Economic climate for bargaining

June 2006 Vol. 3, No. 3

Consumers keep economy in high gear

Canada's economy has continued to grow strongly this year with GDP increasing at an annual rate of 3.8% in the first quarter. A booming housing sector and accelerating consumer spending pushed economic growth above expectations.

The value of new housing construction increased by 10% in the first three months of this year compared to the previous year. This led to more activity in related industries, including transportation, business services, finance, insurance and real estate.

Recent figures have shown more solid gains to labour income and wages after many years of near-stagnant real wages. This has spurred consumer spending, especially on durable and semi-durable goods.

Substantially revised GDP figures for past years suggest that incomes have been higher and savings rates not as low as had been previously reported.

These revisions also put business investment about 3.5% higher than before: showing a healthier rate of investment than had been previously reported.

Higher consumer spending helped fuel increased activity in the trade and accommodation and food sectors. Moderate increases in government spending meant that growth in the public sector – health, education and public administration – was about average for the economy in the first quarter of this year.

Canadian Economic Outlook

Annual growth rates unless indicated	**2005**	**2006**	**2007**
Growth in the Economy			
Real GDP	2.9%	3.2%	2.9%
- Consumer Spending	3.9%	3.4%	2.7%
- Business Investment	9.4%	9.0%	7.0%
- Government Spending	2.7%	3.6%	3.7%
Labour Market			
Employment growth	1.4%	1.7%	1.2%
Unemployment rate	6.8%	6.3%	6.3%
Productivity growth	2.3%	1.5%	1.6%
Other			
Inflation - Consumer Price Index all-items	2.2%	1.9%	1.8%
Corporate Profits before tax	10.6%	6.9%	3.2%
Real Personal Disposable Income	2.4%	3.9%	2.7%
Personal Savings Rate	1.2%	1.5%	1.9%
Housing Starts (000s)	223	212	194
Interest Rates and Exchange Rate			
Short term 3 Month T-Bill	2.74%	4.08%	4.10%
Long term 10 Year Bond	4.06%	4.46%	4.60%
Exchange rate US$/C$	$ 82.60	$ 89.29	$ 89.05

Consensus average based on recent forecasts from seven different Canadian forecasters.

Total labour income increased at an annual rate of almost 6% in the first quarter of 2006 thanks to growing employment and wage gains. Labour productivity increased solidly at an annual rate of over 2%, similar to last year's growth of 2.3%. Higher productivity helped to support wage gains and slow growth in unit labour costs.

After two years of double-digit growth, corporate profits actually dropped in the first quarter of this year, mostly due to lower energy prices and lower profits in the energy sector. Despite the recent drop, corporate profits are still more than 8% higher than they were last year and have been at a record high as a share of GDP. With investment lagging profit growth, businesses have increased their bank deposits at a rate of about 15% for the past three years.

See-sawing energy prices have led to fluctuating returns for the oil and gas sector, but the overall trend, as with energy prices, has been up.

Lower U.S. demand for cars led to a decline in Canada's manufacturing sector in February and March. Other export industries also appear to be struggling with the high dollar: the value of overall exports dropped in the first quarter.

Solid expansion expected this year, but weaker foundation for future growth

The U.S. economy is already showing signs of a slowdown. This, together with high house prices, rising interest rates and a high Canadian dollar are expected to lead to slower growth later this year and into 2007.

The GST cut slated for July will probably give a boost to new home construction and consumer spending on durables early in the second half of the year, but after that economic growth is bound to taper off.

Households, with limited wage and income growth, can't keep the economy growing at a strong rate without continued and sustained increases in government and business investment to make the economy more productive.

The Canadian economy is expected to grow by a bit above 3% this year and just under 3% in 2007.

There are still significant downside risks to this outlook. Growing trade and fiscal deficits in the U.S. are a looming concern. Overvalued housing prices, particularly in the U.S., are increasingly worrisome. A steep drop in housing prices could spook consumer confidence and have big ripple effects affecting the Canadian economy.

Interest rates and exchange rates: Bank of Canada making room for a future cut

The Bank of Canada increased the Bank Rate to 4½ % in May. This marked the 7th time that it had increased its key interest rate in the past year. At the same time the Bank suggested that it is unlikely to further hike rates in the near future.

Even though short-term interest rates have been increased by 1.75%, longer-term interest rates, mortgage rates and bond yields have only increased by about one percentage point or less during the past year.

As a result, the interest rate hikes have not done much to slow down borrowing: household borrowing is 11% above a year ago, with business credit up by 5.4%.

