



*Fair, safe and productive workplaces*

# Labour

## **Collective bargaining in Canada 2012**

*Workplace Information Division,  
Strategic Policy, Analysis, and Workplace Information Directorate*

*May 2013*

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## In brief:

- Wage adjustments from major settlements hit a 14-year low at 1.7%.
- The trend toward longer-term settlements continued in the private sector, with an average duration of 46.3 months compared to 34.7 months in the public sector.
- The number of work stoppages across Canada increased by 89.1% to 278 in 2012.

## Introduction

Challenging economic conditions in 2012 influenced the climate of negotiations and consequently affected collective bargaining outcomes and the magnitude of wage increases in particular. The collective bargaining environment saw unions and employers concentrating on moderate contract proposals. Regardless of these expectations, 2012 witnessed more work stoppages during contract negotiations, although their impact in terms of person days not worked was moderate compared to the previous year.

This report focuses on collective bargaining outcomes in Canada during 2012. It describes the climate that prevailed in the economy and industrial relations, and provides an overview of wage settlements, contract duration, innovations in collective agreements, work stoppages, and union coverage.

## Global and domestic uncertainties caused weak economic growth

The Canadian economy has experienced the best performance among the Group of Seven (G-7) countries over the recovery, with the strongest economic growth and job creation. Despite this comparatively positive performance, the Canadian economy grew only moderately in 2012, which can be explained by international and domestic factors.

Internationally, the sovereign debt crisis in Europe led to austerity measures, which combined with the world global slowdown, caused a second recession since 2009 in the Eurozone. In addition, budgetary uncertainty known as “the fiscal cliff” in the U.S. restrained investment. These external economic problems decreased international trade and affected the Canadian economy.

On the domestic side, the final domestic demand was up 1.9% in 2012, which was considerably below the 2.7% level recorded in 2011. Specifically, federal and provincial governments sought to restrain spending in order to balance their budgets, their final consumption expenditure increasing by only 0.4%. In addition, household consumption spending rose 1.9% (2.4% in 2011) and business investment in residential structures advanced 5.8% in 2012 (1.9% in 2011).

As a result, gross domestic product (GDP) registered a modest annual growth of 1.8% in 2012, after reaching 2.6% in 2011.<sup>1</sup>

## Labour market

Despite the modest economic growth, employment increased by 197,500 (1.1%) in 2012, all in full-time jobs, and the annual unemployment rate averaged 7.3%. Solid job gains were made in the last five months of 2012, driving the unemployment rate to 7.1% in December, its lowest level in four years.<sup>2</sup>

1. Statistics Canada, *The Daily*, March 1, 2013.

2. Statistics Canada, *The Daily*, January 4, 2013.

By comparison in 2011, annual employment grew by 262,500 while the unemployment rate averaged 7.5%.

The aging population has started creating long-term labour shortages. Currently, labour pressures are most acute in Saskatchewan and Alberta where employers face challenges recruiting and retaining employees, particularly in the natural resources sector.<sup>3</sup>

### Wages increased at their lowest rate since 1998

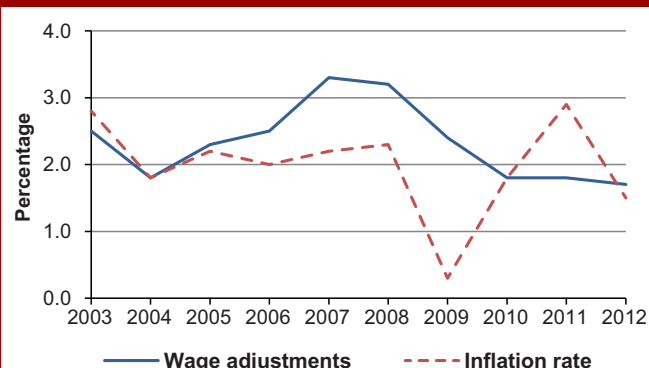
This year's results are based on the lowest number of major settlements<sup>4</sup> recorded in one year since the series began in 1978, with only 238 agreements, covering 711,290 employees. In large part, this reflects the growing trend for several years toward negotiating longer contract durations.

The upward trend in wages reached a peak in 2007 (3.3%), and started going downward after the 2008 recession. In 2012, the wage adjustments from major settlements hit a 14-year low at 1.7%, which was slightly higher than the rate of inflation (CPI) at 1.6% (Chart 1). However, with an average contract duration reaching the 36-month mark, it is also relevant to compare the average wage adjustment to future inflation. Considering the Bank of Canada is forecasting inflation to rise gradually to 2.0% by mid-2015, the average wage adjustment for 2012 is lower than the expected inflation rate over the next few years.

Public-sector wage restraint and a fragile economic recovery were key factors in the continuing trend toward wage moderation in 2012 major settlements.

