

Tabletalk –
your bargaining resource – publishes four times a year. Its goal is to give CUPE Local bargaining committees, elected officers and servicing representatives useful information for preparing – and negotiating – bargaining demands. Tabletalk's three-hole punch style makes it easy to keep in reference binders. Feel free to make copies or use the material to fit your members' needs. Comments welcome at research@cupe.ca

Disponible en français

What Does the Future Hold?

Every year, various human resources and consulting firms survey their members on their plans for compensating employees in the coming year. The results for some of the major firms were recently released. Here's what they are saying:

Morneau Sobeco projects that Canadians can look forward to average salary increases of **3.4%**, their best salary increases in five years. Top benefit issues will be cost management of health and disability benefits.

Mercer forecasts that, despite continued economic growth in Canada, wage inflation remains stable with salaries likely to increase by **3.7%** next year. However, with inflation at 2% in Canada, Mercer suggests wage increases above the rate of inflation, representing a real wage increase.

Hewitt Associates suggests Canadians can expect an average salary increase of **3.7%** for 2007, according to their Canada Salary Increase Survey. However, the survey found that Alberta is outpacing the rest of the country with all-time high increases of 5.3% for 2006 and 5.2% for 2007. Hewitt suggests that companies in the rest of the country will have a difficult time attracting and retaining employees.

Watson Wyatt forecasts an overall increase of **3.5%** with regional variations, e.g., 3.9% in Calgary, 3.4% in Toronto, and 3.3% in Montreal. Their survey reports an increasing move by employers to link pay to performance.

For more detailed information and analysis, see CUPE's *Economic Climate*, December 2006, at cupe.ca. ■

FACTOID

- In 1965, for every dollar a minimum wage worker earned in the U.S., the average CEO earned \$51.
- In 2004, it was \$821.
- In 13th-century England, for every dollar a serf earned, the feudal lord made \$61!

(Source: Centre for Research on Work and Society, York University, Ontario, 2006)



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Labour Market Wage Adjustments for Skilled Trades

CUPE represents many skilled trades workers, like carpenters, electricians, plumbers, and boiler-makers, who work for schools, hospitals, universities, municipalities, and recreation facilities. At the bargaining table, employers are demanding special wage adjustments for skilled trades' occupations. They claim they need incentives to help recruit and retain these workers in the public sector during a shortage that is driving up wages for skilled trade workers in the private sector.

Is there a shortage of skilled trades workers?

Shortages are being felt by employers in B.C., Ontario, Alberta, and Quebec. Labour shortages force employers to come up with recruitment and retention strategies to attract and maintain workers. In a tight labour market, employers who pay higher wages attract workers to their province of employment, causing shortages of skilled labour in the provinces left behind.

In Canada, more than 62,000 retiring construction workers will have to be replaced within the next 10 years. Without a major increase in trained, qualified trades people and other workers in the next decade, anticipated retirements may lead to dramatic shortages in many trades.

Why is there a shortage?

Economic growth is one cause:

- With increased activity comes a tighter labour market, increasing the pressure on the industry to find enough skilled trades people to get the work done.

The boom in Alberta is another:

- From July 2005 to June 2006, Alberta's population increased by more than 57,000 (1.7%) because of interprovincial migration, accounting for almost 60% of its total population growth. If this high rate of migration continues, it could represent

the largest ever migration of people to one province in Canada's history.

- Given Alberta's very low unemployment rate of 3%, it appears that most people who moved there found jobs quickly. An unemployment rate below 3% is hard to achieve, since there will always be some level of "frictional" and seasonal unemployment.

The 2010 Olympic Games in B.C. is also contributing to the shortage:

- Interprovincial migration also added almost 4,000 people to British Columbia's population from July 2005 to June 2006. All other provinces except Alberta experienced a net outflow of people as a result of interprovincial migration.
- Private construction wages are up because of high demand in B.C. The B.C. Business Council is predicting that non-residential construction will remain strong over the next few years, with the Olympics being a key driver.
- B.C.'s public sector employers sought wage adjustments for trades workers in the last round of bargaining. However, wage adjustments for trades workers in health facilities and universities follow years of wage rollbacks and freezes.

What's driving the shortage?

According to the experts, reasons for labour shortages among skilled trades workers include:

- an aging population,
- the reduction of vocational training in schools,



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Some examples of wages adjustments for trades workers in two recent B.C. sector agreements:

B.C. School Boards (K–12)

- General wage increase: 2% per year
- Additional trades adjustment of .1% of payroll per year (\$828,000/year, calculated as .1% of payroll = roughly 38 cents per hour/year).
- A further .1% of payroll (38 cents) in '07, '08 and '09 for trades who are able to mentor apprentices (N.B.: all trades people are eligible).
- Overall, increases for trades are approximately 19.6% over four years.