However, higher interest rates have pushed up the Canadian dollar, which recently hit a 28-year high against the U.S. dollar. The Canadian dollar has increased from 62 cents to almost 91 cents during the past four years. The high value of the dollar is starting to cause real pain for some exporters, and especially manufacturing industries.

Although the Bank maintains that the central focus of its monetary policy is on inflation, it raised rates even though there is no evidence of rising core inflation or of broad-based wage increases causing inflationary pressures. There is also no suggestion that higher interest rates would reduce wage pressures where they have been the strongest: in the resource sector and for management and CEOs.

The real reason that the bank has increased interest rates appears that it wants some flexibility to lower rates if and when the U.S. or other economies falter.

This may show prudence, but it has had real negative economic impacts. Unfortunately, Canadian and other governments now rely almost exclusively on monetary policy to stabilize the economy from the impacts of economic cycles.

The ability of fiscal policy – government spending and taxation – to stabilize the economy has been severely constrained with:

- Explicit or implicit balanced budget rules.
- Cuts to taxes (that help to automatically stabilize the economy).
- Deep cuts to the eligibility of other "automatic stabilizers", such as the EI program.
- Decentralization of economic and fiscal powers, which accentuates regional differences and reduces the ability of the federal government to stabilize the national economy.

Diverging economic sectors

Canada's overall average economic numbers suggest solid and sustainable growth: a Goldilocks economy of not too hot, not too cold, but just right. But averages can be very deceiving.

The oil and commodity boom has led to increasingly diverging growth in different sectors: some that are too hot, and others that are in danger of getting cool.

High prices have of course provided a strong boost to the economies and treasuries of mineral-rich provinces, including Alberta, B.C., Saskatchewan and Newfoundland. At the same time, they are delivering a double-whammy to manufacturers and exporting sectors. They have had to cope with higher prices for inputs but also lower international demand because of petro-fuelled Canadian dollar.

Reliance on a national monetary policy but decentralized fiscal powers have only made matters worse.

Interest rate hikes haven't cooled the hot sectors of the economy, while the higher dollar has squashed international demand for sectors such as manufacturing.

Some provincial governments have too often used their excess resource revenues to pour more fuel on their hot economies, instead of trying to cool them down.

Further economic and fiscal decentralization to address the "fiscal balance" will only lead to greater economic imbalance and inequalities.

Provincial Economic Outlook

% annual growth unless where noted

	Real GDP		Employment		Unemployment Rate		Inflation	
	2006	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**
Canada	3.1	2.8	1.5	1.2	6.5	6.5	1.8	1.8
Newfoundland & Labrador	5.6	2.2	0.7	0.8	15.2	15.3	1.8	1.7
Prince Edward Island	2.1	2.0	1.0	1.0	10.9	10.9	2.2	1.8
Nova Scotia	2.6	2.5	0.8	1.0	8.3	8.4	2.2	1.8
New Brunswick	2.6	2.3	1.6	0.9	9.4	9.4	2.0	1.9
Quebec	2.4	2.3	1.2	1.0	8.2	8.3	1.6	1.6
Ontario	2.5	2.4	1.3	1.0	6.4	6.7	1.8	1.7
Manitoba	2.8	2.6	1.0	0.8	4.6	4.7	1.8	1.9
Saskatchewan	3.3	2.8	0.6	0.7	5.1	5.0	1.7	1.7
Alberta	5.5	4.2	2.5	2.0	3.6	3.5	2.2	2.2
British Columbia	4.0	3.4	2.5	2.0	5.1	4.9	1.8	1.8

Based on consensus forecasts from six different private sector forecasters
The Canadian average may differ from national forecasts because of different coverage.

Budgets focus on tax cuts and infrastructure

With a number of variations, this year's collection of federal and provincial budgets echoed a number of similar themes:

- Solid surpluses in most jurisdictions.
- Broad-based corporate tax cuts, limited personal tax cuts focused on lower-income earners and energy tax relief.
- Increased spending focused mainly on infrastructure.
- Support for post-secondary education, accompanied by tuition freezes in some provinces.

The budgets included limited funding for child care and early learning and training programs, but provided no significant new initiatives in health care, such as for pharmacare or long-term care. Some provinces provided small increases to social assistance and social services, but little of significance for Aboriginal Canadians or for the poor and vulnerable. Environmental challenges were also largely ignored.