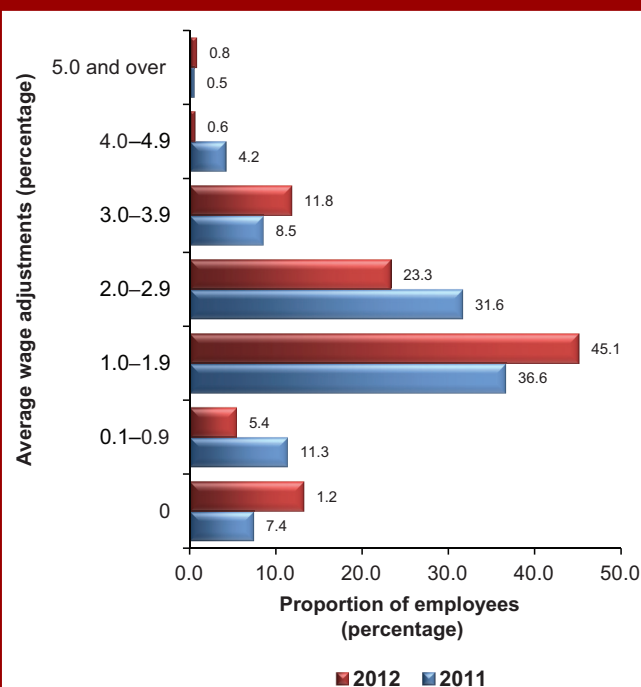
Wage freezes in the British Columbia public sector, the Ontario public sector, and the 'Big Three' North American automakers<sup>5</sup> influenced the overall figure. Between 2011 and 2012, the number of employees subject to employee wage freezes or cuts climbed from 7.4% to 13.2% (Chart 2).

**Chart 1**  
Wage adjustments in major settlements and inflation rate (Consumer price index), 2003-2012



**Sources:** Statistics Canada and Workplace Information Division, Labour Program

**Chart 2**  
Proportion of employees, by wage adjustments, 2011 and 2012



**Source:** Workplace Information Division, Labour Program

3. The Conference Board of Canada, *Compensation Planning Outlook 2013*.

4. Major settlements are collective agreements covering 500 or more employees. We average these changes over the duration of each contract and then over all contracts negotiated during the year. Wage changes are negotiated during collective bargaining of a contract. Results presented in this report are based on January 2013 wage data.

5. General Motors of Canada Limited, Ford Motor Company of Canada Limited, and Chrysler Canada Inc.

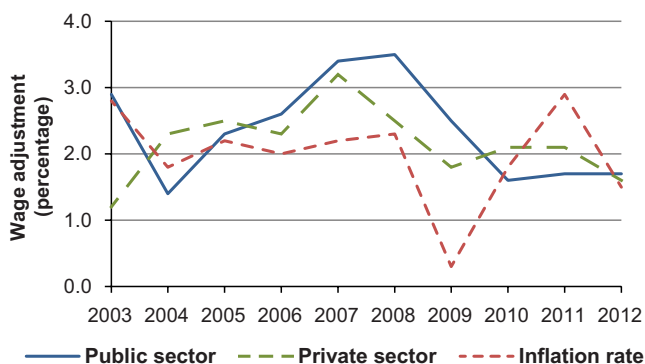
## Limited adjustments in the public and private sectors

The public sector was the core of collective bargaining activities in 2012 and accounted for the majority of collective agreements (67.6%) and employees covered (82.0%).

Specifically, 161 collective agreements covering 583,440 employees were settled in the public sector, compared to 77 agreements covering 127,850 employees in the private sector.

With governments seeking deficit reduction through decreased spending, the public sector recorded moderate gains of 1.7% in wage adjustments. Similarly, gains in the private sector were also moderate at 1.6%, the lowest level in over a decade. The last time both sectors registered adjustments below 2.0% was in 1998 (Chart 3).

**Chart 3**  
Wage adjustments in public and private sectors compared to the inflation rate (Consumer price index), 2003-2012



Source: Workplace Information Division, Labour Program

## Public sector

Public sector agreements were affected most extensively by wage freezes among the provincial jurisdictions, with an average wage adjustment of 1.6%. At 1.0%, New Brunswick received the lowest wage increase (a single agreement covering 1,590 employees).

Other jurisdictions followed the same moderate adjustment pattern due to wage restraint measures:

- Almost one-third of all public sector employees (188,350) were from British Columbia, where 34 agreements resulted in an adjustment averaging 1.1%;
- In Saskatchewan, four agreements covering 12,020 employees provided wage adjustments of 1.2% on average;
- In Ontario, 42 agreements were settled with 116,750 public sector employees receiving wage adjustments of 1.3%.

By contrast, the strongest gains were in Manitoba (three agreements covering 5,380 employees) and Alberta (30 agreements covering 100,850 employees), both averaging 2.8%.

Under federal jurisdiction, 18 public sector agreements covering 107,430 employees provided an adjustment equal to 1.8%. Finally, in the federal public administration, adjustments averaged 1.9% for 52,870 employees, the same increases found in municipal administrations (102,580 employees), and crown corporations and utilities (63,760 employees) (Table 1).

