

September 30, 2009

In preparation for our upcoming negotiations with the Province, we are asking all Government Licensed Professionals to assist us with identifying your priorities by completing a confidential bargaining survey. The survey will be available to all GLP members through our website in early October. A bulletin will be circulated directing members to the survey.

The bargaining survey includes a number of questions about your expectations for wage adjustments. The following data is provided to assist you in answering those questions. The charts and commentary provide an overview of the wage increases provided in our 13th Master Agreement, due to expire March 31, 2010.

The information provided below measures salary growth relative to inflation. It also compares the general wage increases provided in the 13th Master Agreement with the general wage increases in other collective agreement settlements for unionized employees across Canada.

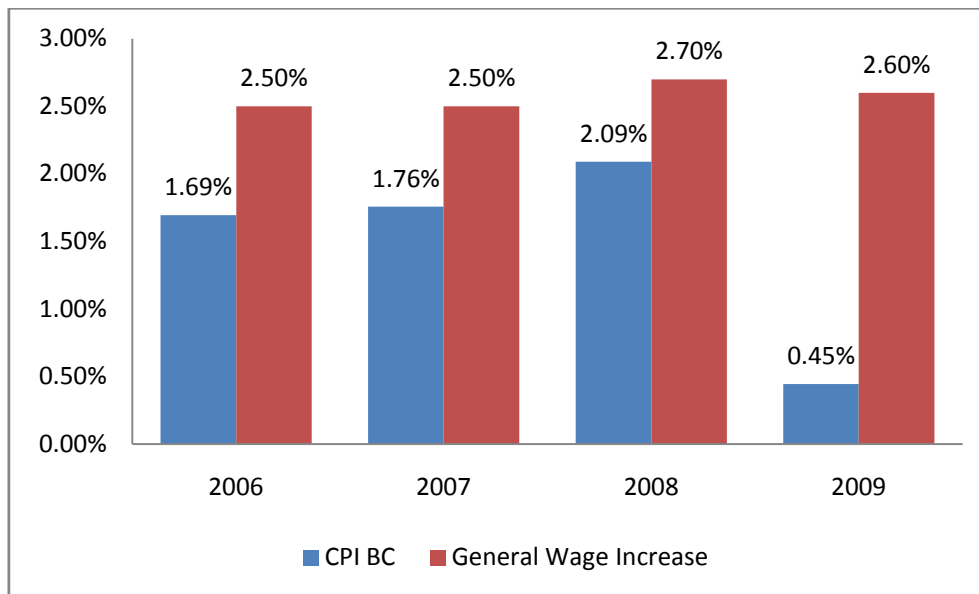
However, the information below does not compare wages for government professionals in BC with wages for professionals doing similar work in other public sector jurisdictions or in the private sector. The PEA and the BC Public Service Agency have agreed to collaborate on identifying comparable positions within other public sector jurisdictions to produce reliable salary comparison data. While this work gets underway in September, results are not expected to be available until later in the fall.

Salary growth relative to inflation

General Wage Increases vs Inflation 2006 to 2009:

The chart below measures GLP general wage increases against inflation for the life of the 13th Master Agreement. From 2006 to 2009, general wage increases totaled 10.3% while the cost of living in BC increased 5.6% over the same period of time (Source: Statistics Canada – CPI BC All –items. Data for 2009 to August).

General Wage Increases Relative to Inflation: 2006-2009



General wage increases do not include annual increments (increases to the next step on the salary grid) at an employee's anniversary date or Recruitment and Retention Allowances (RRA) available to some groups of

professionals. For example:

Profession and Classification	RRA	Salary Step
LSO 3, 4, 5 Designated Professional Engineer	4.4%	Eligible to advance to Step 7
LSO 3, 4, 5 Designated Petroleum Geologist	7%	Eligible to advance to Step 7
Pharmacist 2, 3, 4	3%	Eligible to advance to Step 7

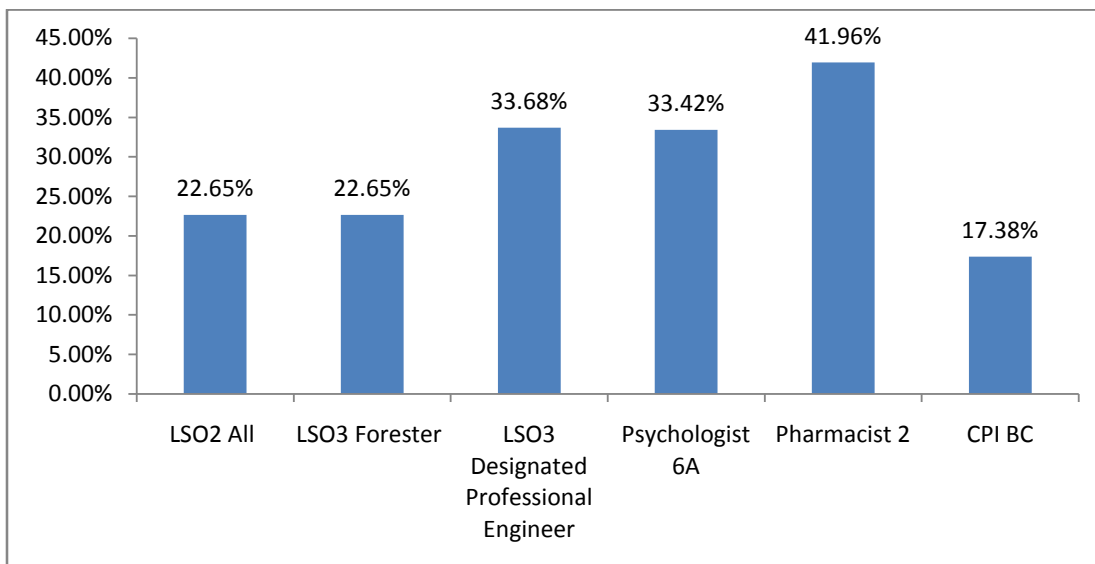
Salary growth by classification vs inflation, 2000-2009:

The next chart also measures salary growth relative to inflation, but takes into account differential pay growth for different classifications within the bargaining unit. Recruitment and Retention Adjustments (RRAs) were first introduced as a result of collective bargaining in 2001. As a result, this chart looks at salary growth relative to inflation over a longer time frame: 2000 to 2009.