The ***Federal Budget*** focused very much on the Conservative's main priorities: trying to buy a majority government in the next election with dozens of different tax cuts and laying the foundation for a vastly diminished role for the federal government. New spending initiatives were focused on defence, security and infrastructure while child care and environmental programs were slashed. CUPE's analysis is available at http://www.cupe.ca/budget. But the budget's most significant proposal could be the fiscal balance discussions it kickstarted. These are primarily aimed at preventing the development of national programs in areas of primary provincial jurisdiction.

Newfoundland and Labrador used surging oil revenues to turn an expected half a billion deficit into a surplus of $77 million last year. The province is forecasting a surplus of $6 million for this year and a surplus of $96 million for 2007/8. The budget trumpeted its increased spending for education and health and community services (up 10% and 9.2% respectively), but much higher percentage increases were provided to the resource and business departments.

Prince Edward Island remains one of two provinces with a budget deficit, but that didn't deter the province from announcing deep cuts to corporate tax rates in its latest budget. The deficit dropped to $18 million last year and is expected to come in at $12 million this year. It plans to restrain program spending to just over 2% this year and is continuing with public service and health care restructuring.

Nova Scotia delivered a pre-election budget in May, with a $151 million surplus expected for 2005/6 and a $72 million surplus forecast for this year. Total revenues are expected to increase by another $490 million, thanks in part to gushing offshore petroleum royalties. The budget included a smorgasbord of corporate, sales and income tax cuts, including a child care benefit tax credit. Overall program spending is expected to increase by 7.1%, with a 7.4% increase to health, 9.2% to transport and public works, 5.9% to education and 5.1% to community services. However, a number of the promised new initiatives have delayed implementation.

New Brunswick's election-ready budget cut corporate tax rates and provided a low income tax reduction. This will slow down

Fiscal Balances

$ millions, after special account transfers

based on latest fiscal statements	**2005/6**	**2006/7**
Canada	8,000	3,600
Newfoundland & Labrador	77	6
Prince Edward Island	- 18	- 12
Nova Scotia	151	72
New Brunswick	117	22
Quebec	--	74
Ontario	- 1,369	- 2,350
Manitoba	3	3
Saskatchewan	298	102
Alberta	7,375	4,096
British Columbia	1,475	600

revenue growth and lead to slower program spending this year. As in Nova Scotia, the province is capping power rate increases and rebating the provincial portion of sales taxes on home heating fuels. The surplus for 2005/6 is estimated at $117 million and is forecast at $22 million for this year.

Québec's budget included corporate tax cuts, income tax reductions in the form of higher deductions for workers and tax incentives for public transit and for the forest sector. The province also announced $1.5 billion over 3 years for public transit infrastructure. Program spending is projected to increase by 3.9% this year, with higher increases for education, health and social services. It expects to balance its books, putting additional revenues into a "Generations Fund" managed by the Caisse de dépôts. This is intended to obtain higher returns than provincial bonds and so pay down more of the debt in the future.

The theme of the ***Ontario*** budget was also on infrastructure, with $1.2 billion pledged for transportation infrastructure, mostly public transit, but with half going into a trust fund. The budget also provided municipalities with more support in partial relief for the downloading that has occurred. There were small increases to social service programs and a 2% increase to social assistance rates. Overall spending is expected to increase by 2.1%, with a 6.1% increase for health and 3.9% for schools. The federal child care transfers are being spread out over four years. The deficit was estimated at $1.4 billion for 2005/6 and $2.4 billion for 2006/7, but the province is widely expected to be squirreling away a substantial surplus that will be used to wipe out the deficit and provide pre-election goodies in next year's budget.

Manitoba's 2006 budget included an increase in health care spending by 4.3%, a boost in education spending by 5.5% with a continued tuition freeze, increased funding for municipalities and a 30% funding increase for water infrastructure. The budget announced cuts to property taxes, and personal and corporate income tax rates. The province is planning for a small surplus this year and next.

Oil and gas revenues flowed much stronger than expected, helping to provide ***Saskatchewan*** with an extra $1 billion in revenues last year. Surpluses of $300 million and $100 million are expected for last year and this year, respectively. After an 11% increase to program spending last year, overall spending is expected to increase at a much slower pace, although health spending is projected to increase by 5.9% and learning by 5.4%. University tuition was frozen for two years, social assistance rates increased, child care subsidies and spaces increased and funding increased for municipalities and highways. But the main focus of the budget was on heavily promoted business tax cuts that will cut $96 million from revenues this year, rising to $156 million next year.