B.C. Health Facilities Sector (mostly H.E.U.)

- Wage increases ranged from 8.5 to 32%. Average compensation increase is 10.8%.
- Recruitment/retention premium for T.Q. Trades (those with trades qualifications) as well as Programmer/Systems Analysts.
- Premium is \$4.00/hour in 2006. Another 50 cents/hour in 2007.
- **Increases follow a 15% hourly wage cut in 2004.**

- lack of coordination between funding sources, delivery agencies, and training institutions, and,
- lack of recognition of workers' credentials from foreign countries.

These barriers require long-term, systemic solutions. In the meantime, employers are claiming they need wage adjustments to recruit and retain trades workers in the public sector during a shortage.

What is the impact of shortages on bargaining?

Our employers are facing the challenge of retaining skilled trades in the public sector during the shortage. We are seeing employers come to the table with wage adjustments for trades workers in an effort to recruit and retain these workers. When employers demand wage adjustments for trades in bargaining it raises questions like:

What about pay equity?

In 2000, the average annual earnings of all women was \$23,796. This was \$13,414 or 64% less than the average annual earnings of men. (Source: CUPE's *Bargaining for Equality*, cupe.ca.) Many CUPE locals have put substantial efforts into negotiating pay equity for their members. What happens to those gains? Here are some tactics that CUPE locals and staff have used in formulating wage increases to maintain pay equity gains:

- “front-end loading”: a combination of percentage and flat-rate increases to maintain the relativity between lower and higher wages. Workers at the low end of the wage scale get a flat-rate increase plus a percentage, while workers at the high end receive a percentage only. This helps to narrow the discrepancy between high and low ends of the wage scale.

- removing increments to minimize the time it takes to be paid the full rate for the job. Clerical jobs often have more increments, which means it takes longer for clerical workers to be paid the job rate. Locals can try to bargain away the bottom rate in subsequent rounds of bargaining, so there is eventually one rate for the job.
- lead local bargaining: sometimes employers try to set a pattern with what it perceives is the weakest bargaining unit, usually one that is female dominated. Coordinated bargaining helps locals work together so that the strongest local leads the pack and sets the pattern.

When employers introduce wage adjustments for trades workers, it can upset the balance achieved by pay equity, particularly if trades jobs are used as comparators. Strategies to increase the fairness of the wage-increase formula can help protect pay equity gains.

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What about getting more women into trades to address the shortage?

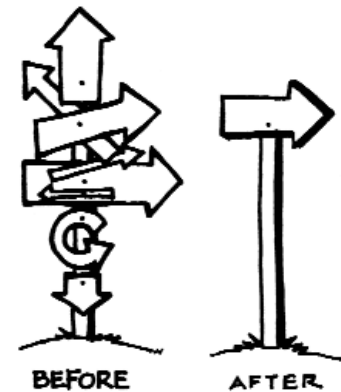
To meet the demand for new and skilled workers, there needs to be a substantial, multi-pronged and well-resourced approach to increasing the participation of women in skilled trade occupations. In Canada, women make up only 0.5% of boiler-makers; 1% of logging machinery operators; 1% of industrial electricians; 2% of heavy equipment operators; and 5% of contractors, supervisors and trades-related occupations. (Source: *Women in TTO Literature Review*, p. 15, citing Job Futures 2000.)

Clearly, women provide a major untapped labour force resource, which could help meet the skills shortage.

Market adjustments are not new. Nor is the need to balance a range of interests and priorities in bargaining. CUPE locals do that in most rounds of bargaining. However, since wages are one of the key ways we reflect value in our society, this emerging issue raises interesting questions for consideration in future wage bargaining. ■

Innovative Language

Do you sometimes have trouble understanding your collective agreement wording? Collective agreements are legal documents but they don't have to be written in "legalese." The following example shows how clear language can help members better understand their rights. For more information on writing clear language in collective agreements, see "Do your members know their contract: a clear language guide for CUPE locals" at cupe.ca.



Original version

12.06 Definition of grievance

A grievance shall be defined as any difference arising out of the interpretation application, administration, or alleged violation of the collective agreement or a case where the Employer has acted unjustly, improperly or unreasonably.

Clear language version

12.06 What is a grievance?

A grievance is when employees and management disagree about

- *what this contract means, or*
- *how the terms of this contract should be applied or administered.*

A grievance occurs

- *when someone thinks this contract has been violated or*
- *when management has been unjust, improper or unreasonable with an employee.*

What changed?

- The title describes what is in this section.
- One long sentence has been divided into point forms; point forms help separate different ideas.
- Separating the ideas helps people find the ones that apply to their situation.

