



Labour

Workplace Bulletin

Collective bargaining monthly update

March 2015

Key negotiation activities

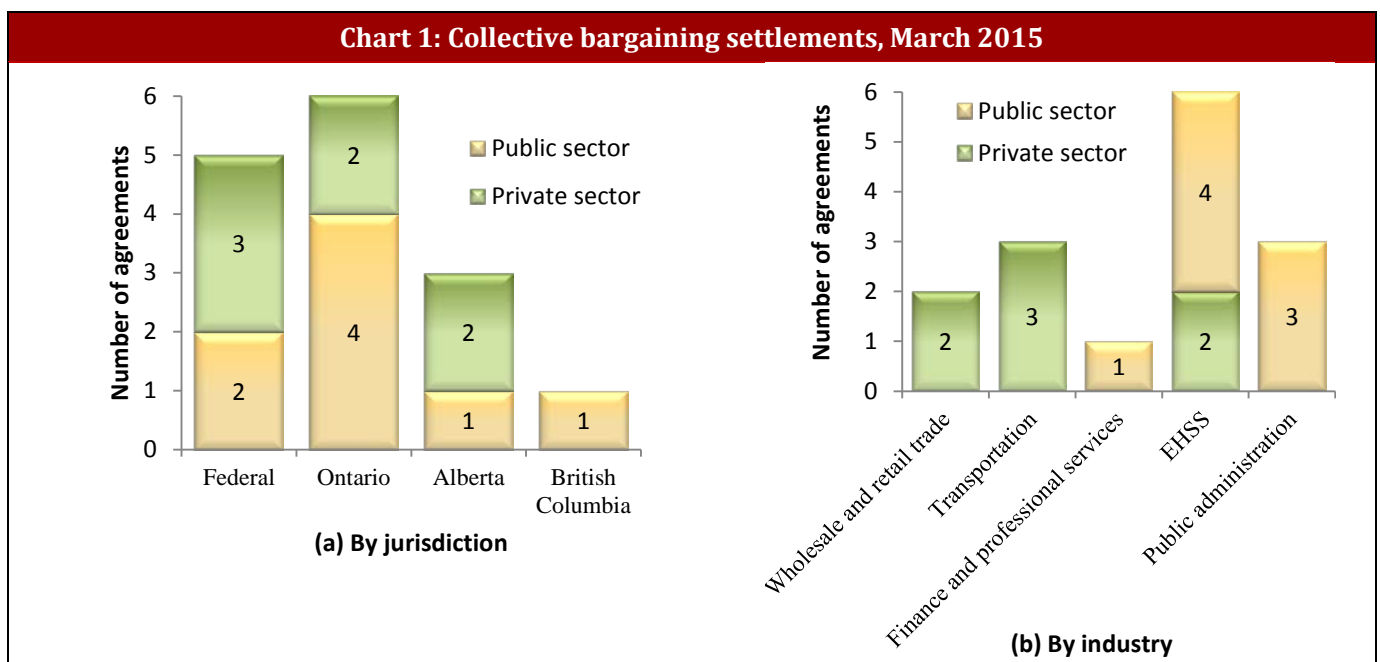
Several major¹ negotiations were ongoing in March. Notable negotiation activities included the following:

- **Air Canada and Unifor, Local 2002:** The collective agreement of approximately 4,100 customer sales and service agents expired on February 28, 2015. Prior to the contract expiration, Air Canada sent a notice of dispute to the Federal Mediation and Conciliation Service, which was received on February 25. On March 12, conciliation officers were appointed and all parties met over several days. The main issues for the union are wages and job security. On March 31, talks between the parties broke down. On May 11, the parties will be released from the conciliation process and acquire the legal right to strike or lockout on June 2.
- **University of Toronto and Canadian Union of Public Employees (CUPE):** Teaching assistants, represented by CUPE Local 3902 (Unit 1), were on strike through much of March after striking on February 27. Approximately 6,000 members have been without a contract since August 31, 2014. Negotiations continued in early March and a tentative agreement was sent to a ratification vote on March 20. However, members voted not to ratify and the strike continued until March 26, when the union agreed to binding arbitration. Teaching assistants returned to work the following day and the parties await the arbitrator's decision on the outstanding items, including funding packages and tuition.

