



Fair, safe and productive workplaces

Labour

Workplace Bulletin

Collective bargaining monthly update September 2014

Key negotiation activities

Several major¹ negotiations were underway in September. Some of the notable ones were between:

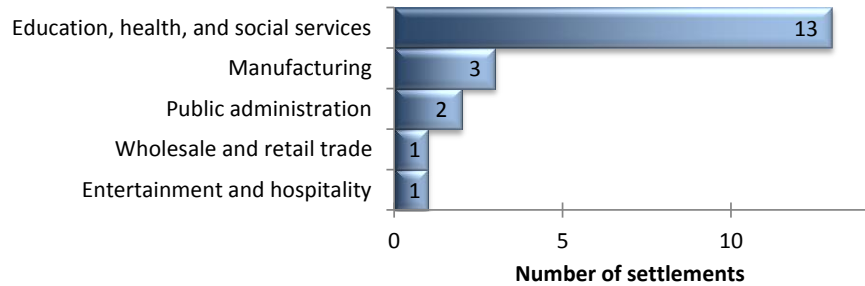
- **Alberta Health Services (AHS) and the Alberta Union of Provincial Employees (AUPE):** Alberta's 23,000 General Support Services (GSS) staff have been without a contract since March 2014, the end of a three-year agreement term. Negotiations for a new collective agreement began in April. In September, the parties applied for third-party mediation and filed a complaint with the Alberta Labour Relations Board. Among the issues, the parties have been primarily bargaining for pay increases.
- **Government of Manitoba and the Manitoba Government and General Employees' Union (MGEU):** Around 14,800 government employees have been without a contract since March 2014. The parties met during the summer to discuss specific proposals, such as recruitment, selection, and union representation. Negotiations between the parties resumed in September, and the parties agreed to have a ratification vote in the coming months.
- **Canada Post Corporation and the Association of Post Officials of Canada (APOC):** Discussions between the parties remained confidential as part of an ongoing negotiation process. Around 13,400 employees were without a contract since March 2014. Talks resumed on September 10th, and continued throughout the month. Both parties remained committed to the process, and were determined to reach an agreement that would balance the interests of APOC-represented employees and the Corporation.

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

Settlements reached

- In September, twenty major collective bargaining agreements, covering a total of 92,940 employees, were reached. Fourteen of these agreements were concluded through direct bargaining, and the remaining six through mediation, conciliation, and arbitration stages (two agreements in each stage).
- Sixteen agreements, covering 86,930 employees, were reached in the public sector. The remaining four were in the private sector, covering 6,010 employees.
- Only one agreement, covering 1,360 employees, was settled in the federal jurisdiction. Out of the remaining 19 agreements, covering almost 99% of employees ratifying agreements in September, Ontario had the most (seven agreements), followed by British Columbia (six agreements), Manitoba (two agreements), Newfoundland and Labrador, New Brunswick, Quebec, and Alberta (one agreement in each).
- The education, health, and social services industry had most settlements (13 settlements), and represented nearly 91% of all employees covered by settlements in September.

Collective bargaining settlements by industry, September 2014



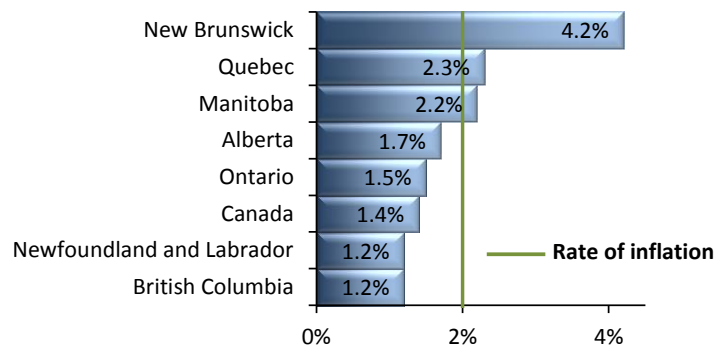
The texts of collective agreements can be accessed through the [Negotech](#) while the list of [Ratified settlements](#) in 2014 can be accessed under the [Resources](#) tab on the Labour Program website.

Settlement outcomes

Wages

- Major collective bargaining settlements in September registered base-rate² wage adjustments averaging 1.4%³ annually, a sharp decline from 2.1% in August.
- In the immediate previous round of negotiations between the same parties, the annual wage adjustments averaged 1.0%.
- The average wage-increase (1.4%) was below the inflation rate (2.0%) that prevailed in September. Should inflation remain at 2.0%, which is also the Bank of Canada's target, employees who ratified their agreements in September, would find their real wage declining annually, over the length of their contracts.