**Table 1**  
Wage adjustments in the public sector

	Wage adjustment (percentage)	Employees
Federal administration .....	1.9	52,870
Provincial administration.....	1.5	54,260
Local administration .....	1.9	102,580
Education .....	0.8	126,520
Health .....	2.0	183,450
Crown and utilities .....	1.9	63,760

Source: Workplace Information Division, Labour Program

## Private sector

Covering 46.5% of all private sector employees, Ontario recorded the lowest average wage adjustment at 0.6% under 29 agreements. Conversely, Newfoundland and Labrador had the highest adjustment at 5.1% (two agreements covering 1,940 employees), followed by Alberta at 3.9% (five agreements and 4,670 employees).

In British Columbia, private sector adjustments averaged 2.1% (five agreements covering 11,600 employees), which was closely matched by Quebec's average of 2.4% for ten agreements (8,890 employees). Finally, close to these averages, 18 agreements were concluded in the federal jurisdiction and provided an adjustment of 2.2% for 33,550 employees (Chart 4).

## Wage adjustments by industry

The largest average wage increase (4.4%) occurred in the primary industries, primarily as a result of settlements in mining in the Western Provinces, and in Newfoundland and Labrador (Iron Ore Company).

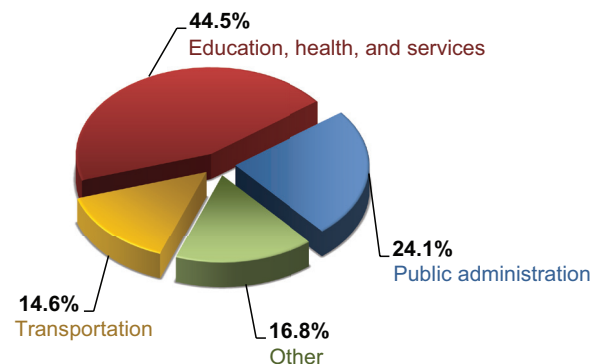
By contrast, the lowest average increase (0.8%) was recorded in manufacturing, due in large part to the automakers' settlements. In fact, if the Big Three automakers' settlements were excluded, wage increases in manufacturing would have averaged 1.7%.

In the transportation industry, wage adjustments averaged 2.0% and ranged from a low of 1.2% at Swissport Canada Handling in Ontario to a high of 3.0% at Canadian National Railway Company and Canadian Pacific Railway.

In public administration, average wage adjustments reached 1.8% with the largest concentration of agreements (37.5%) falling under federal jurisdiction. As for the retail trade industry, wage adjustments averaged 1.7%, exactly equal to the national average. Finally, light settlement activity occurred in the construction industry with only five major agreements, mostly in the Atlantic Provinces, providing 5,150 employees with wage increases of 2.0%.

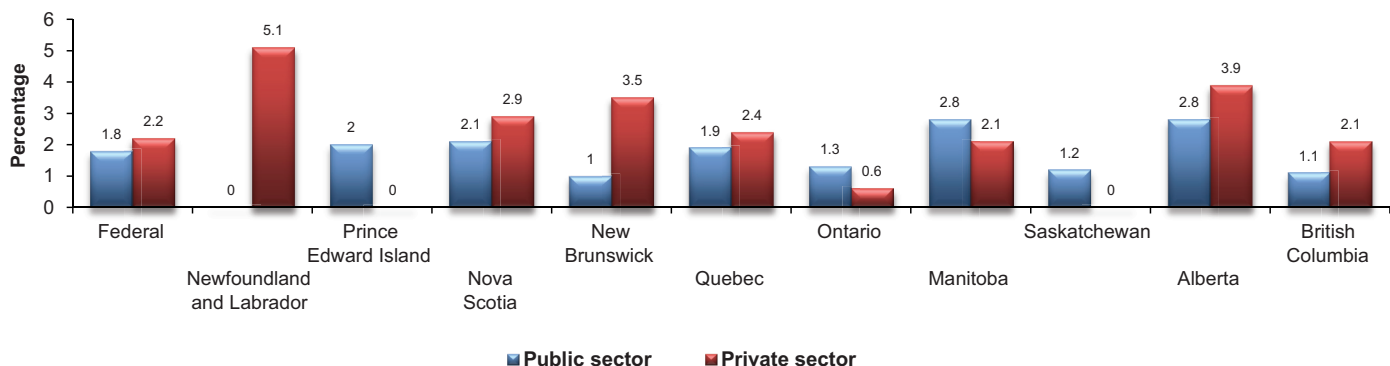
The 94 agreements concluded in the education, health, and social services industry covered 316,750 employees, which represents the largest concentration with 44.5% of all workers (Chart 5). This industry also recorded the second lowest average increase in wage settlements at 1.5%, due in part to the wage freeze imposed in British Columbia.

**Chart 5**  
Proportion of employees covered in 2012 major settlements



Source: Workplace Information Division, Labour Program

**Chart 4**  
Wage adjustments, by jurisdiction and sector, 2012



Source: Workplace Information Division, Labour Program



## Differing economic conditions across Canada resulted in differing wage adjustments

The economic recovery was uneven across the country and different jurisdictions confronted different challenges. As a result, no uniform trend in wage adjustments emerged across all jurisdictions in 2012. While British Columbia and Ontario experienced difficulty in recovering from the recession and confronted important deficits, some Western Provinces had tightening labour markets that placed upward pressure on wages (Chart 6).