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

Settlements reached

- In March, a total of 15 major collective bargaining negotiations were settled, covering 25,110 employees. Eight of these were settled through direct bargaining, four through arbitration, and three through mediation.
- In the public sector, eight agreements were reached, covering 10,630 employees. Seven agreements were settled in the private sector, covering 14,480 employees. [Chart 1, (a)].
- Five agreements, covering 6,700 employees, were concluded in the federal jurisdiction.
- Amongst the provincial jurisdictions, six agreements were reached in Ontario, three in Alberta and one in British Columbia.
- 30.7% of employees covered by agreements reached in March were in the wholesale and retail trade industry. The education, health, and social services (EHSS) industry represented the second largest proportion of employees (22.0%) (Chart 1, [b]).



The texts of collective agreements can be accessed through the [Negotech](#), while the list of [Ratified settlements in 2015](#) can be accessed under the [Resources](#) tab on the Labour Program website.

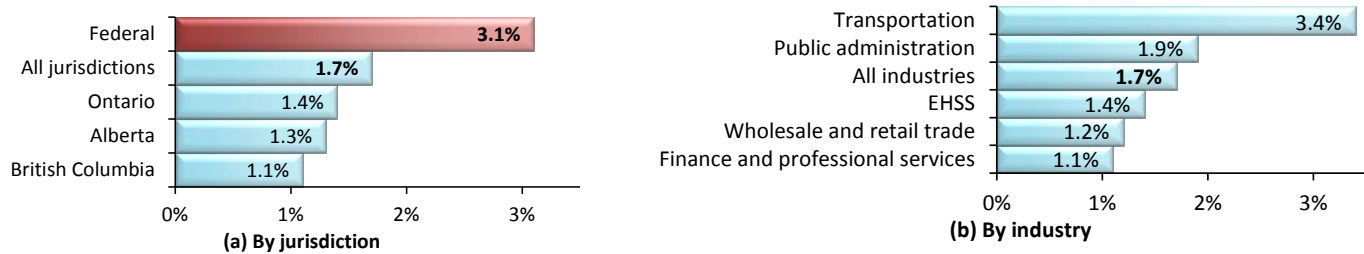
Settlement outcomes

Wages

- In March, the average annual base-rate² wage adjustment (over the duration of the contracts) was 1.7% among major collective bargaining settlements (Chart 2 [a]).
- According to the Bank of Canada's revised projection, the inflation rate is expected to hover around 2.0% in 2016 and 2017.³ Although March's average wage gain (1.7%) was higher than the inflation rate that prevailed during the month (1.2%),⁴ many employees covered by the settlements reached during March could find their real wage shrinking over the duration of their contracts.
- In the previous round of negotiations between the same parties, the average wage increase was slightly higher (1.9%) than the average increase negotiated in March (1.7%).

- The highest average wage increase (4.3%) was negotiated in the federal jurisdiction between the Canadian Pacific Railway and Unifor, covering a total of 1,630 employees.
- The average wage increase in the private sector (2.0%) was higher than the average recorded in the public sector (1.4%).
- Among all jurisdictions, the federal jurisdiction recorded the highest average wage adjustment (3.1%).
- Employees in the transportation industry received the highest average increase (3.4%) amongst all industries.
- The lowest average (1.1%) was recorded in two separate contracts between: the Insurance Corporation of British Columbia and 4,390 members of the Canadian Office and Professional Employees Union, and Canada Safeway Limited and 900 of its employees in Alberta.