Wage adjustments by jurisdiction and rate of inflation, September 2014

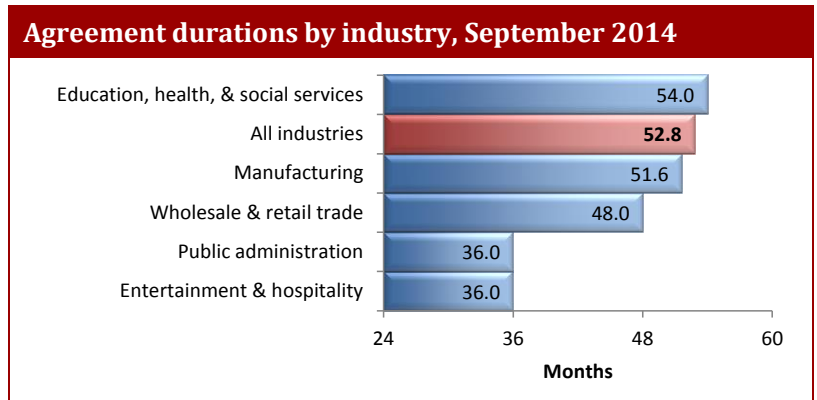


- The average wage adjustment in the public sector (1.3%) was lower than that in the private sector (1.7%).
- New Brunswick recorded the highest average wage gains of 4.2% in one contract. In contrast, both Newfoundland and Labrador and British Columbia recorded the lowest (1.2%).
- By industry, employees in manufacturing gained the highest wage increase (2.1%); whereas, those in the education, health, and social services received the lowest (1.3%).

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

Duration

- Major negotiations settled in September had an average duration of 52.8 months, which is much longer than the duration (30.4 months) the same parties had previously negotiated.
- On average, public-sector settlements had longer terms (53.6 months) than those in the private sector (42.5 months).
- The agreement with the longest term (72 months) was settled between the British Columbia Public School Employers' Association and its 41,000 school teachers. In contrast, the agreement between the Ontario Hospital Association and its 9,500 staff had the shortest duration (24 months). Both agreements were in the education, health, and social services industry.



Working conditions

- No working conditions of interest were noticed by the Labour Program in September.

Major work stoppages

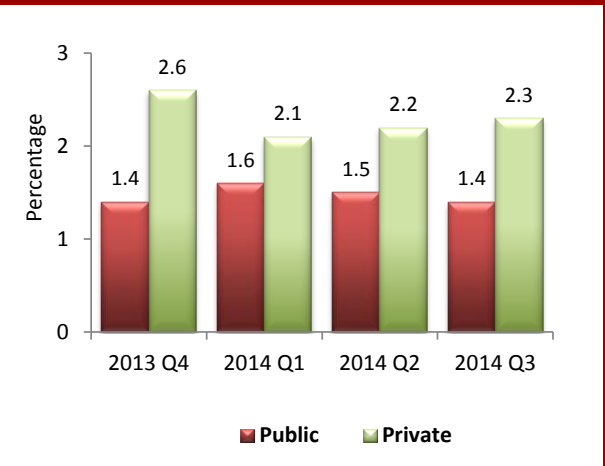
- In September, four major⁴ work stoppages, involving 45,924 employees, resulted in 614,300 person-days-not-worked (PDNW). Most (97%) PDNW were registered in the education, health, and social services industry.
- To date this year, 16 major work stoppages, 10 in public and six in private sectors, have resulted in 1,241,770 PDNW. During the same period last year, 21 major work stoppages, all in the private sector, represented 857,120 PDNW.

