



Fair, safe and productive workplaces

# Labour

## Workplace Bulletin

### Collective bargaining monthly update

### June 2014

*All content from Labour.gc.ca is currently transitioning to Canada.ca as part of the Government's initiative of web consolidation. To facilitate seamless transition, our August-publications will be limited to the Workplace Bulletin. For all other publications, please contact the [Client services unit](#). All our publications will resume in September 2014.*

#### Key negotiation activities

A number of major<sup>1</sup> negotiations were underway in June. The most notable ones were between:

- **The Government of Saskatchewan and Saskatchewan Teachers' Federation (STF):** Negotiations between the parties are still underway, as their collective agreement expired on August 31, 2013. In June 2014, 63 percent of 13,000 teachers represented by STF voted against a proposal made by the provincial Government in May 2014. Workload issues are at the centre of negotiations.
- **Alberta Health services and Alberta Union of Provincial employees:** Negotiations are ongoing between Alberta Health services and its 22,000 general support service's employees after the expiry of the collective agreement in March 2014. The parties met for the first time in April 2014 and continued bargaining in June. Besides adjustments in salaries, the union is negotiating on a number of issues including pension plans, health benefits, overtime, vacations, and sick leave.
- **Canada Revenue Agency (CRA) and Public Service Alliance of Canada (PSAC):** Following a series of country-wide meetings to negotiate terms for sick leave, CRA and its 31,620 employees represented by PSAC, are now set for a hearing at the Public Service Labour Relations Board in October 2014. In June 2014, the parties submitted their list of outstanding issues, named their representative for the Public Interest Commission (PIC) and waited for the PIC Chair to be named. The situation is tense as the parties have been unable to reach an agreement. Contentious issues include sick leave and length of contract among others.

An updated monthly list of [Key negotiations](#) is available under the [Resources](#) tab on the Labour Program website.

## Settlements reached

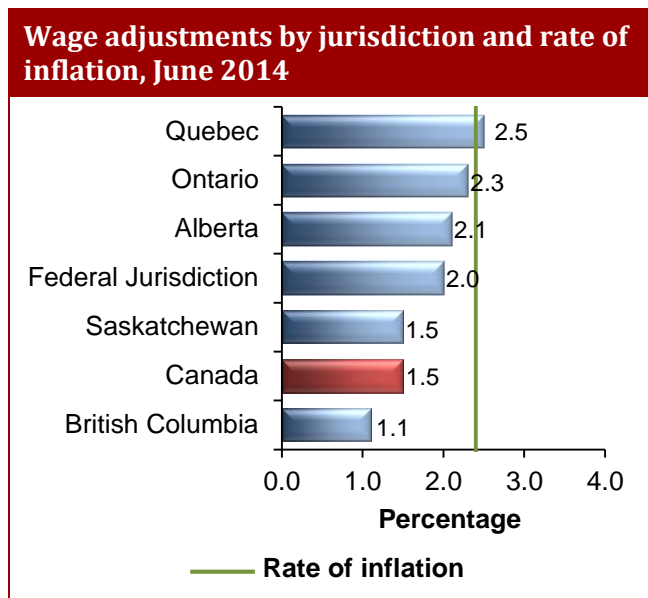
- Twenty-five major collective bargaining agreements were concluded in June, covering a total of 95,370 employees. Eighteen of these agreements were ratified through direct bargaining. Amongst the rest, two were settled through mediation, two through conciliation, two required arbitration, while one was concluded after post-conciliation bargaining.
- Seven agreements, covering 6,910 employees, were ratified in the private sector. The remaining 18 were in the public sector, covering a total of 88,460 employees.
- In the federal jurisdiction, five agreements were negotiated for a total of 9,460 employees.
- British Columbia had the highest concentration (54.8%) of employees who ratified their agreements in June; followed by Alberta (29.3%) and Ontario (3.4%). Meanwhile, Alberta recorded the highest number of settlements (10 settlements, 27,990 employees).
- Education, health, and social services industry represented 58.4% of all employees covered by the agreements ratified in June.

The texts of collective agreements can be accessed through the [Negotech](#) while the list of [Ratified settlements in 2014](#) can be accessed under the [Resources](#) tab on the Labour Program website.

## Settlement outcomes

### Wages

- Major collective bargaining settlements in June provided base-rate<sup>2</sup> wage adjustments averaging 1.5%<sup>3</sup> annually, a slight decrease from 1.6% in May.
- In the previous round of negotiations between these same parties, the annual wage adjustments averaged 1.7%.
- The average increase in wages (1.5%) was lower than the inflation rate (2.4%)<sup>4</sup> that prevailed in June. This is the third consecutive month in which the average increase in wages was lower than the inflation rate. Should the inflation continue to rise or even settle around the Bank of Canada's 2.0% target, employees who ratified their agreements in June may find their real wage declining annually, over the length of their contract.
- The five agreements that were ratified in the federal jurisdiction recorded an average wage-increase of 2.0%. Two of these agreements were in the public sector with wage increases averaging 1.6%, while the remaining three were in the private sector with an average wage increase of 2.6%.
- By jurisdiction, Quebec recorded the highest wage adjustment (2.5%) in a single agreement between Université du Québec en Outaouais (UQO) and its 570 employees.



- By industry, 2,450 employees in transportation received the highest wage increase (3.0%) in two settlements, whereas 55,660 employees, covered by seven agreements in education, health, and social services, received the lowest (1.1%).

More information on [Wage settlements](#) can be accessed under the [Resources](#) tab on the Labour Program website.

### Duration

- Major negotiations settled in June had an average contract duration of 52.4 months, clearly longer than the duration (29.2 months) these same parties had negotiated last time.
- Agreements in the public sector were longer than those in the private sector with average durations of 53.6 months and 37.4 months, respectively.
- Four agreements (three in British Columbia, one in Ontario) were longest (60 months) in duration. These agreements covered 55% of all employees.