Resource revenues in ***Alberta*** were $6.7 billion higher than originally expected, providing the province with a $7.4 billion surplus last year. The surplus is expected to top $4 billion this year. The budget projects total program spending to increase by 4.1% this year, with an increase in health and education of 7.7% and 6.8% respectively. Infrastructure spending to cope with the booming economy and support for post-secondary education, including a tuition fee freeze, got focal attention in the budget. Health care premium subsidies were increased and basic tax deductions increased. Corporate income taxes were lowered again, costing an estimated $265 million this year, but child care and long-term care were inadequately funded.

British Columbia's budget was promoted as concentrating on children, but it included virtually nothing for child care and early learning. It provided $733 million in tax cuts over the next four years, but only increased funding for education by 2.3% and health by 3.9% this year. The government is planning to increase funding for both of these areas at less than the rate of inflation in 2007/8. The province recorded a surplus estimated at $1.5 billion for 2005/6 and is forecasting a surplus of $600 million for 2006/7.

Inflation pushed up by gas and house prices

Consumer prices increased by an average of 2.4% during the past year, up from the average 2.2% increase during 2005.[1] The average increase in the first four months of this year has also been 2.4%.

Alberta, Prince Edward Island and Nova Scotia all experienced inflation rates of over 3% from last April. The rate of inflation in B.C. continued to be the lowest in Canada, rising by 1.8% during the past year.

The two main factors driving inflation up over the past year continue to be higher energy prices and house prices.

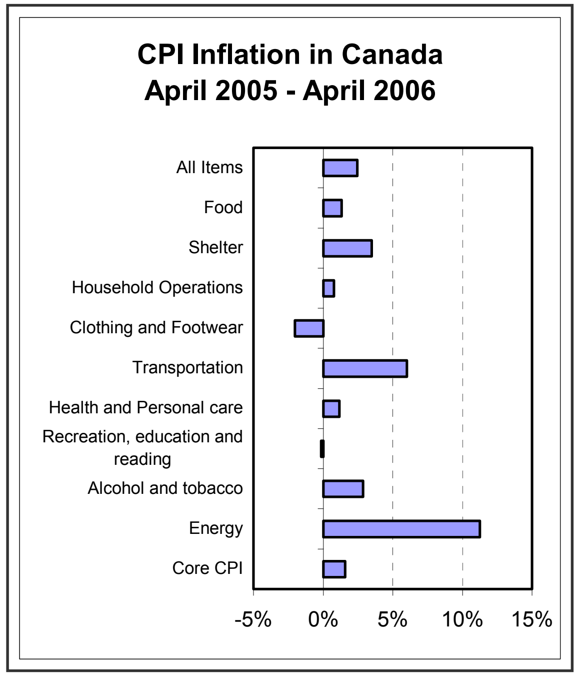
Retail gasoline prices increased by an average of 15.8% during the past year, ranging from an increase of 11.3% in B.C. to 18.6% in P.E.I Prices for natural gas (+14.6%), fuel oil (+9.3%) and electricity (+2.5%) also increased. Further electricity rate hikes are expected in a number of provinces. The cost of auto purchase & leasing increased by 3.4%.

The price of new houses increased by an average of 8.2% over the past year to April, with a 35% jump in Calgary and a 19% increase in Edmonton. Average resale house price increased by even more over the past year: by 12.9% nationally, and by 37% in Calgary and by 22% in Vancouver.

Lower prices for clothing, computers, video equipment and electronics, all mainly imported, helped to keep inflation lower than it otherwise would have been. The higher Canadian dollar has also meant lower costs for imports and goods based in U.S. dollars.

The rate of "core inflation", which is the CPI excluding the eight more volatile components, dropped in April to only 1.6%. This is below the Bank of Canada's target rate of 2%. Higher energy prices are still having little pass-through to other prices.

The one percentage point cut in the GST is expected to push the rate of inflation down slightly – and temporarily – from mid-2006 to mid-2007. But retailers may take this as an opportunity to boost prices slightly. The consensus forecast for inflation for 2006 is 1.9% with an average increase of 1.8% expected for 2007.



Inflation in Atlantic Canada and Alberta is expected to be higher than the Canadian average both this year and next.

