

CUPE BC Anti-Contracting Out Committee

Report to Convention – April 2017

We continue to fight attacks on our jobs in all sectors of CUPE in Municipalities, School Districts, Post-Secondary Education, Social Services, Healthcare and others. Locals throughout the province continue to challenge employers to bring more work back in-house.

Bringing Work Back In-House Pilot Projects

As a result of a convention resolution from 2016, CUPE BC and the Anti-Contracting Out Committee (ACO) re-established our process for Locals to apply for funding and support to help bring work back in-house. In the fall of 2016, three Locals responded to the call for applicants to this program and at the fall ACO meeting all three were approved. The three applications were from Local 399 (Prince George Outside) who were fighting to bring flaggers in-house with a focus on health and safety issues, Local 4879 (Thompson Rivers University) is dealing with contracting out of grounds keeper work, and Local 7000, who are continuing to work on planning a campaign that deals with many contracting-out issues at Skytrain.

Privatization Survey

Last month, CUPE Locals across BC were asked to fill out a short survey to measure successes, challenges and opportunities of privatization in their workplaces. From this survey, it was clear that in every sector we represent across the province, Locals share in their struggles to bring work in-house and to fight their employers from increasingly contracting out services.

We see a wide variety in the services that are contracted out across the workplaces represented by our Locals; garbage collection, recycling collection, snow removal, custodial, skilled trades and food/catering services are among the most contracted out.

Where locals campaigned to bring services in-house, over 62% responded that they were not successful in their attempts. The issues they identified as preventing them from bringing those services in-house were a current lack of capacity or equipment,

and employer resistance. This of course is no surprise as we see employers continuing to pass budgets that exclude investments in equipment and training that would allow public sector workers from continuing to do this work. This lack of funding over many years has led to a situation where employers do not, any longer, have the capacity to do the work and where there is often very little political will to change the course and start to invest in the necessary capital and education to keep this work public.

But it's not all bad news. The survey also captured areas where Locals have been successful in bringing their work home. Locals have seen success in bringing back grass cutting, landscaping, skilled trades and more. Locals identified the factors in the decision to bring this work in-house. Labour management issues and economic concerns were cited most often as the reasons these services were brought in-house.

Locals used a variety of tactics in their campaigns to bring their work back home. Most often Locals achieved results through discussion at labour management meetings or through lobbying. Locals also monitored the performance of the contractors and did research to help them make the case to the employer to bring the work in-house. Very few Locals decided to use campaign tactics such as social or conventional media, rallies, direct mail or community coalitions to support the fight to stop services from continuing to be contracted out.

We know that privatization isn't just a political issue, it is a bargaining issue. There exists a variety of language among our Locals, the majority are protected to one degree or another from further contracting-out of their work. While most Locals do have job security language, most (56%) say that they have not been successful in using this language to defend against the privatization of their work.

Each Local must track and respond to their employer's attempts to privatize their work and to develop campaigns to bring work that was previously lost, back in-house. However, we see that more than 85% of responding Locals do not have a contracting-out or privatization committee to deal with these issues.

Locals of course are not dealing with every issue on their own. There are a number of ways that CUPE BC and CUPE National can help Locals bring work in-house. Of the Locals that responded to the survey, over half (55%) used help from their National Servicing Representative, and forty-four percent used the help of a CUPE National Research Representative. Other resources used by Locals to fight privatization were the ACO Committee and the CUPE BC Anti-Privatization Coordinator.

ACO Committee Binder Updated

The ACO Committee binder has been updated and expanded for use by the Locals. It is designed as a guide to help locals understand and respond to privatization threats in their workplaces. The binder now has more examples of materials that have been used in past campaigns to help locals decide what they may want to use in their own campaigns. There is also an expanded section on job security language to help locals identify the current level of protection in their collective agreements and to help strengthen that language. The binder has also been completely redesigned and spiral bound to make it more useable as a reference. There is also an electronic copy posted on the CUPE BC website. If your Local is interested, they can pick up a copy at the ACO Committee table or contact CUPE BC to have one sent to your local office.

Federal Infrastructure Bank

In 2016 Trudeau's Government announced plans to change how infrastructure across the country was going to be screened and funded. They announced that large infrastructure projects would no longer need to be screened by PPP Canada. With the removal of that screen the government announced the creation of a Federal Infrastructure Bank. The government announced that it would provide capital at a lower cost than through private funding alone and that the goal of the program was to attract \$4 of private money for every \$1 of public money invested. With a budget of \$35 Million, that could create as much as \$175 Million in investment of infrastructure spending. While on the surface this appears to be good for Canadian communities, there are many dangers with this type of program.

This is in a bank that would facilitate P3s and privatization across our country. In fact it would hand over significant controls to corporations to decide which projects get built based on their profitability and not on the community needs.

Private financing is more expensive and will increase the cost of these projects. The typical cost of private financing is two to three times as much as public options and despite the lower borrowing cost provided through the Infrastructure Bank, only 20% of the cost of these projects would receive these lower rates.