Current and Upcoming 'Key' Negotiations – January 29, 2007 covering 500 or more employees

Federal Jurisdiction

Public Sector

| Employer | Union | # of Employees | Status | Expiry Month |
|--|----------------|----------------|---|---------------|
| Canada Post | CUPW | 48,000 | bargaining | Jan 07 |
| Government of Canada | various unions | 13,040 | arbitration/conciliation/bargaining/ tentative agreement | May 02-Sep 05 |
| Via Rail Canada | CAW-CANADA | 2,680 | bargaining | Dec 06 |
| Atomic Energy of Canada (Ont. and Que.) | various unions | 750 | tentative agreement/conciliation/ bargaining | Mar 06-Jun 06 |
| Private Sector | | | | |
| Air Canada (wage reopeners) | CUPE | 7,840 | mediation | Jun 06 |

Provincial and Territorial Jurisdictions

Public Sector

| Employer | Union | # of Employees | Status | Expiry Month |
|-----------------------------------|----------|----------------|--------------------------------|--------------|
| Ontario Hospital Association | ONA | 45,000 | arbitration | Mar 06 |
| Government of Saskatchewan | SGGEU | 10,000 | mediation during work stoppage | Sep 06 |
| Government of Ontario | AMAPCEO | 7,300 | bargaining | Mar 06 |
| Société de transport de Montréal | SCFP/CSN | 6,250 | bargaining | Jan 07 |
| City of Vancouver | CUPE | 5,270 | bargaining | Dec 06 |
| Health Authorities of Manitoba | MAHCP | 3,300 | bargaining | Mar 06 |
| Capital District Health Authority | NSGEU | 3,100 | bargaining | Oct 06 |
| Ottawa Hospital | CUPE | 3,000 | bargaining | Sep 06 |
| Government of New Brunswick | CUPE | 1,640 | bargaining | Feb 06 |
| SaskPower | IBEW | 1,340 | bargaining | Dec 06 |

Upcoming 'Key' Negotiations

| Employer | Union | # of Employees | Status | Expiry Month |
|---|----------------|----------------|--------|--------------|
| Construction Industry in Quebec | COPE/CSN | 45,320 | | Apr 07 |
| Provincial Health Authorities of Alberta | Nurses | 23,000 | | Mar 07 |
| City of Montreal | Various unions | 17,800 | | Dec 06 |
| Canada Safeway Ltd. (Alta) | UFCW | 6,800 | | Mar 07 |
| Government of Nova Scotia | NSGEU | 5,800 | | Mar 07 |
| Capital District Health Authority | NSGEU | 4,800 | | Oct 06 |
| City of Quebec | Various unions | 4,020 | | Dec 06 |
| Nova Scotia Association of Health Organizations | Nurses | 4,000 | | Oct 06 |
| Saskatchewan Telecommunications | CEP | 3,460 | | Mar 07 |
| Saskatchewan Association of Health Organizations | HSAS | 2,700 | | Mar 07 |
| Government of Prince Edward Island | UPSE | 2,440 | | Mar 07 |
| Government of Nunavut | PSAC | 2,100 | | Sep 06 |
| Ottawa Hospital | OPSEU | 2,000 | | Mar 07 |

Source: Labour Policy and Workplace Information, HRSDC—Labour Program, January 29, 2007

Consumer Price Index by province, December 2005 to December 2006

| | |
|---------------------------|-----|
| Newfoundland and Labrador | 1.2 |
| Prince Edward Island | 1.5 |
| Nova Scotia | 0.8 |
| New Brunswick | 0.7 |
| Quebec | 1.1 |
| Ontario | 1.1 |
| Manitoba | 1.6 |
| Saskatchewan | 1.4 |
| Alberta | 4.7 |
| British Columbia | 2.1 |

Source: *The Daily*, Tuesday, January 23, 2007



Consumers paid 1.6% more for the goods and services in the Consumer Price Index (CPI) basket in December 2006 than they did a year ago, representing a slightly faster pace than the 12-month change of 1.4% in November.

Drivers paid slightly more for gasoline, but price increases were offset by another decline in natural gas prices fuelled by milder winter weather across the country in December.

December's upturn was due mainly to the second consecutive 8.2% monthly increase in homeowners' replacement cost, representing the worn-out structural portion of housing. Since August 2006, this index has posted monthly increases of over 8.0%.

Most of the increase in replacement cost can be accounted for by the ongoing demand for new houses, fuelled by rising employment and a vigorous economy. In November 2006, building permits reached yearly all-time highs thanks to a strong increase in residential construction in the western provinces, in Alberta in particular, where the economic boom continues.

Mortgage interest costs were relatively stable in 2005, but mortgage costs increased in 2006 by an average of 4% after the Bank of Canada hiked interest rates five times last year. Higher prices for insurance and property taxes also pushed up the cost of living.