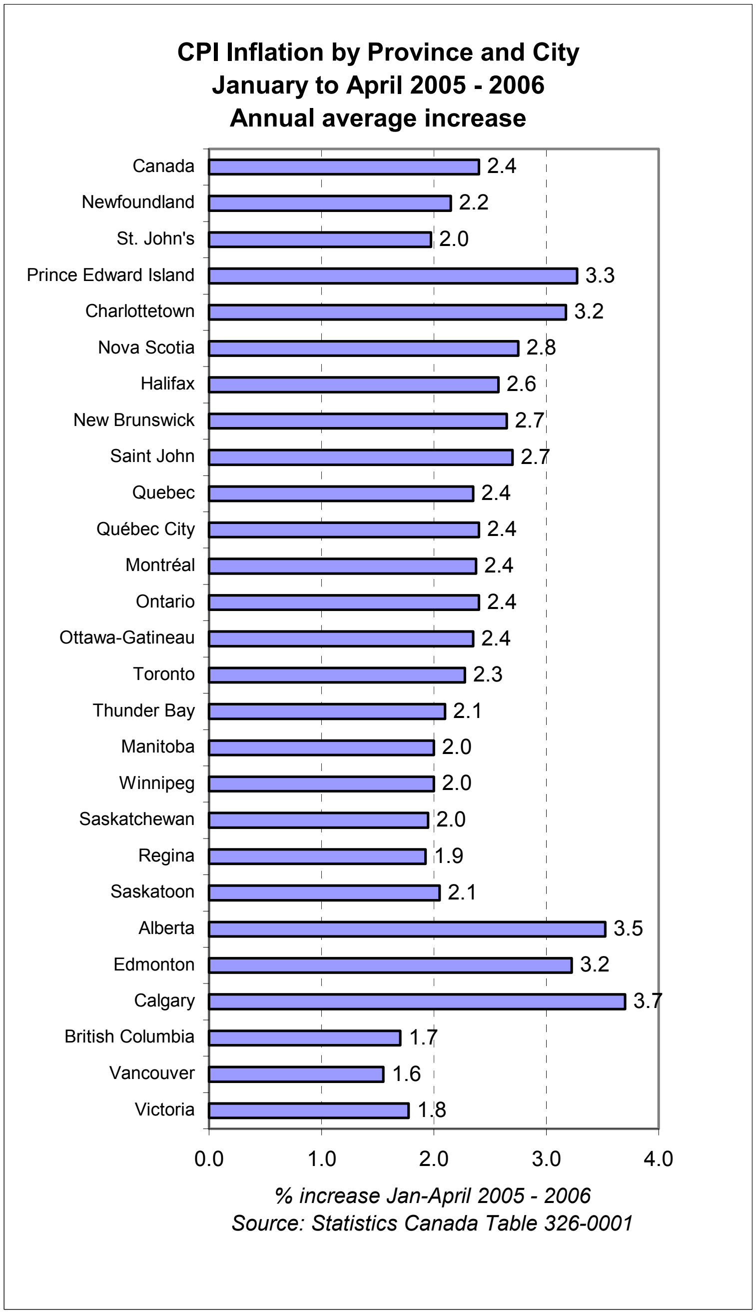
Other price indexes: construction up, machinery and equipment down

The consumer price index is, of course, far from the only measure of inflation. Statistics Canada calculates a wide number of different industry price indexes, raw materials price indexes, machinery and equipment, and capital cost indexes.

These can be useful to estimate changes in the cost of non-labour supplies for employers. Some recent example of price changes for these other indexes include:

- The machinery and equipment price index declined from 2005Q1 to 2006Q3 by 3.3% for public administration and by 3.1% for education, health care and social services.
- Construction price indexes increased by about 5% from 2004Q4 to 2005Q4.

[1] *Unless otherwise indicated, the inflation numbers reported here are for the 12-month increase in the CPI from April 2005 to April 2006.*



CUPE's On-line Inflation calculator

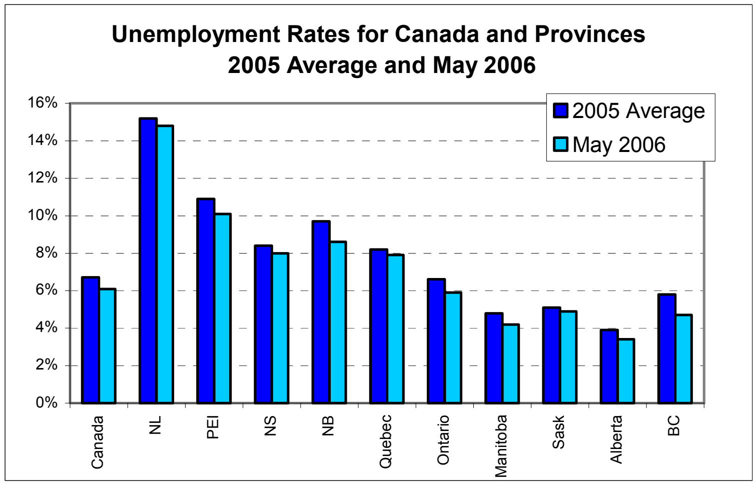
CUPE has developed an inflation calculator for our website that allows anyone to calculate annual inflation rates using the CPI for every province and all the 16 Canadian cities for which inflation rates are available. http://www.cupe.ca/cpicalculator.php