Also, workers in Ontario and British Columbia received the lowest average adjustments, both at 1.1%, although these provinces had the largest concentration of employees: approximately 24.8% and 28.1% of all workers, respectively. At the other end of the spectrum, the largest increase (5.1%) took place in Newfoundland and Labrador (only two major agreements covering 1,940 employees) followed by Alberta at 2.9%. Finally, wage increases in Quebec averaged 2.0%.

Under federal jurisdiction, 36 major agreements covering 140,980 employees posted an average annual increase of 1.9%. While the public sector

agreements under this jurisdiction registered a moderate 1.8%, the private-sector figure was higher at 2.2%.

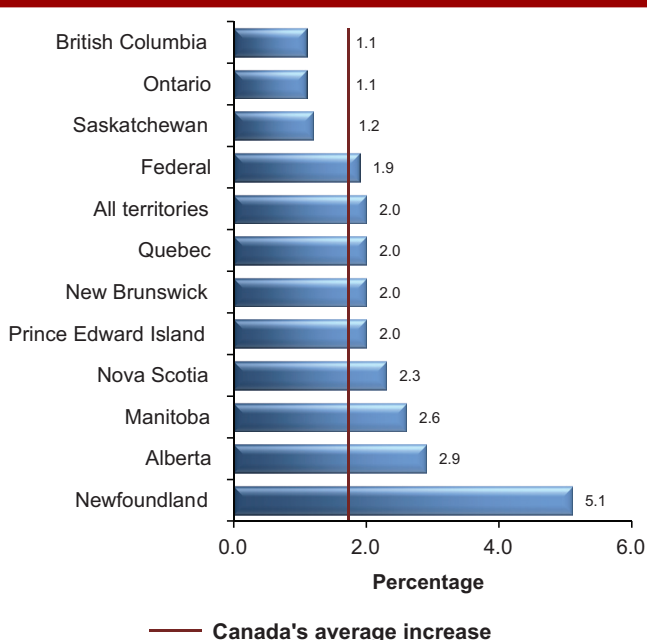
Notable federal settlements included Canada Post, which provided 48,000 mail carriers with wage gains averaging 1.8%. Likewise, Air Canada maintenance employees and Canadian Pacific Railway engineers both recorded the same increase (1.8%). Finally, various federal public-sector settlements reached the 1.75% level except for the Law classification group, which received a 5.0% increase.

## Agreements in Force

The previous sections focused on average wage adjustments over the whole life of collective agreements reached in 2012. Another way to look at wage adjustments is to examine the adjustments that 'took effect' during the year, irrespective of the year in which they were negotiated.

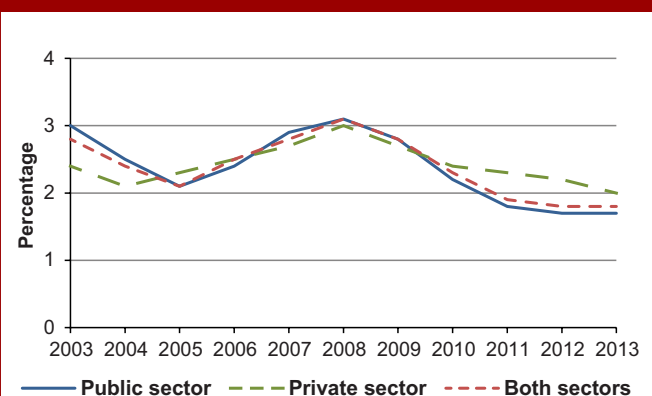
The 1,038 collective agreements in force in 2012, regardless of the year in which they were ratified, generated an average wage increase of 1.8% for the 2.9 million employees they covered. This amounted to a slight decrease compared to 2011, when some 3 million employees covered by 1,104 collective agreements in force at that time, received an average wage adjustment of 1.9%. The average adjustment for collective agreements in force in 2012 was higher in the private sector (2.2%) than in the public sector (1.7%) (Chart 7).

**Chart 6**  
Wage adjustments by jurisdiction in 2012



Source: Workplace Information Division, Labour Program

**Chart 7**  
Wage adjustments in agreements in force, by public and private sector



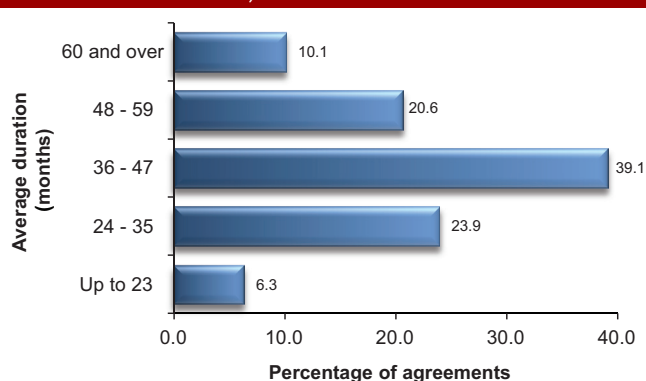
Source: Workplace Information Division, Labour Program

## Collective agreement duration

The average duration of the 238 agreements signed in 2012 was 36.8 months; almost 40.0% of all agreements had durations falling in the 36 to 47 months range (Chart 8). This is a slight decline compared to the average of 40.2 months in 2011, when the largest proportion of collective agreements concluded (29.9%) had durations falling between 48 and 59 months.

