



*Fair, safe and productive workplaces*

# Labour

## Workplace Bulletin

### Collective bargaining monthly update

### June 2015

#### Key negotiation activities

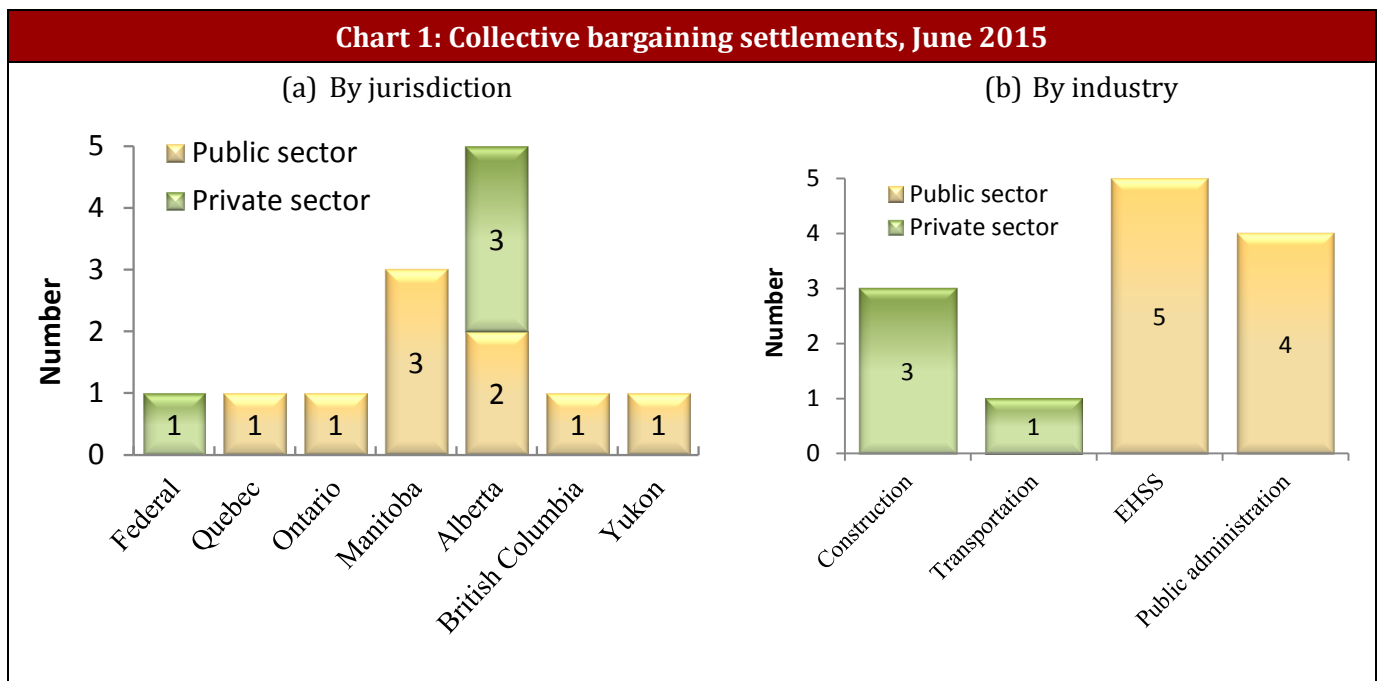
Several major<sup>1</sup> negotiations took place in June. Prominent activities included the following:

- **Government of Quebec and various unions:** Approximately 400,000 employees of the Government of Quebec saw their contract expire in March, 2015. Talks between the government and various unions representing these workers—including the Confédération des syndicats nationaux (CSN), Syndicat de la fonction publique du Québec (SFPQ), and Fédération des travailleurs du Québec (FTQ)—were initiated in October, 2014. In June, some union leaders publically expressed frustration with the slow progress of the negotiations. The main issue remains wages: the government proposed a wage freeze for the next two years followed by an increase of one percent over the following three years. Several union leaders have called for the appointment of a mediator to attempt to break the deadlock.
- **Loblaws Companies Ltd. and United Food and Commercial Workers (UFCW):** The contract covering approximately 28,000 workers at Zehrs, Loblaws, Real Canadian Superstores, Great Food, and Fortinos in Ontario expired on July 2, 2015. Following ongoing negotiations, a tentative memorandum of agreement was reached between the parties on June 1. In a ratification vote held between June 14 and 20, members of UFCW Local 1000A voted to reject the tentative deal. With the exception of nine grocery stores in and around Windsor, Ontario, UFCW Local 175 & 633 voted to accept the tentative agreement. For those locals that rejected the offer, a strike deadline was set for July 5, 2015. Wages and benefits are the main issues for the union.