For example, the annual salary for a Licensed Science Officer 2 (LSO2) grew by 22.65% from 2000 to 2009, compared to growth in the rate of inflation of 17.38%, a difference of 5.27%. Salary growth for an LSO3 Forester was also 22.65%, or 5.27% ahead of inflation.

As a result of Recruitment and Retention Adjustments introduced during the 2000-2009 period, salary growth for an LSO3 Designated Professional Engineer was 33.68%, 16.30% ahead of inflation. A Licensed Psychologist 6A (Team Lead or Forensics) experienced salary growth of 33.42%, 16.04% ahead of inflation, while a Pharmacist 2 experienced salary growth of 41.96%, 24.58% ahead of inflation.

Salary Growth Relative to Inflation (Selected Classifications): 2000-2009



Summary:

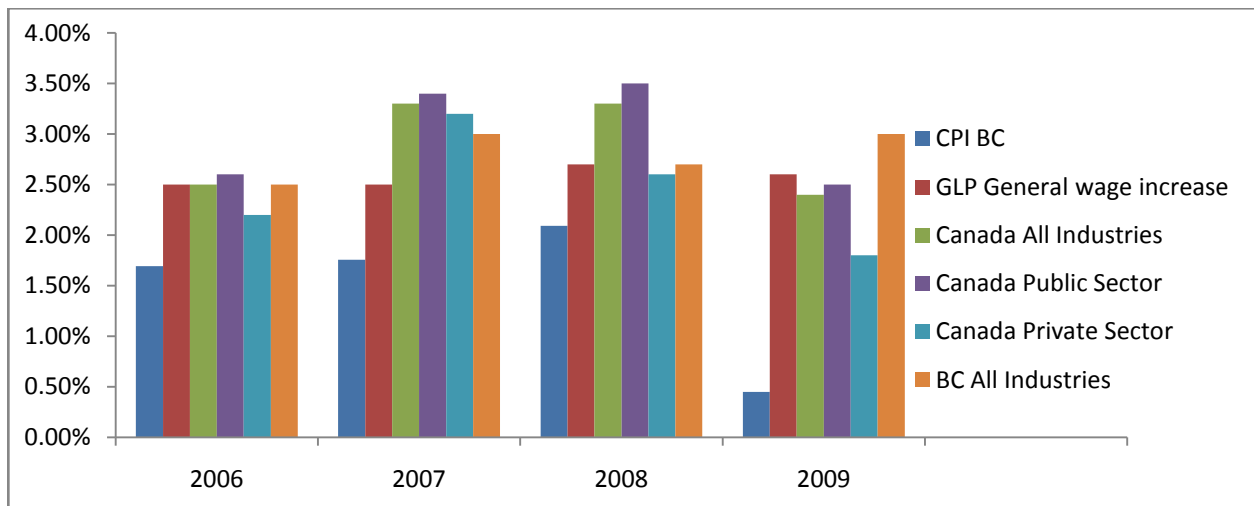
As a result of negotiated wage increases, salary growth for Government Licensed Professionals has outperformed inflation over the life of the 13th Master Agreement as well as over the last decade. As a result, government professionals have experienced growth in their real earnings, or purchasing power, relative to inflation. This has been a period of modest inflation.

Wage Increases Relative to Other Collective Agreement Settlements

13th Master Agreement vs other Collective Agreement Settlements 2006 to 2009:

The next chart measures GLP general wage increases for the life of the 13th Master Agreement against average annual general wage increases for unionized employees in BC and across Canada. The data is broken into public and private sector collective agreement settlements across Canada. (Source: Workplace Bulletin, Labour Program, Human Resources and Skills Development Canada.)

General Wage Increases Relative to Average General Wage Increases, BC and Canada: 2006-2009



Relative to collective agreement settlements for other unionized employees across Canada, general wage increases for GLP members appear to have kept pace in 2006 while being slightly below the average in 2007. In 2008, GLP general wage increases were on par with those in BC (all industries) and the private sector across Canada, while falling behind the public sector across Canada as a result of strong public sector wage growth in jurisdictions such as Alberta and Ontario. For 2009, GLP general wage increases are on par with those in the public sector across Canada but slightly ahead of the Canadian private sector and slightly behind settlements for all industries in BC.

Context for collective bargaining

As part of their budget announcements in 2009, the provincial government stated there would be no money available for wage increases for BC's public sector. Collective agreements for almost all unionized employees in the public sector expire in 2010, including direct public service, health and education. The provincial government is predicting its budget deficit will be \$2.8 billion in 2009/2010, \$1.7 billion in 2010/2011 and \$945 million in 2011/2012.

The government has also announced plans to reduce the size of the public service by no more than 5% over the next three years. For fiscal 2009/2010, only a handful of PEA members have been directly impacted by redundancy notices. Further reductions to the number of professional positions within government are expected over the next two years in order for ministries to meet their budget targets.

The PEA has created a new page on our website to track collective agreement settlements in BC. To follow the pattern of settlements, visit http://www.pea.org/recent_union_agreements.html.