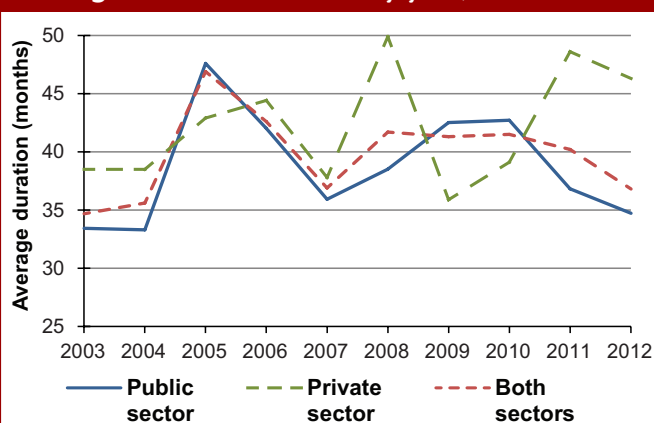
Since 2004, the average duration of major collective agreements has fluctuated between approximately 35 and 50 months (Chart 9).

**Chart 8**  
Distribution of major collective agreements by contract duration, 2012



Source: Workplace Information Division, Labour Program

**Chart 9**  
Average contract duration by year, 2003-2012



Source: Workplace Information Division, Labour Program

Despite a slight recent decrease in duration, the trend toward longer-term settlements continued in the private sector. Once again in 2012, the average duration of agreements in the private sector (46.3 months) was much longer than in the public sector (34.7 months).

The longest agreements were signed in Quebec, where the average duration was 64.5 months, in line with the trend witnessed in the past five years. For example, the City of Montreal signed a 96-month agreement with its firefighters; and, in the private sector, White Birch Paper also reached a 96-month agreement with Communications, Energy and Paperworkers Union of Canada (Table 2). Newfoundland had the second longest average contract duration at 61.8 months. On the other hand, Prince Edward Island (one agreement, 12 months) and British-Columbia (27 months) registered the shortest average durations.

In terms of industry, the wholesale and retail trade sector signed five agreements with the longest average duration (57.4 months). Other industries with average contract durations over 50 months are primary industries (55.7 months), and finance and professional services (52.3 months). The ten longest contracts durations that were negotiated in 2012 are listed in table 2.

## Clauses of interest in collective agreements<sup>6</sup>

Negotiating parties are always looking for creative solutions that they can use to adapt collectively agreed employment and working conditions to new social and economic realities. The following are some clauses of interest identified in Canadian collective agreements negotiated in 2012.

### Work Hours

The Government of Quebec and the Fédération des médecins résidents du Québec (FMRQ) agreed to a change concerning the mandatory on-call hours of resident physicians. The terms and conditions of the transition were to be introduced no later than July 1, 2012, and would ensure that all on-call hospital resident schedules are reduced from 24 hours to 16 hours.

6. Clauses of interest in collective agreements represent innovative solutions for the parties and can involve various aspects including: labour-management co-operation, organization of work (e.g., functional flexibility, team work) working-time management, training, compensation, etc.

**Table 2**  
**Ten longest contract durations, 2012**

Employer, union, and province	Number of employees	Duration (month)	Wage adjustment (percentage)
White Birch Paper, Division Stadacona, limited partnership Communications, Energy and Paperworkers Union of Canada Quebec .....	540.....	96.0 .....	-1.3
City of Montreal Montreal Firefighters' Association Quebec .....	2,230.....	96.0 .....	2.0
Metro Ontario United Food and Commercial Workers Canada Ontario.....	6,800.....	76.5 .....	1.3
City of Montreal Canadian Union of Public Employees Quebec .....	5,810.....	76.0 .....	1.7
La Corporation des entrepreneurs en entretien ménager de Québec Service Employees International Union Quebec .....	2,800.....	72.0 .....	3.3
Candu Energy Inc. Society of Professional Engineers and Associates Ontario.....	670.....	72.0 .....	1.9
Olymel, limited partnership United Food and Commercial Workers Canada Quebec .....	500.....	72.0 .....	2.2
Iron Ore Company of Canada United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Newfoundland and Labrador.....	1,390.....	72.0 .....	6.0
Laurentian Bank of Canada and Laurentian Trust of Canada Canadian Office and Professional Employees Union Quebec and Ontario .....	2,300.....	72.0 .....	2.2
Société de transport de Montréal Fédération des employés et employés de services publics inc. Quebec .....	2,300.....	72.0 .....	2.0

Source: Workplace Information Division, Labour Program

### Employment equity

Bombardier Inc. and CAW agreed to hire a Women's Advocate and recognized the necessity of such a resource for women experiencing abusive relationships in a male-dominated workplace. The Advocate will meet with employees to discuss abuse and harassment problems, and refer them to an appropriate outside resource or organization. The Advocate will also take a basic 40-hour first aid course, and a 3-day annual refresher course.

