

Statement regarding the Release of the President's Employment Contract

McMaster University Faculty Association
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Last week, McMaster University released a copy of the employment contract of Dr. Peter George, President of McMaster University, to the *Hamilton Spectator* which has posted the document on its web site. The University also provided explanation and commentary in an article in the *Daily News*, dated June 26, 2008, and further discussion appeared in the public press, including the *Spectator* and *Macleans.ca*. Although most aspects of this contract and its explanation are standard and straightforward, there are two important matters which require further comment and discussion. These have to do with the nature of academic leaves and the importance of transparency in remuneration agreements for senior university officers.

The contract shows that, following his retirement in 2010, Dr. George will receive 14 annual payments of \$99,999 in lieu of two untaken Administrative Leaves. The *Daily News* quotes Colum Bastable, Chair of McMaster's Board of Governors, as saying that: "Peter George had earned one year of leave for each of his first two terms in office although he never took the leave time The contract includes an arrangement to pay the total value of the two earned leaves at a rate of approximately \$100,000 per year for 14 years."

This agreement and its explanation convey a fundamental misunderstanding and send exactly the wrong message about the nature of academic leaves. Academic leaves, be they Research Leaves or Administrative Leaves (which are more properly called Administrative Research Leaves or Special Research Leaves) are intended to benefit the University and its core mission of research and education. These benefits are described in the University's Research Leaves Policy which can be found at: <http://www.mcmaster.ca/mufa/handbook/sps16.htm>

Administrative Research Leaves are intended to assist a former administrator in making the transition back to full scholarly life. Like Research Leaves, they require submission of a research plan to the Research Leaves Committee in order to receive final approval. The fundamental principle is that neither Research nor Administrative Research Leaves are simply an employee benefit. Their purpose has always been to assist McMaster in maintaining research and educational excellence. In light of the *Daily News* article and the language in the President's contract, it is, unfortunately, necessary to emphasize that Academic Leaves are not vacations, and unused leave opportunities do not accrue to faculty like unused vacation time.

With regard to the issue of transparency, the McMaster *Daily News* article also states that: "An employee's right to privacy of personal information should extend to employee contracts. Just because salaries are disclosed doesn't mean contracts should be disclosed."

In retrospect, it appears that the deferred income arrangement created by the President's employment contract specified payments set at \$99,999 per annum in order to avoid disclosure under the *Public Sector Salary Disclosure Act of Ontario*. The apparent attempt to conceal this information has had a negative impact on the reputation of McMaster University and reinforces the importance of transparency in matters involving the remuneration of the officers of public institutions. We note that such information is routinely available for the highest-paid officials of publicly owned companies in the private sector.