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

## Settlements reached

- In June, a total of 13 major collective bargaining negotiations were settled, covering 34,610 employees. Eight of these were settled through direct bargaining, three through mediation, one through arbitration, and one through conciliation.
- Nine agreements were reached in the public sector, covering 14,330 employees. The remaining four were in the private sector and covered 20,280 employees. [Chart 1, (a)].
- In the federal jurisdiction, one agreement was concluded, covering 4,100 employees.
- Alberta had the most settlements reached (5), representing just over half (51.0%) of all employees who settled an agreement during the month.
- The largest proportion of employees (38.5%) covered by agreements reached in June was in education, health, and social services (EHSS) industry. (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.

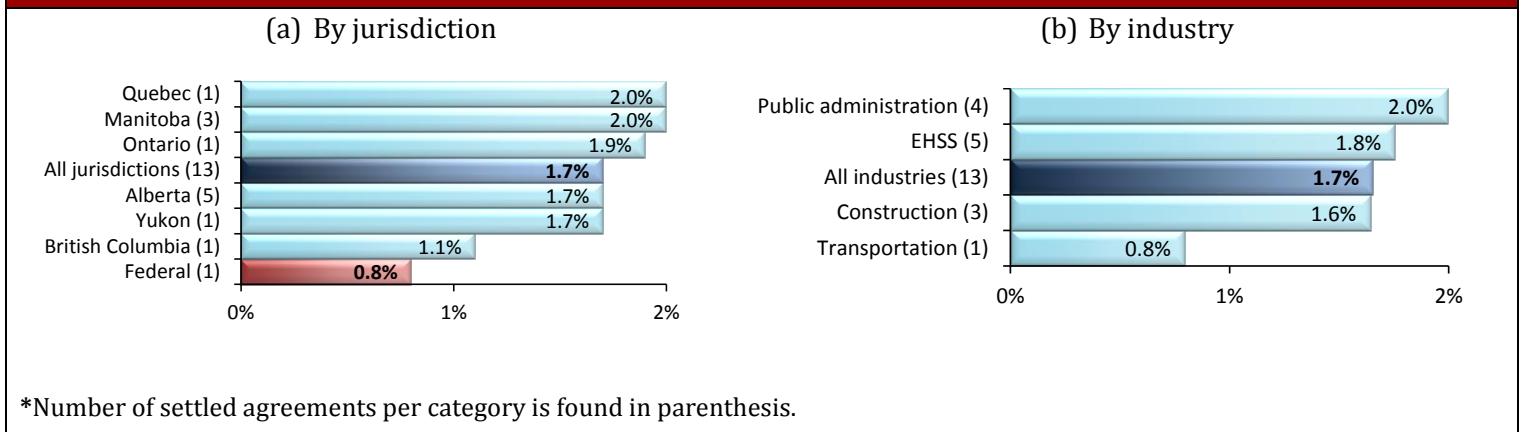
## Settlement outcomes

### Wages

- In June, the average annual base-rate<sup>2</sup> wage adjustment (over the duration of the contracts) among major collective bargaining settlements was 1.7% (Chart 2 [a]).
- The average wage increase negotiated in the previous round of negotiations between the same parties was the same as the average increase negotiated in June (1.7%).
- The Bank of Canada predicts that inflation over the next two years will remain consistently higher (around 2.0%)<sup>3</sup> than the June wage adjustment of 1.7%.
- The average wage increase in the public sector (1.9%) was higher than the average recorded in the private sector (1.5%).

- Among jurisdictions, the highest average wage (2.0%) was negotiated in Manitoba and in Quebec. The lowest (0.8%) was received by employees in the federal jurisdiction (Chart 2 [a]).
- Public administration recorded the highest average wage gain (2.0%) among all industries (Chart 2 [b]).

**Chart 2: Wage adjustments, June 2015\***



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

### Duration

- The average duration of agreements settled in June was 46.0 months. This was shorter than the duration reached in the previous round of negotiations between the same bargaining parties (48.1 months).
- Agreements reached in the private sector were longer (50.4 months) than those in the public sector (39.6 months).
- The average contract duration in the federal jurisdiction was 60 months (negotiated in a single contract); whereas the average duration among contracts settled in the provincial jurisdiction was 44.1 months.
- Among industries, employees in transportation negotiated the longest average contract duration (60 months), followed by construction and EHSS (48 months), and public administration (35.5 months).
- The shortest contract (23.9 months) was settled between the City of Winnipeg and 4,980 of its employees, represented by the Canadian Union of Public Employees (CUPE). Both the University of British Columbia and CUPE, and Air Canada and Unifor negotiated the longest contract (60 months).