Chart 2: Wage adjustments, March 2015

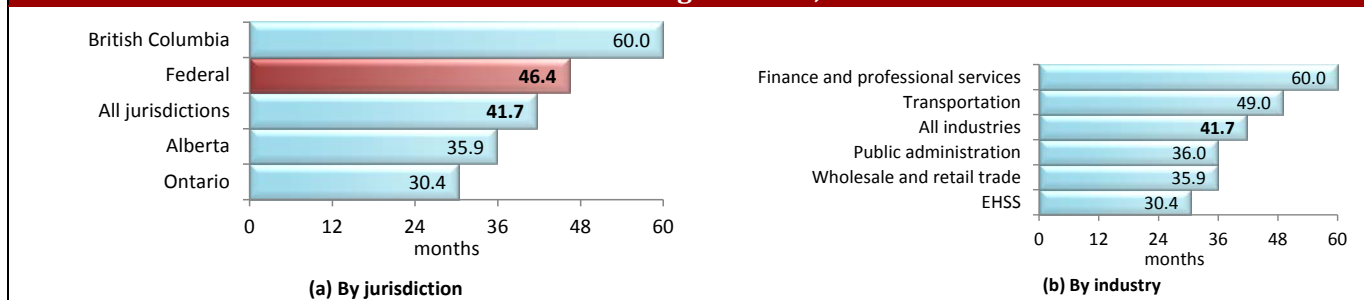


More information on [Wage settlements](#) can be accessed under the [Resources](#) tab on the Labour Program website.

Duration

- The overall average duration of agreements reached in March was 41.7 months [Chart 3, (a)]. The average duration was longer in the public sector (44.6 months) than in the private sector (39.6 months).
- The average duration negotiated in March (41.7) was shorter than the duration reached in the previous round of negotiations between these same bargaining parties (44.2 months).
- The lowest average contract duration was 24 months and was negotiated in four separate contracts in Ontario and in the EHSS industry.
- The Insurance Corporation of British Columbia and the Canadian Office and Professional Employees Union negotiated the longest contract duration (60 months).

Chart 3: Duration of agreements, March 2015



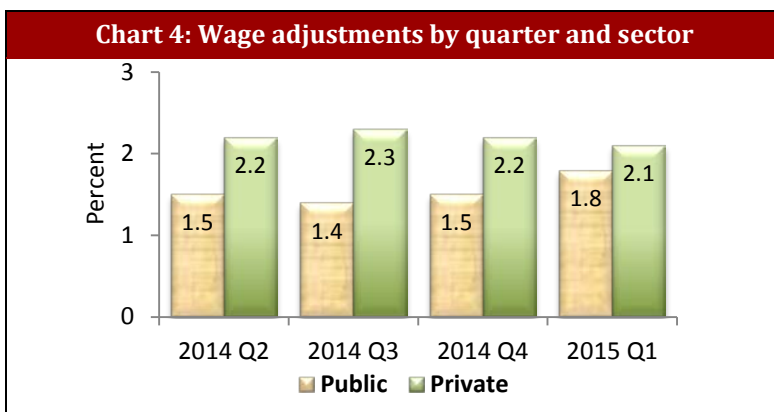
Major work stoppages

- In March, four major⁵ work stoppages occurred, involving 8,300 employees and resulting in 148,800 person days not worked (PDNW).
- One of the stoppages involved 4,500 University of Toronto teaching assistants, represented by the Canadian Union of Public Employees (CUPE) Local 3902.
- The remaining three stoppages occurred at York University, involved 3,800 members of CUPE (Teaching Assistants, Contract Faculty, and Graduate Research Assistants), and resulted in 63,300 PDNW.