Monthly CPI data are not available using this calculator, but Statistics Canada now makes its detailed Consumer Price Index publication available for free: http://www.statcan.ca/english/Subjects/Cpi/cpi-en.htm

Labour market shows strength in services
but losses mount in manufacturing

Canada's labour market has shown ongoing strength this year. Labour shortages have been reported in many areas, which are spurring real wage gains.

Over 220,000 new jobs have been created since the start of the year, over 90% of them full-time.[2] Full-time employment has increased by over 400,000 since May 2005, while part-time employment has declined and self-employment has been flat.



The unemployment rate fell to 6.1% in May, the lowest since 1974. Every province has seen a drop in their unemployment rate so far this year, except Manitoba, where it is the same as last December.

Virtually all of the new job creation this year has been in services, with:

- 45,900 new jobs in trade
- 54,600 jobs in finance, insurance & real estate
- 52,300 jobs in health care and social assistance
- 34,600 jobs in "other services" (mostly NGOs, personal and repair services)
- 13,600 jobs in public administration

In contrast, manufacturing has suffered continued losses, with 38,000 jobs lost since December. Ontario has lost 30,000 manufacturing jobs since the start of this year, while Quebec has lost 17,600. Over 200,000 jobs have been lost in this sector since 2002.

Employment in natural resources has increased by 20,200 this year, mostly in Alberta. Construction has added 18,700 jobs since December and 67,400 since last May.

The labour force survey has also registered job losses of 5,400 in educational services since the start of this year. Some of this may be due to survey coverage since this sector showed a lot of job growth last year. Employment in education is still estimated to be 52,000 higher than it was in May 2005. Employment in utilities increased in May after declining in previous months.

Public sector employment has increased by an estimated 67,800 since the start of this year, and by 106,400 since May 2005. The rate of public sector job creation has outstripped private sector job growth.

Job growth has been especially strong in Alberta and B.C., where employment levels have increased by 5.2% and 3% respectively since last May, adding 93,000 and 63,000 jobs in each province. Despite losses in manufacturing, Quebec and Ontario have also experienced solid job growth over the past year because of growth in service jobs.

This employment picture reflects trends evident from other economic reports. An economy fuelled by a resource and construction boom is now generating more broader-based service sector jobs as consumer spending has picked up and government spending has increased.

Employment growth will probably exceed earlier expectations for most of this year. At some point later in the year, a slowdown in the U.S. economy and a decline in commodity markets will weaken our job market.

[2] *Many of the figures cited here are based on cumulative changes because monthly figures in the Labour Force Survey can be volatile.*

Unionized employment grows, but at a slower rate and lower wage increases than non-union jobs

The number of employees with union coverage increased by 2.6% to reach 4.5 million workers – an increase of over 100,000 since May 2005. This rate of growth was slightly lower than the increase in the number of employees without union coverage, which increased by 3.1%. One-third of the increase of union employment was in part-time jobs, while the number of non-union part-time workers declined.

Average hourly wages for all employees increased by 3.8% from May 2005 to May 2006. While workers with union coverage still earn substantially more than non-union workers, recent wage increases have been lower for unionized employees for a number of reasons.

Wage settlements for large collective agreements

Wage settlements for large collective bargaining units of 500 employees or more reached in the first quarter of 2006 averaged 2.2% over the term of their contracts. (This of course pales beside the 39% increase in compensation that CEOs took to the bank last year.)

This increase is slightly lower than the 2.3% average achieved in 2005 and is lower than the 2.4% average rate of inflation during the first quarter of this year.

Wage increases for public sector contracts averaged 2.2%, lower than the 2.5% average for the private sector. Workers in public administration gained average increases of 2.7%, while the average in education, health and social services was 2.1% -- brought down by the wage freezes in the B.C. schools. When contracts with the wage freeze expire at the end of June, average wage settlements should show an increase. Many recent settlements have involved average annual increases of 3%.

Average annual adjustments for settlements reached in March ranged from the zero percent in B.C. schools to 3.5% for police in Winnipeg. Settlements ratified by bargaining units of 200 or more in Ontario in the first four months of this year achieved average annual increases of 3% for workers in the public sector.