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

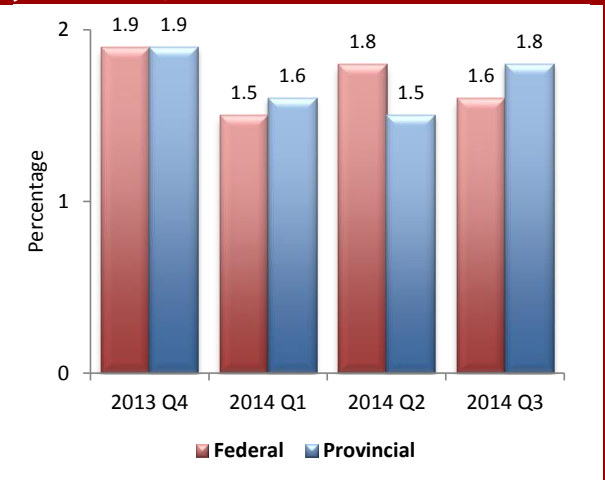
Third Quarter 2014

- Forty-three major settlements, covering a total of 228,820 employees in the third quarter, recorded annual base-rate wage adjustments averaging 1.8%, slightly higher than the average (1.6%) registered in the second quarter.
- A majority of negotiations underwent direct bargaining (28 agreements). Out of the rest, four required post-mediation bargaining, one post-conciliation bargaining, six direct mediation, two conciliation, and two arbitration.
- The number of public-sector settlements (29 agreements) was more than double the number of those reached in the private sector (14 agreements). The average wage-increase (1.4%) in the public sector has been lower than that in the private sector (2.3%), a trend observed in the last three quarters.
- In the federal jurisdiction, four agreements covering 3,350 employees were settled for an average wage increase of 1.6%, lower than the one recorded in the previous quarter (1.8%).
- Amongst provinces and territories, New Brunswick had the highest wage-adjustment (4.2%), and Newfoundland and Labrador the lowest (1.2%). British Columbia had the highest number of settlements (12 settlements), whereas Quebec had the most concentration (36%, 82,480 employees) of employees negotiating their agreements during the period.
- By industry, construction and information and culture recorded the highest average wage increase (2.4%), whereas public administration registered the lowest (1.0%).
- Agreements concluded in the third quarter had an average duration of 45.9 months, slightly higher than the average in the second quarter (45.1 months).
- Six major work stoppages involved 48,060 workers – most (96%) of them in the public sector. These work stoppages resulted in a total of 666,980 PDNW, higher than that recorded in the second quarter (565,190 PDNW).

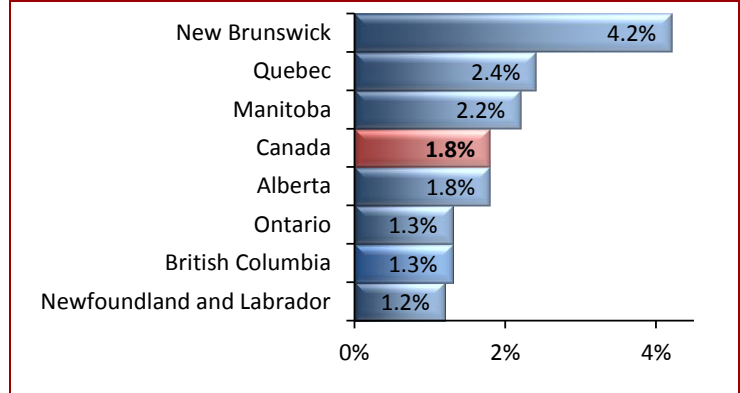
Wage adjustments by quarter and sector, 2013-2014



Wage adjustments by quarter and jurisdiction, 2013-2014



Wage adjustments by jurisdiction, 3rd Quarter 2014



Features

Literature Scan

- The Canadian Centre for Policy Alternatives published a report on the relationship between higher minimum wages and employment levels in Canada. The report, titled [*Dispelling Minimum Wage Mythology: The Minimum Wage and the Impact on Jobs in Canada, 1983–2012*](#), investigates the relationship, if any, between minimum wages and employment in all ten Canadian provinces between 1983 and 2012. The report finds that employment levels are overwhelmingly determined by larger macro-economic factors, such as the state of aggregate demand and GDP growth, and are least sensitive to wage regulations.
- In a recent comparative analysis, titled [*International Comparisons of Annual Labor Force Statistics*](#), the Conference Board of Canada highlights differences in labour market tightness, unemployment, and labor force participation through various demographic categories. Comparing labour markets in 16 countries across the Americas, Europe, Asia, and Africa, the analysis notes that the US, Canada, Germany, and Japan are experiencing rapidly falling unemployment rates. The analysis adds that labour market participation rates are increasing in most countries, with the exception of the US.
- The Organisation for Economic Co-operation and Development (OECD) in its September 2014 Economic Outlook claims that unemployment is falling in Canada, but youth are being left out of the economic recovery. The edition, titled [*How Does Canada Compare?*](#), highlights that Canada did not suffer as much as most other countries during the 2008-2009 global recession with 7.0% unemployment rate in the second quarter of 2014, compared to 8.5% in the third quarter of 2009. It, however, identifies risks of youth unemployment as well as the rising number of young people out of work and out of school.

Contact

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

Note: This bulletin is based on September 2014 data/information, which was collected as of October 17, 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 Major work stoppages involve 500 employees or more.