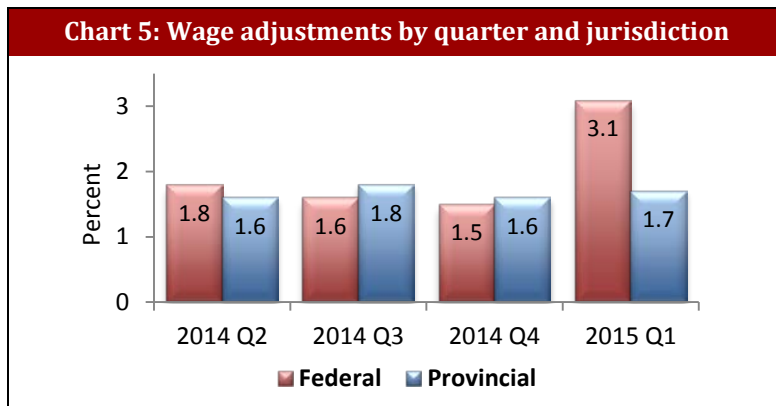
More information on [Work stoppages](#) in Canada can be accessed under the [Resources](#) tab on the Labour Program website.

First Quarter 2015

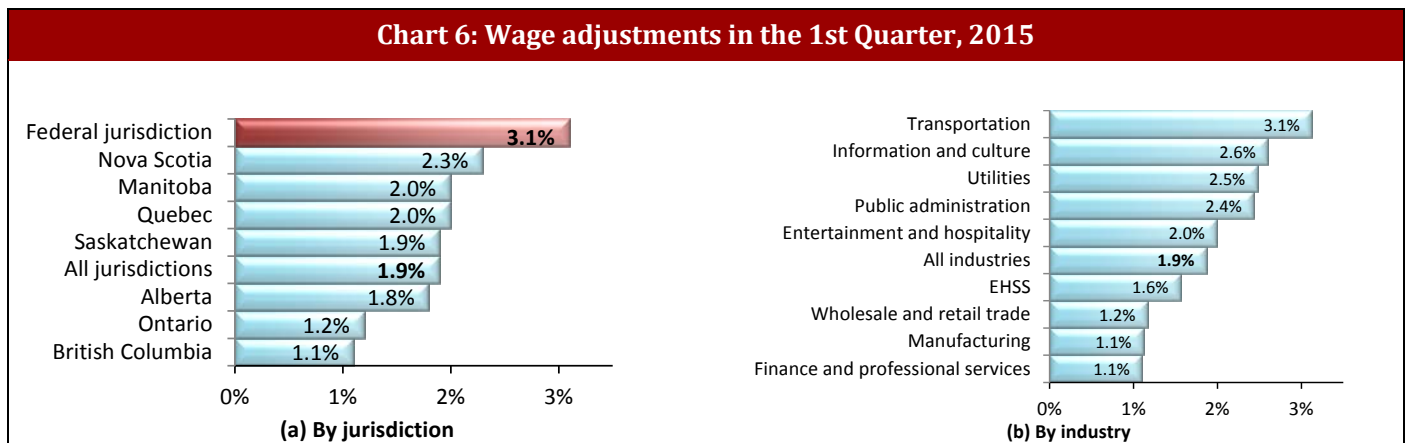
- In the first quarter of 2015, 35 major settlements were reached, covering a total of 69,270 employees. Amongst these agreements, the average annual base-rate adjustment was 1.9%, slightly higher than the average in the last quarter of 2014 (1.6%).
- Over half of the negotiations were settled through direct bargaining (19 agreements). Six were settled through mediation, five through arbitration, three through conciliation, one through bargaining after a work stoppage, and one through conciliation after a work stoppage.
- Over twice as many settlements occurred in the public sector (25 agreements) than in the private sector (10 agreements). As with the past three quarters, the average wage increase in the private sector (2.1%) remained higher than in the public sector (1.8%) in the first quarter of 2015 (Chart 4).



- In the federal jurisdiction, six agreements were settled, covering 9,700 employees. These employees received the highest average wage increase (3.1%) amongst all jurisdictions (Chart 5).