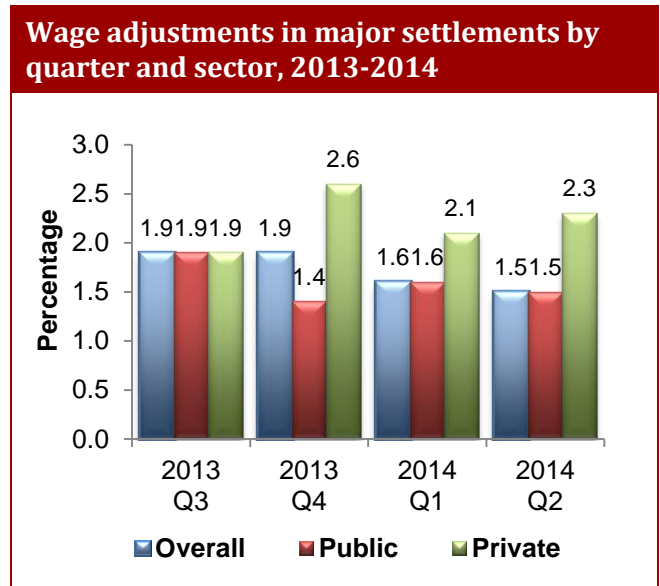
### Major work stoppages

- In June, two major<sup>5</sup> work stoppages, involving 44,050 employees, resulted in 904,250 person-days-not-worked (PDNW).
- The year-to-date six major work stoppages represent 957,470 PDNW. By comparison, 17 major work stoppages recorded over the same period in 2013 resulted in 810,350 PDNW.

More information on [Work stoppages](#) in Canada can be accessed under the [Resources](#) tab on the Labour Program website.

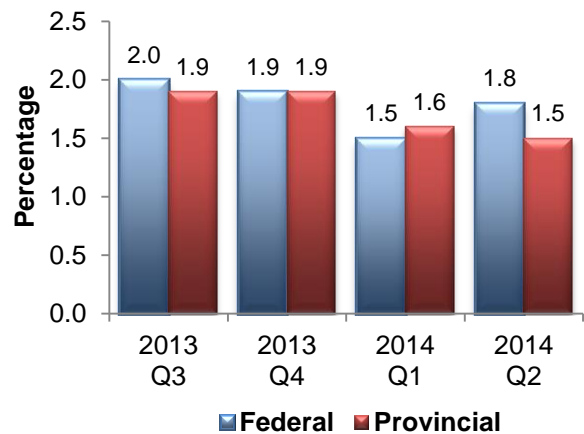
### Second Quarter 2014

- Major settlements in the second quarter recorded annual base-rate wage adjustments averaging 1.5%, slightly lower than the average (1.6%) registered in the first quarter. This result is derived from a review of 59 major agreements covering a total of 201,260 employees.
- Sixty-eight percent of these agreements were settled through direct bargaining compared to 84% in the previous quarter.
- Most (88%) of the collective bargaining agreements were ratified in the public sector, covering over 96% of total employees. The average wage increase in the private sector (2.3%) was noticeably higher than that in the public sector (1.5%), a trend observed in last three quarters.
- In the federal jurisdiction, eight agreements covering 13,150 employees were ratified for an average wage increase of 1.8%, higher than the one recorded in the previous quarter (1.5%). Alberta recorded the highest number of settlements (16 settlements), whereas Ontario had the highest concentration (31.4%, 63,210 employees) of employees ratifying their agreements.



- By Industry, utilities registered the highest average wage increase (3.5%), whereas entertainment and hospitality recorded the lowest (1.0%).
- Agreements concluded in the second quarter had an average duration of 45.1 months, lower than the average in the first quarter (50.4 months).
- Three major work stoppages, involving 44,690 public-sector workers, were reported in this quarter. These work stoppages resulted in a total of 947,340 PDNW, substantially higher than that recorded in the first quarter (10,130 PDNW).

**Wage adjustments in major settlements by quarter and jurisdiction, 2013-2014**



## Features

### Literature Scan

- The Department of Finance has recently published a report, titled [Jobs Report: The State of the Canadian Labour Market](#). The report synthesizes how Canada's labour market has succeeded in meeting recent challenges and performed relatively well in a number of areas, including job creation and post-secondary educational attainment.
- The Bank of Canada released a study, titled [Beyond the Unemployment Rate: Assessing Canadian and U.S. Labour Markets Since the Great Recession](#). The study uses a Labour Market Indicator (LMI) to conclude that in both countries, the so-called labour-market recovery is incomplete. It finds that too many people are unemployed for six months or longer, and that underemployment is a problem, with many part-time employees seeking full-time work.
- The Canadian Centre for Policy Alternatives issued a report on temporary foreign workers (TFW) in Canada. The report, titled [Temporary Foreign Workers in Saskatchewan's "Booming" Economy](#) provides an overview of the influx of TFW in the province's food industry and calls for broader discussion about TFW's access to collective bargaining opportunities in the wake of revelations of widespread abuse of TFW in Canadian workplaces.

## Contact

For more information, please contact the [Workplace Information and Research Division](#) or call us at 1-877-259-8828.

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Note: This bulletin is based on June 2014 data/information, which was collected as of July 16, 2014.

- 1 All data reported in this bulletin relates to major collective agreements covering 500 or more employees across Canada.
- 2 The base wage rate is the lowest paid classification used for qualified employees in the bargaining unit.
- 3 The wage adjustment averages are employee-weighted.
- 4 Statistics Canada, [The Daily](#).
- 5 Major work stoppages involve 500 employees or more.