To create a work environment that values and respects diversity, the University of Toronto and

the Canadian Union of Public Employees have negotiated a new inclusion practice. Employees who submit a medical certificate supporting the need to take leave for medical sex change procedures will be given two months of paid leave at the regular rate.

York University and the Canadian Union of Public Employees have agreed to a new arrangement designed to introduce workplace improvements for persons with disabilities. The employer will be responsible for providing the collective agreement in an accessible format for those employees with a visual impairment.

## Health and Well-being

The Government of Saskatchewan, School Boards and the Saskatchewan Teachers' Federation drafted a letter of agreement to extend access to sickness benefits to teachers in First Nations schools. To achieve this objective, the parties will submit recommendations to amend the following legislation: *Teachers Superannuation and Disability Benefits Act*, *Teachers' Dental Plan Act*, and *Teachers' Life Insurance Act*.

## Work stoppages increased significantly due to multi-unit collective bargaining

The number of work stoppages in Canada increased significantly in 2012. This increase was due primarily to numerous one-day strikes by public elementary school teachers in Ontario in response to Bill-115.<sup>7</sup> Other occurrences of multi-unit collective bargaining, such as the Construction Association of Windsor (17 work stoppages) or the Community Social Services Employers' Association (11 work stoppages), contributed to the high level of stoppage activity.

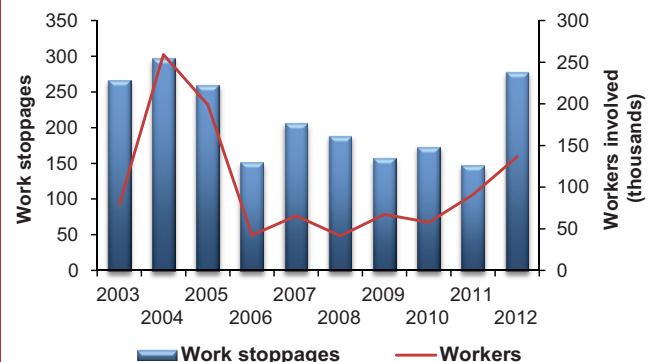
The number of work stoppages stood at 278, up 89.1% from the 2011 figure of 147. Complementing the surge in work stoppages, the number of workers involved increased by 49.7% to 136,425. This is the highest number of workers involved since 2005. This significant increase can be attributed to the participation of public school teachers in British Columbia (42,450 workers) and in Ontario (56,588 workers). In fact, if we exclude these two work stoppages from the overall figure, the number of workers involved in work stoppages in 2012 was lower than the previous year (Chart 10).

Although the 2012 work stoppages involved more workers than the previous year, their average duration dropped by 56.3%, from 44.1 to 21.1 days. Consequently, the decrease in average duration of work stoppages had a significant impact on person-days not worked (PDNW), which declined by 35.3%, from 1.34 million in 2011 to 872,355 in 2012 (Chart 11).

## Federal jurisdiction

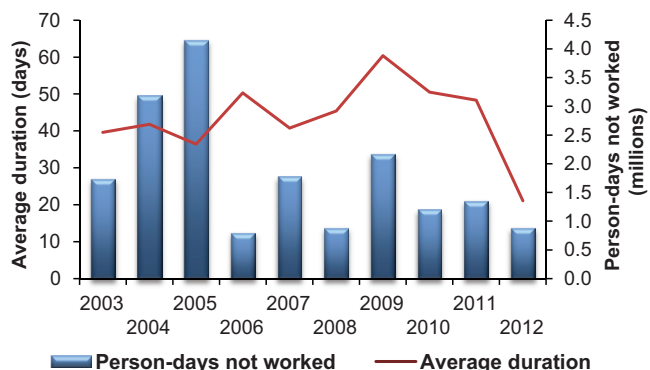
The number of work stoppages in the federal jurisdiction increased from 10 in 2011 to 18 in 2012. The average duration of these work stoppages also

**Chart 10**  
Number of work stoppages and workers involved



Source: Workplace Information Division, Labour Program

**Chart 11**  
Person-days not worked and average duration



Source: Workplace Information Division, Labour Program

increased, from 32.4 to 67.3 days. This is the longest average duration since 2008 when stoppages lasted on average 72.3 days. In total, only 6,158 workers were involved in strikes or lockouts in 2012, a number well below the previous year's total of 52,759 workers. This resulted in a substantial drop in PDNW, from 457,000 in 2011 to 164,670 in 2012.

## Provincial jurisdiction

The number of work stoppages under provincial jurisdiction increased from 135 in 2011 to 260 in 2012. From this total, Ontario registered 142 work stoppages, 75 of them by the elementary teachers' strikes against Bill-115. In addition, the number

7. Legislation introduced in Ontario that allowed the province to impose labour contracts on public school teachers and limited their ability to strike.

of workers involved in stoppages in the provincial jurisdiction more than doubled, totaling 130,267 workers compared to 38,452 in 2011. However, average duration and PDNW both saw a decrease for the third year in a row.