- Among the remaining jurisdictions, Nova Scotia had the highest average wage adjustment (2.3%), while British Columbia recorded the lowest (1.1%) (Chart 6 [a]).
- Alberta had the largest share of employees (31%, 21,340 employees) covered by agreements in the first quarter of 2015.
- Employees in the transportation industry—representing 15% of all employees who ratified agreements in the first quarter—received the highest average wage gain (3.1%). The largest proportion of employees (47%) was located in the EHSS industry and they received an average wage gain of 1.6% (Chart 6 [b]).



- The average duration of settled agreements in the first quarter of 2015 was 46.2 months, higher than the average duration in the fourth quarter of 2014 (42.9 months). The duration of agreements was higher in the public sector (48.2 months) than in the private sector (41.0).
- Six major work stoppages occurred in the first quarter of 2015. These stoppages involved 12,708 employees and resulted in a total of 162,600 PDNW. The PDNW in the first quarter was much higher than the 27,500 PDNW recorded in the seven work stoppages that occurred in the final quarter of 2014.
- Five of the six work stoppages took place in the public sector. The stoppages in the public sector involved 8,908 employees and resulted in 155,000 PDNW.
- One work stoppage occurred in the federal jurisdiction in the transportation industry, involving 3,800 employees and resulting in 7,600 PDNW. The remaining five work stoppages all took place in Ontario in the EHSS industry. In comparison, all of the seven work stoppages that took place in the fourth quarter of 2014 occurred in Quebec.

Features

Literature scan

The following sample of studies relating to industrial relations were published during the month of March:

- The Fraser Institute challenges the idea that slow economic growth in Canada will persist in its report [*Is Slow Growth the New Normal for Canada?*](#) The report argues that periods of slow growth have existed in the past and ended when governments implemented “better and more predictable policies.” According to the report, Canada still has monetary policy options available to stimulate growth and the loss of workers associated with an aging workforce will be offset by increased productivity. In addition, it argued that Canada’s economic growth will be bolstered by the improving economy in the U.S. and increased innovation. Because of these opportunities, among others, the report concludes that slow economic growth need not be the “new normal” for Canada.
- The Office of the Parliamentary Budget Officer examines the use of temporary foreign workers (TFWs) in the Canadian labour force, with a specific focus on TFWs in low-skilled occupations in [*Temporary Foreign Workers in Canada: A look at regions and occupational skill*](#). The report provides statistics relating to TFWs, including: number; share of the Canadian labour force; distribution by province and city; and occupational skill level. It also compares the employment of low-skilled Canadian workers with the employment of low-skilled TFWs. Some of the reasons for hiring TFWs, (including controlling wage costs and the availability of low-skilled workers in specific locations) are also discussed.
- In its report, [*Employment and Wage Effects of Extending Collective Bargaining Agreements*](#), IZA World of Labor examines the impact of extending collectively bargained wage settlements and working conditions to employees outside of a negotiated settlement. In several European nations, the conditions of a negotiated settlement can be extended to other employers and unions that did not individually negotiate a contract (for example, when a contract is declared by law to apply to all employees in the same region or industry). The report discusses the advantages of such a system, including reductions in both wage inequality and gender wage gaps. Negative implications include the inhibition of employment growth due to higher wage costs and the inability of employers to quickly adapt wages to changing economic events.

Contact

For more information, please contact the [Workplace Information and Research Division](#) or call 1-877-259-8828. Please use the above link to send us the memorandum of understanding or other documentation if a collective bargaining agreement is reached and you have a business unit either federally registered (with 100 or more employees) or provincially registered (with 500 or more employees).

Note: This bulletin is based on March 2015 data/information, which was collected up to April 24, 2015. Work stoppage data was collected up to April 28, 2015.

- 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 [Monetary Policy Report Summary](#), Bank of Canada, April 2015.
- 4 [The Daily: Consumer Price Index, March 2015](#), Statistics Canada, April 17, 2015.
- 5 Major work stoppages involve 500 employees or more. Work stoppage data for February includes preliminary data only from the province of Ontario.