Average hourly wages by occupation and coverage

	May-05	May-06	Change
All occupations	$ 18.89	$ 19.60	3.8%
Management	$ 29.63	$ 30.91	4.3%
Business, finance and administrative	$ 18.11	$ 18.65	3.0%
Natural and applied sciences	$ 26.45	$ 27.38	3.5%
Health	$ 22.11	$ 23.12	4.6%
Social sciences, education, government and religion	$ 24.76	$ 25.33	2.3%
Art, culture, recreation and sport	$ 19.78	$ 20.11	1.7%
Sales and service	$ 12.71	$ 12.98	2.1%
Trades, transport and equipment operators	$ 18.87	$ 19.43	3.0%
Primary industry occupations	$ 14.71	$ 15.44	5.0%
Manufacturing, processing and utilities	$ 16.66	$ 17.20	3.2%

These wage levels are based on information obtained through the Labour Force Survey and can represent changes in composition of employment and survey coverage as well as changes in wage levels.

Employment Insurance Monitoring and Assessment Report

The Canada Employment Insurance Commission presented its annual report on the EI system to Parliament in March. This document examines the effect of the changing economic climate and modifications to EI on the Canadian workforce by reporting on a wide range of issues, including access to benefits.

In this climate of economic growth not many people think too much about Employment Insurance. But we are starting to see layoffs in traditional industries that may be the precursor to higher unemployment rates. And right now, the EI system is not working for workers.

In 2003 (most recent data), workers contributed $7.7 billion, and employers contributed $10.8 billion, for a total of $18.5 billion to the EI Fund. Total benefits paid decreased by 3.4 % to $12.7 billion.

Access to benefits for unemployed workers continues to decline:

- Only 80.4% of the recently unemployed who applied for benefits qualified in 2004, down from 84.0% in 2003.
- Only about 38% of unemployed workers now receive benefits compared to 75% in 1990.

The length of the benefit period is roughly half what it was 15 years ago. On average claimants received 19.3 weeks of regular benefits. Women were more likely to exhaust their benefits because they generally have fewer hours of insurable earnings. (Canada has one of the shortest durations for receipt of benefits among OECD countries.)

The existing level of benefits paid is inadequate to support families and children. Average weekly benefits were $315 compared to average weekly industrial earnings of $728. Only 33% of claimants received the maximum of $413. Canada has the lowest basic replacement rate of OECD countries.

- The number of EI claims decreased by 5.6 % to 1.86 million. Regular benefits accounted for nearly 65% of total income benefits paid in 2004/05, while special benefits accounted for 30%. Fishing, employment and work sharing benefits make up slightly more than 5%.

Special benefits include maternity, parental, adoption, sickness and compassionate benefits.

- In 2005, there were a total of 4,782 compassionate care claims, 74 % of which were by women. 57% of claimants received benefits for all 6 weeks.
- Claims for parental benefits decreased by 0.4%, the first decline since they were introduced.

The current patchwork of qualifying hours required for different benefits and different situations is inequitable and unreasonable, especially for new claimants and those re-entering the workforce after 12 months. The current system discriminates against women, part-time, casual and recent immigrant workers who form an increasing percentage of our workforce.

The requirement for 600 hours of insurable earnings to qualify means that, with the increase in part-time and temporary work (approximately 30% of CUPE members are part-timers), the majority of women do not qualify for maternity and parental benefits.

With reduced benefits and fewer people eligible for EI, the amount paid out in benefits has declined drastically over the years. When there is a surplus, the federal government keeps the surplus as part of its general revenue. The Liberals used the surplus to help pay down the deficit, instead of restoring income protection for jobless Canadians. Worse yet, the federal Liberals have used these huge surpluses to cut taxes for well-off Canadians. We're waiting to see if the Conservatives continue this tradition.

The full report is available from: http://www.hrsdc.gc.ca/en/ei/reports/eimar_2005.shtml

Major Collective Bargaining Settlements in 2006

Average Wage Settlements Major Collective Bargaining by Year

	2002	2003	2004	2005	2006 First Quarter
All	2.8	2.5	1.8	2.3	2.2
Public Sector	2.9	2.9	1.4	2.2	2.2
Private Sector	2.6	1.2	2.2	2.4	2.5

Source: Human Resources and Skills Development Canada, Major Wage Settlements by Quarter, Percentage Wage Adjustment, [latest information as of June 8, 2006], http://www.hrsdc.gc.ca/en/lp/wid/mws/index.shtml

