses of action. At this point, no definitive decisions have been made. We are closely monitoring the unfolding situation, which has not been made entirely clear by the Minister's office. There is a meeting scheduled in Toronto on July 30

involving the Presidents of all academic staff associations in Ontario to discuss specifically whether we will participate in the “consultation”; we will also discuss who our negotiators might be if we do participate and what mandate they may have from the academic staff associations in Ontario. We will also discuss what system of accountability will be in place between those at the table and the leadership of associations across the province, again, assuming we participate. The actual agenda will be set by the association Presidents at the start of next week's meeting.

This is all the information we have at present. Any information or claims that go beyond this or that contradict what we have indicated above are either wrong or speculative or both. We advise all members to be critical and skeptical with regard to anything else you hear.

However, a few things bear noting:

- 1) The government has re-stated its wish that there be no net compensation increase for the first two years of any agreement signed after the current agreement expires. This refers only to across the board salary increases, and not to PTR or merit increases. However, it is important to note that no legislation authorizes the Government to impose this restriction and none has been introduced or proposed.
- 2) The Government has indicated its desire that bargaining be paused and that all interest arbitration be placed on hold until after the August 9–20 “consultation.” As with the first item, this is only a request and the government has no legislative authority to impose it. All parties are free to continue bargaining and to negotiate whatever they want.
- 3) The government’s apparent hope is that the August 9–20 “consultation” will result in the parties agreeing to a sectoral framework consistent with the government’s policy objectives. The initial consensus among representatives of academic staff associations in Ontario to this point is that the interests of members should come first, and that our duty as representatives of our members is not to act as agents for the Government in its efforts at setting sectoral bargaining restrictions. This is particularly the case given that the Government’s policy objectives, assuming there is any inflation, amount to wage rollbacks. And it bears noting that any wage freeze would apply equally to less well paid UTFA members, an issue of particular concern to UTFA given the wide disparities in salaries at the University of Toronto.
- 4) UTFA is in the very latter stages of interest arbitration and we are still expecting the compensation matters to be settled by Mr. Teplitsky. This arbitration process has been lengthy and comes on the heels of both a face-to-face phase of bargaining and a mediation phase. During these earlier periods we secured important gains for our members, as has been reported in earlier updates. But we went to arbitration over compensation matters and the details of a new workload article because we were not able to reach agreement in mediation. These various steps are as prescribed by our Memorandum of Agreement. They reflect the past efforts of many of our colleagues to secure effective means of reaching settlements over compensation (and now workload) in negotiations between UTFA and the administration. This includes recourse to binding arbitration. Interest arbitration is a legitimate way in which parties who are unable to agree may come to reach settlements, and it is our chosen process. It should not be cast aside or interrupted lightly. And it bears noting that one of the terms of our mediation settlement approved by Council in March is that the administration relinquished its right to reject the arbitration award. Given that our hearings are concluded, that most other public sector employees have settled for 2009–10 and 2010–11, and that we are merely waiting for an award from

Mr. Teplitsky, it is difficult to see any basis for accepting the Government's request as opposed to insisting that our current process be allowed to continue to the end.

All UTFA members share a concern with the deterioration of the province's finances over the recent past. These are serious matters. But it is also important to note that the University of Toronto and the province of Ontario are not the same thing and their finances do not march in lock step. In fact, and as is made plain by the administration's arbitration brief, contrary to talk of gloom and doom, the University of Toronto has begun to rebound from the market downturn and is currently in budget surplus. Appalling losses in the pension and endowment funds attributable to ill-conceived investment decisions have hurt the University, but the overall picture is much different than for the Government of Ontario. Moreover, UTFA's position in mediation and arbitration is that a fair settlement for UTFA members would be in line with settlements in our sector over the last few years, settlements that have included ATB increases of no less than 3 percent. That said, we have placed particular priority on a competitive salary increase for less well paid faculty and librarians in order to help cushion any austerity, as well as offset the widening salary disparities at U of T owing in substantial measure to our inability to negotiate effective and fair means of allocating market and anomaly funds given the current restrictions under the Memorandum.

In sum, while there have been developments with respect to efforts by the Government of Ontario to secure a two year wage freeze (pertaining to across the board increases, not merit increases) in the wider public sector, including in academia, UTFA's view is that we should stay the course and await the decision of the arbitrator vis-à-vis our pending settlement for the 2009–2010 and 2010–2011 years. We are quite encouraged by the initial consensus among Presidents of academic staff associations in Ontario to adhere to existing collective bargaining processes; this is a sentiment UTFA certainly shares. Until we have cause to revisit this position, this will be our approach to the current situation.

Obviously these developments are unforeseen and cause further worry to members who have been waiting for a settlement for far too long. We have fought hard together and won important gains in the current round of negotiations, but the delays have been unacceptable. UTFA is committed to continuing to improve our bargaining relationship with the administration even as we attempt to update and broaden the scope of bargaining so that such delays do not occur in the future. We can only do our part, but we are committed to nothing less.

We will continue to provide you with updates as appropriate. Thank you for your patience and understanding. Please direct all inquiries and concerns to [bargaining@utfa.org](mailto:bargaining@utfa.org) .

Yours truly,

The UTFA Salary, Benefits and Pensions Negotiating Team

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