This is truly a bank of privatization where the ultimate goal is to give as much control of and profits from large infrastructure to the private sector.

CETA and TPP

In Early 2017, the federal government passed Bill C-30, the CETA Implementation Act. By passing this Act, the federal government has rushed CETA into place, ignored the ongoing criticisms of this dangerous trade deal and shunned its responsibility to protect the best interest of Canadians.

The Canada European Trade agreement was signed in 2013. Documents have shown that the European Union (EU) wants unconditional access to local procurement at such low thresholds that they would have the ability to bid up to 80% of the Canadian procurement. This would mean that conditions such as minimum Canadian/local content, public benefit, environmental, quality and green innovative technological development or even buy-local food conditions can be challenged. At least 83 motions and resolutions against CETA and numerous requests to the federal government to be excluded from CETA have been passed at the municipal level.

While water services are apparently no longer in the procurement chapter, another leaked document from the EU, contract bidding on projects for upgrades and development of water and wastewater infrastructure, would be open to EU companies. In addition, the exclusion of water does not preclude investor state disputes against municipalities to re-municipalize fully privatized systems; it simply gives municipalities some space to create new public water and transit monopolies.

The European Parliament has also just passed CETA, but the agreement is far from a done deal. CETA still needs to be ratified by 38 national and regional parliaments, and European opposition remains high.

The Trans Pacific Partnership (also known as NAFTA on steroids) was planned to include 11 Pacific Rim countries. As a result of Canada coming late to the negotiations, it was forced to agree to anything signed prior to Canada joining negotiations. The TPP will extend NAFTA's provision that allows corporations to sue countries to all the other countries in the TPP negotiations. New protection for patents in the deal could significantly drive up the costs of pharmaceuticals for Canadians.

Trump campaigned on removing the USA from the TPP which he has since done after winning the election. While it is dead in its original scope, Trudeau continues to talk with other countries involved to form a trade partnership. It might not look exactly the same as the TPP, but whatever it ends up looking like, the Trudeau Government will continue to expand on trade deals that are bad for workers and Canadians.

K-12

The province still refuses to properly fund the education sector. With many districts in a budget shortfall, layoffs could be impending to CUPE members. To this end, we must be acutely aware of the possible contracting out of our services within the sector.

Shared Services

Shared services remain an area of serious contracting-out concern. It refers to a situation where different public sector authorities collaborate in the area of service delivery with a view to reducing costs. Shared services have been a threat within the K-12 and University sectors for the past four years. The provincial government commissioned studies by the accounting firm, Deloitte, which recommended shared service options as ways of cutting spending and increasing opportunities of outsourcing.

Colleges and Universities

Colleges and universities are continuing the trend to avoid additional budget burdens by outsourcing their services and initiating agreements with outside agencies to create societies or corporate agreements. They continue to seek other types of funding which cannot be allocated to public sector workers in the institution. This is done under the guise of “shared services” or “cooperative gains” the institutions who have signed off and restructured on “shared services” agreements is having impact on our members. The “cooperative gains” seems really a gain institution or management as is being used in sales wages and bonus increases in management and a decrease in our members.

Transportation

School bussing continues to be a struggle to maintain and bring back bussing in-house. The private company often employs retired drivers where benefits are not a priority. Poor road maintenance and driving conditions, due to a lack of accountability from the private contractors who do road maintenance, continues to be a problem. This is happening throughout the province and resulting in more injuries. Locals continue to advocate in bringing bussing back in-house. Local 847 was successful in bringing back one of their three contracted out routes.

Wastewater

CUPE Local 556 led a cost share campaign against the proposed Public Private Partnership (P3's) agreement for the private operation and maintenance of the new South Sewer Wastewater Treatment facility at an estimated cost of 56 million dollars. The residents of Royston, Union Bay and Kilmarnock overwhelmingly voted no against the P3. Congratulations on a great campaign.

Conclusion

As mentioned at the opening of this report, all CUPE sectors are constantly under attack to eliminate public sector jobs and privatize them. As you have read in this report you can see where some of these attacks are coming from. With trade agreements selling off our resources, infrastructure replacement and maintenance, corporations are seeing a golden opportunity to privatize and eliminate public sector jobs so they can put more profits into their pockets.

We need to be aware in our Locals of key phrases such as; alternate funding, core service reviews, service delivery projects, efficiencies and shared services, as any of these could be a prelude to contracting out and privatization of our services and facilities.

We also need to be proactive by having Anti-Contracting Out Committees in our Locals to keep track through existing or establishing; Municipal Watch, School Board Watch, monitoring employers budgets to see what they might contract out and what can be brought back in-house. Bargaining protection language from contracting-out and language to have committees to see the feasibility of contracting work in. CUPE Locals continue to take on projects to protect our work and to bring our work back in-house. Keep up the good work. Your committee is here to assist you where we can and to help you with the sharing of information and resources. Thank you to Trent Snickers and Kathryn Davies for their past contributions to this committee and for their contributions to this report.

Respectfully submitted:

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