Average Wage Settlements by Province

	Nfld-Lab	PEI	NS	NB	QC	Ont	Man	Sask	Alta	BC	Multi Prov	Federal Juris
2004	1.0	2.4	3.7	4.1	2.6	3.0	2.6	1.0	3.1	-1.6	2.7	1.6
2005	2.1	2.5	3.2	3.0	1.6	2.7	2.9	1.9	3.0	0.5	4.1	2.6
2006 First Quarter	-	-	-	3.8	2.1	2.7	2.4	2.1	3.1	1.6	3.3	2.3

Source: Human Resources and Skills Development Canada, Average Annual Wage Adjustments Yearly Tables, [latest information as of June 8, 2006], http://www.hrsdc.gc.ca/en/lp/wid/aawa/quarterly_index.shtml

Average Wage Settlements by Industry

Industry	2004	2005	2006 First Quarter
Primary	3.0	2.1	1.5
Utilities	3.1	2.6	2.6
Construction	2.7	2.5	-
Manufacturing	2.4	2.5	2.1
Wholesale and Retail	1.5	1.9	1.7
Transportation	0.5	2.9	2.2
Information & Culture	2.7	2.3	3.3
Finance & Professional Services	1.3	2.3	2.5
Education, Health Soc. Services	0.8	2.1	2.1
Entertain/Hospitality Industry	2.7	1.7	2.7
Public Administration	2.4	2.4	2.7

Source: Human Resources and Skills Development Canada, Major Wage Settlements by Quarter, [latest information as of June 8, 2006] http://www.hrsdc.gc.ca/en/lp/wid/mws/quarter/quarter_industry.shtml

Selected Recent Settlements – March 2006

Employer	Occupations	Number of Employees	Average Annual Increase	Duration in Months	Expiry Date
<u>Utilities</u>					
Ontario Power Generation Inc., province-wide Ontario	(CUPE) office employees; general tradespersons	6 940	3.0	36.0	Mar 31, 2009
<u>Transportation</u>					
BC Transit Victoria British Columbia	(CAW) bus drivers; mechanics; terminal employees	520	2.6	48.0	Mar 31, 2010
DHL Express (Canada) Ltd. province-wide British Columbia	(CAW) truck drivers; office employees; warehouse employees.	800	0.8	36.0	Dec 31, 2008
Societe de transport de Longueuil, Quebec	(CUPE) bus drivers	600	2.4	48.0	Dec 31, 2009
<u>Education, Health and Social Services</u>					
BC School Boards various	(CUPE S.D.37; 42;43;36) Various employees	5 060	0.0	36.0	June 30, 2006
Catholic Dist. School Board of Eastern Ontario Smiths Falls	(CUPE) office employees and technicians	650	3.0	36.0	Aug 31, 2007
Health Employers Association of British Columbia	(Various Unions) non-medical employees	40 000	1.8	48.0	Mar 31, 2010
Okanagan Labour Relations Council British Columbia	(CUPE) office employees; library technicians; educational services employees	1 020	0.0	36.0	June 30, 2006
Ottawa-Carleton Catholic District School Board	(CUPE) office employees; library technicians; educational services employees	730	3.2	36.0	Aug 31, 2008
Saskatchewan Associations of Health Organizations	(SGGEU) non-medical employees; service and maintenance employees	1 400	2.0	36.0	March 31, 2008
Toronto Catholic District School Board	(OECTA) occasional teachers	1 100	2.5	48.0	Aug 31, 2008
University of Toronto, Ontario	(Steelworkers) casual employees	1 900	3.0	36.0	Jun 30, 2008
York Region District School Board Aurora, Ontario	(ETFO) occasional teachers	1 430	2.6	48.0	Aug 31, 2008

Selected Recent Settlements Cont'd – March 2006

Employer	Occupations	Number of Employees	Average Annual Increase	Duration in Months	Expiry Date
<u>Public Administration</u>					
British Columbia Assessment Authority	(CUPE) office employees and technicians	590	2.3	48.0	Dec 31, 2009
City of Ottawa	(CUPE) inside and outside employees	6 000	3.0	24.0	Dec 31, 2006
City of Winnipeg	(CUPE) inside and outside employees	5 250	2.0	24.0	Dec 30, 2007
City of Winnipeg	(Police Association) police officers; office employees	1 550	3.5	23.9	Dec 23, 2006

Source: Human Resources and Skills Development Canada, Major Settlements Reached in March 2006. [latest information as of June 8, 2006], http://www.hrsdc.gc.ca/en/lp/wid/mws/Listmonth.shtml

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