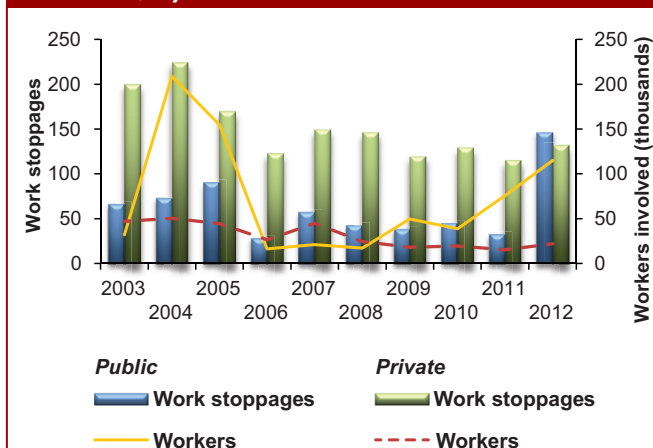
The drop in the average duration of work stoppages was particularly sharp, declining by 64.1% to 17.9 days in 2012. This is the lowest average duration of work stoppages in the provincial jurisdiction since 1960. The lower average duration was strongly influenced by the multiple rotating strikes by Ontario elementary teachers. Even when the robust increase (238.8%) in the number of workers involved is taken into consideration, the number of PDNW still decreased by 20.4% to 707,684 in 2012.

### Public and private sectors

The increase in the number of work stoppages in 2012 affected both the public and private sectors. Between 2011 and 2012, work stoppages increased by 356.2% in the public sector compared to only 14.7% in the private sector (Chart 12).

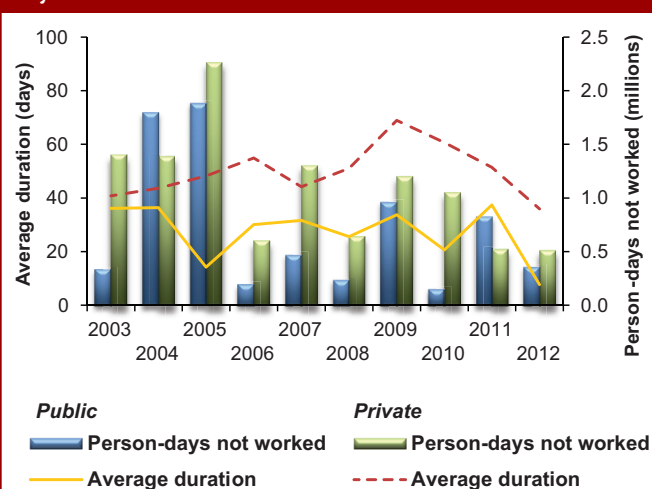
The average duration of work stoppages in the public sector has been consistently lower than in the private sector since 1994. This trend became more prominent between 2004 and 2012, where work stoppages in the public sector lasted 24.6 fewer days, on average, than in the private sector. This gap widened considerably in 2012 to a difference of 28.2 days, 7.7 days in the public sector and 35.9 in the private sector (Chart 13).

**Chart 12**  
Number of work stoppages and workers involved, by sector



Source: Workplace Information Division, Labour Program

**Chart 13**  
Person-days not worked and average duration, by sector



Source: Workplace Information Division, Labour Program

On examining the number of workers involved in strikes and lockouts, there are a few similarities between the public and private sectors. This year, both the public and private sectors had significant increases in the number of workers involved: 40.8% and 51.4% respectively. However, the total number of workers involved in both sectors differed considerably. In the private sector, 21,516 workers were involved in a stoppage in 2012, compared to 114,909 workers in the public sector. The vast majority of public sector strikes concerned public schools in British Columbia and Ontario.

Contrary to what was observed last year, PDNW in 2012 were greater in the private sector (515,900) than in the public sector (356,455), while 2011 figures were 522,339 and 825,297 for private and public sectors respectively. Despite the surge in the number of workers involved, PDNW remained low in the public sector due to the low duration of work stoppages.

### Significant work stoppages in 2012

Three particular work stoppages marked Canada's labour environment in 2012.

The first was the series of rotating strikes by the Elementary Teachers' Federation of Ontario involving 75 bargaining units. These stoppages accounted for 41.5% of the total number of workers involved in 2012, but only 6.5% of PDNW. Elementary teachers began these strikes in December in protest to Bill-115 and the collective agreements



imposed by the provincial government. The strikes took place between December 10<sup>th</sup> and 21<sup>st</sup>.

The second significant conflict also occurred in the education sector and involved elementary and secondary teachers in British Columbia. The three-day, province-wide strike began on March 5, following job action on the part of teachers. The strike involved 42,450 employees, representing 31.1% of the total number of workers involved, and was responsible for 14.6% of PDNW. The strike was resolved by back-to-work legislation, taking effect March 15, 2012. Many issues were identified as a cause to the dispute including wages, benefits, leaves of absence and layoff/recall.

The third major labour dispute started on May 23<sup>rd</sup> and involved Canadian Pacific Railway and 4,200 Teamsters Canada workers and was also resolved by back-to-work legislation. The legislation took effect on May 31<sup>st</sup>, with employees returning to work on June 1, 2012. The main issue leading to the strike was pensions. This work stoppage did not involve a significant amount of workers or PDNW (3.0% and 3.9% respectively).