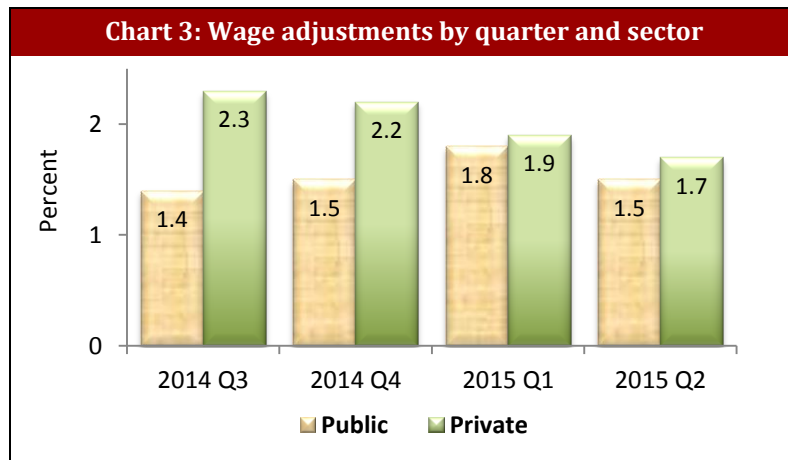
### Major work stoppages

- One major<sup>4</sup> work stoppage was reported in June, involving 750 employees of the City of London and resulted in 16,500 person days not worked (PDNW).
- Between January and June, 2015, a total of 11 work stoppages occurred. These stoppages involved 21,629 employees and resulted in 204,050 PDNW. In the same six-month period last year, four stoppages occurred, involving 45,067 employees, resulting in 572,130 PDNW.

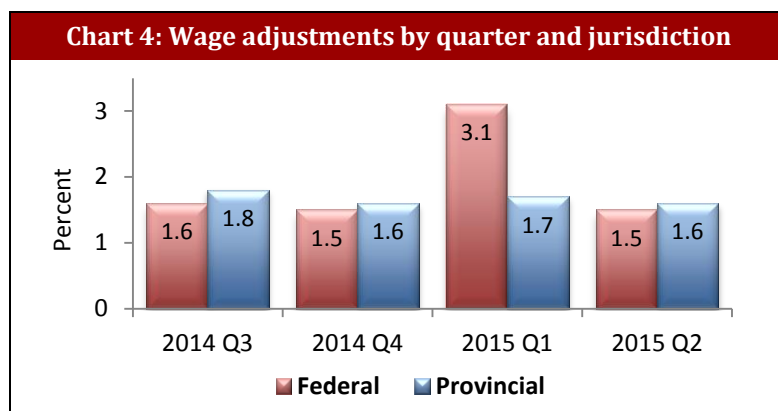
More information on [Work stoppages in Canada](#) can be accessed under the [Resources](#) tab on the Labour Program website.

## Second Quarter 2015

- Forty-eight major settlements were reached in the second quarter of 2015, covering a total of 117,400 employees. The average annual base-rate wage adjustment was 1.6%, slightly lower than the average in the first quarter (1.8%).
- Over two-thirds of negotiations were settled through direct bargaining (31 agreements). Eight agreements were settled through mediation; four through arbitration; three through conciliation; one through post-conciliation bargaining; and one through bargaining after a work stoppage.
- The majority of the settlements occurred in the public sector (31 agreements). Following trends seen over the last three quarters, in the second quarter of 2015 the average wage increase in the private sector (1.7%) remained higher than in the public sector (1.5%) (Chart 3).