Despite the higher value of the Canadian dollar, which would normally lower the cost of imported goods, the cost of fresh fruit and vegetables is considerably higher than it was a year ago. The recent cold weather in Florida threatens to drive up the cost of citrus products.

Don't forget that you can calculate the impact of the CPI on your wages at cupe.ca. Type "CPI Inflation Calculator" in "Search," then plug in your city and your wage rate to calculate what your wages should be to keep up with inflation in your area.

(Source: CUPE's *Economic Climate*, December 2006; Statistics Canada, *The Daily*, Tuesday, January 23, 2007.) ■



Health Care Sector Snapshot

Health care locals make up the largest sector in CUPE,* representing about 32% of the membership with more than 170,000 mem-

bers across the country. CUPE members in this sector work in hospitals, health sciences, ambulance services, and long-term, home, and community care.

The health care sector in general, looks quite different in each province. In some provinces, such as Quebec and PEI, health care and social services are administered in a single government department. In other provinces, funding and governance are spread across different departments and jurisdictions.

How health care dollars are spent is changing the number and nature of employers in this sector. For example, employers of workers in ambulance services, long-term, home, or community care, might be a hospital, the province, a municipality, and/or an independent private operator, local or multinational. Depending on the nature and size of the employer,

workers may have access to pension plans, benefits packages, permanent or casual status, and so on. Despite the challenges, jobs and wages have increased faster than in other sectors. In the health care sector in general (not just CUPE):

- Health care and social assistance workers are a growing share of the Canadian workforce; over 1 in 10 Canadian workers is employed in this sector.
- The average hourly wages of all employees in the health care and social assistance sector (includes all occupations in health care and social services) was \$20.23 per hour in 2005, above the average for all workers of \$19.09 per hour.
- Wages in this sector have increased by an average of 3.4% per year during the past five years, faster than the national average of 2.8% a year.
- There is still a gender gap: The average wage for women was \$20.01 per hour, while the average for men was about 7% higher, at \$21.40/hour.

(Source: 2005 Labour Force Survey, Statistics Canada)

* Note: In the last issue of *Tabletalk*, the municipal sector was identified as CUPE's largest sector. Apologies for the confusion.

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Quiz

Political decisions about funding means the health care sector in Canada is....

- (a) becoming increasingly fragmented and privatized; OR
- (b) shifting such that hospitals continue to be less prominent while long-term, home, and community care delivery services grow; OR
- (c) under attack, such as B.C.'s Gordon Campbell imposition of a 15% wage rollback on health care workers whose union had successfully bargained decent wage increases and pay equity adjustment for low wage workers, mostly women; OR
- (d) all of the above.

Choose one.

Answer page 8

Coordinated bargaining

Most CUPE health care locals coordinate their bargaining with other CUPE locals or with other unions; some use central bargaining structures.

Coordinated bargaining has worked effectively for CUPE health care workers. In hospital locals alone:

- BC's HEU (CUPE's health services division including long-term care) negotiated a wage increase of 10.8% (average compensation increase) over four years (1.5%, 2%, 2%, and 2.7% for April 1, 2006 to April 1, 2010) plus special market adjustments for some classifications (i.e., LPNs 15.1%; trades and IT \$4.50/hour; Nursing Unit Assistants, Buyers, Pharmacy Techs, Lab Assistants 11.2%).
- Saskatchewan won a nearly 50% increase in employer contribution to benefits (from 2.1% to 3.1%), and protection for the current level of benefits until March 2008.

- In Alberta, Calgary Sodexho housekeepers negotiated a 9% wage increase over three years (2005 to 2008).

- In Manitoba, health care workers won full wage standardization by March 2009.

- For the third time in a row, health care workers in Ontario were able to negotiate (not arbitrate) a central agreement with a wage increase of 8.35% over three years (2.75%, 3% and 2.6% for September 29, 2006 to September 29, 2009).

- CUPE hospital workers in Nova Scotia defeated their employer's attempts to avoid paying their fair share into the pension plan. The settlement committed the employer to begin contributing an additional 1.4% of payroll to the Plan, worth some \$10.6 million in the first year and \$11 million in the second.

Next to physicians and nurses, CUPE represents one of the largest groups of health care workers in Canada, and is continuing to grow. ■



UPDATE!

The Spring 2006 issue of *Tabletalk* tackled the issue of electronic monitoring. Since then an important piece of work on this issue has been published by CUPE researcher Linda Craig. Her excellent book, *Au travail et sous surveillance: revue des lois et de la jurisprudence à l'égard de la surveillance et du contrôle au travail* focuses on the legislative, bargaining, and jurisprudence impacts of electronic surveillance on workers. The book is only available in French (ISBN 2-923361-02-4). Copies are available for \$25 each from Alain Paré at SCFP (CUPE Quebec) at 514-384-9681.

Tabletalk Quiz answer: (d)