## There were more covered workers in 2012

In 2012, the number of employees covered<sup>8</sup> by a collective agreement increased from 4.56 million to 4.68 million, or about 114,000. The union density rate also rose slightly to 31.5% from last year's rate of 31.2%.

## Union density

In both the public and private sector, union density increased by a comparable margin in 2012. Conversely, private sector unionized workers grew almost twice (3.6%) as fast as those of public sector (1.7%). By comparison, the non-unionized private sector workers increased by 1.1%, while the non-unionized public sector workers experienced a 0.8% drop<sup>9</sup>.

## Union density by province

An increase in density rates was registered across seven provinces, Prince Edward Island having the largest increase at 1.5%. Among the three provinces that saw a decline in union density, Nova Scotia had the largest reduction of 0.8% (Table 3).

## Union density by industry

Changes in density rates varied across industries. In most industries, the ranks of unionized workers increased. The exception concerned public administration, where a decline was evident in unionized and non-unionized workers. The union density rate remained unchanged from the previous year, at 72.0%. The largest growth in unionized employees was in natural resources (20.6%), followed by professional, scientific and technical services (7.6%) and construction (6.9%). The largest drop in unionized workers occurred in information, culture and recreation (3.4%), followed by public

**Table 3**  
**Union coverage by province, 2011-2012**

	2011		2012	
	Workers covered (thousands)	Union density (percentage)	Workers covered (thousands)	Union density (percentage)
Canada .....	4,562.2	31.2	4,676.8	31.5
Newfoundland and Labrador .....	79.5	39.0	80.3	38.9
Prince Edward Island .....	20.1	32.7	21.2	34.2
Nova Scotia .....	123.1	31.5	121.4	30.6
New Brunswick .....	92.2	29.6	92.7	29.8
Quebec .....	1,339.6	39.3	1,373.8	39.9
Ontario .....	1,583.2	27.8	1,620.1	28.2
Manitoba .....	195.6	36.2	196.6	36.0
Saskatchewan .....	151.4	35.3	155.3	35.4
Alberta .....	404.8	23.2	423.4	23.5
British Columbia .....	572.6	30.9	592.2	31.3

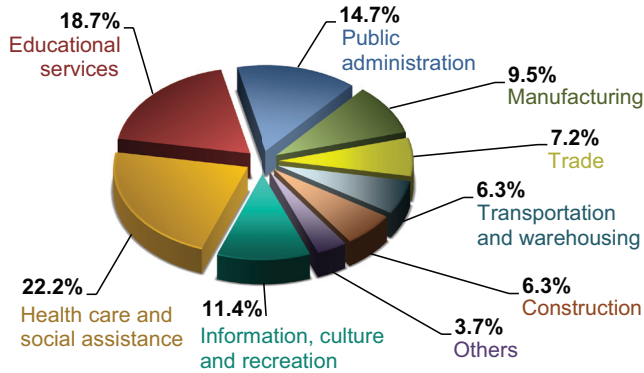
**Source:** Statistics Canada , CANSIM data, Table 282-0078

8. Statistics Canada defines coverage as union members and persons who are not union members but covered by collective agreements. Statistics Canada defines union density as the proportion of union coverage in the total number of employees in all industries.

9. Statistics Canada (2012), CANSIM data, Table 282-0078.

administration (1.5%) and manufacturing (0.7%). Four major industries still maintained the largest share of union coverage (Chart 14).

**Chart 14**  
**Share of union coverage, by industry, 2012**



**Note:** The category "others" includes accommodation and food services; other services; finance, insurance, real estate and leasing; professional, scientific and technical services; business, building and other support services; agriculture; forestry, fishing, mining, quarrying, oil and gas; and, utilities.

**Source:** Workplace Information Division, Labour Program

## Looking forward

Negotiations to renew some 600 collective agreements covering 1.4 million employees will begin or continue in 2013, particularly in the construction sector in Ontario and Quebec, and in the public administration, education, health and social services sectors in Western Canada.

Wages are likely to remain the most important item on the bargaining table for employers and unions alike. Employers want to limit additional budget expenses for wage increases, while unions want competitive wage increases, or at least enough to offset the general cost of living increase. The Workplace Information Division expects that wage adjustments will average 1.7% in 2013.

For employers, the next issue of importance would be productivity and organizational change. For unions, job security and health programs would be their other main bargaining priorities.

The pension issue should be another contentious item on the bargaining table in 2013. One side might want to limit the growing cost of pension plans, while the other might want to safeguard pension plan sustainability and ensure that each employee who contributed to a pension plan can reap the rewards. The unions might continue to feel pressure to convert defined benefit plans to defined contribution or "hybrid" plans.

Lastly, with an uncertain economic situation looming on the horizon and a still fragile economic recovery, we can expect the parties to make more realistic demands at the bargaining table in 2013 and in years to come. The unions may also be asked to make more concessions at the bargaining table, and be obliged to limit their demands. It is uncertain whether or not the unions will continue to make compromises, especially given the budget restraint currently in force within federal and provincial governments. However, one thing is sure: employers and unions will have to find a way to ensure and benefit from better industrial peace.