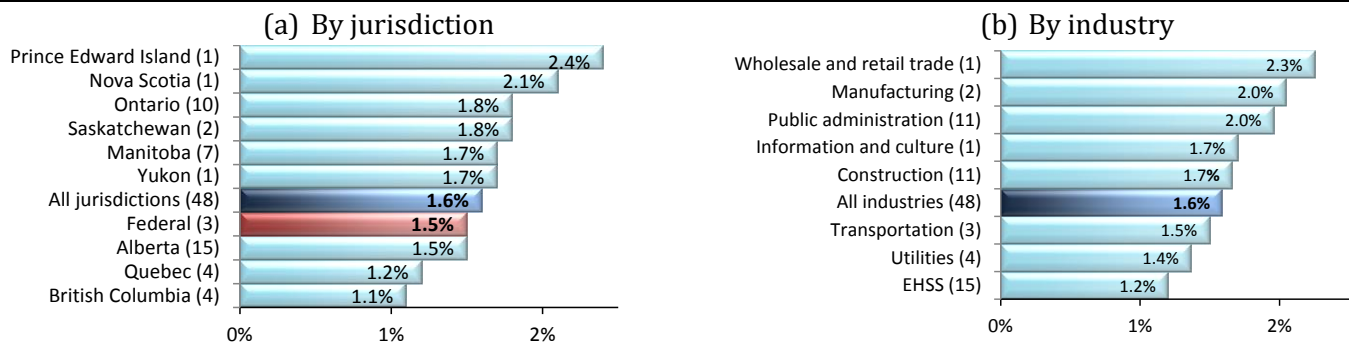


- In the federal jurisdiction, three agreements were settled, with an average wage increase of 1.5%, covering 8,770 employees. The average wage gain received by 108,630 employees in the provincial jurisdictions was 1.6% (Chart 4).



- The largest proportion of employees covered by agreements was in Alberta (36.3%, 42,560 employees). Among all industries, construction had the largest share of employees (29.6%, 34,730 employees).
- In the second quarter, among all jurisdictions, the highest average wage increase (2.4%) was negotiated in Prince Edward Island, covering 1,210 employees. 4,060 employees in British Columbia received the lowest average adjustment (1.1%). (Chart 5 [a]).
- Among all industries, the highest average wage increase (2.3%) was negotiated in the wholesale and retail trade industry, covering 850 employees. The lowest average increase was recorded in EHSS (1.2%) for 32,580 employees (Chart 5 [b]).

**Chart 5: Wage adjustments in the 2<sup>nd</sup> Quarter, 2015\***



\*Number of settled agreements per category is found in parenthesis.

- The average duration of settled agreements in the second quarter of 2015 was 45.8 months, higher than the average duration in the first quarter (42.9 months). The duration of agreements was higher in the private sector (49.1 months) than in the public sector (43.5).
- Five major work stoppages occurred in the second quarter of 2015. These stoppages involved 8,892 employees and resulted in a total of 112,850 PDNW. The PDNW in the second quarter of 2015 was higher than the 91,200 PDNW recorded in the six work stoppages reported in the first quarter.

## Features

### Literature scan

The following sample of studies relating to industrial relations was recently published:

- The Conference Board of Canada provides an economic outlook for each province in their report [Provincial Outlook Spring 2015: Economic Forecast](#). Economic indicators, such as gross domestic product, inflation, output by industry, and labour market conditions are forecasted to the year 2019. The report includes a brief discussion of the US economic outlook and also contains important contextual information such as provincial budgets, deficit-control measures, and oil prices.
- In its working paper, [Beyond the CEE 'Black Box': Crisis and Industrial Relations in the New EU Member States](#), the European Trade Union Institute examines trends in industrial relations in Central-Eastern

Europe (CEE) between 2008 and 2014. The paper compares changes in wages; collective bargaining processes; national-level consultations between unions, employer organizations, and governments; and social action across 10 countries (Estonia, Latvia, Lithuania, Slovenia, Bulgaria, Romania, Poland, Hungary, the Czech Republic and Slovakia). Although every CEE country was deeply affected by the global economic crisis, each nation reacted differently, resulting in country-specific consequences for unionization rates, wage growth, and unemployment.

- IZA World of Labour reviews the impact of performance-based pay for teachers in its article [\*How effective are financial incentives for teachers?\*](#) Drawing on data primarily from the US, Israel, India, and Kenya, the author found that well-designed incentive plans can positively affect student performance. In the developing world, improved student outcomes can be achieved with relatively low-cost performance pay programs. In developed countries, however, where salaries are already high, performance incentives need to be large, thereby possibly making them too costly for widespread implementation.

## 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 you have a business unit either federally registered (with 100 or more employees) or provincially registered (with 500 or more employees) and a collective bargaining agreement is reached.

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Note: This bulletin is based on June 2015 data/information, which was collected up to July 15, 2015. Work stoppage data was collected up to July 24, 2015.

- 1 All data reported in this bulletin relates to major collective agreements covering 500 or more employees across Canada.
- 2 The base-rate wage is the lowest paid classification used for qualified employees in the bargaining unit.
- 3 [Monetary Policy Report Summary](#), Bank of Canada, July 2015, pp. 14.
- 4 Major work stoppages involve 500 employees or more. Work stoppage data for June includes preliminary data only from the province of Ontario.