



BC LABOUR MARKET AND BARGAINING OVERVIEW

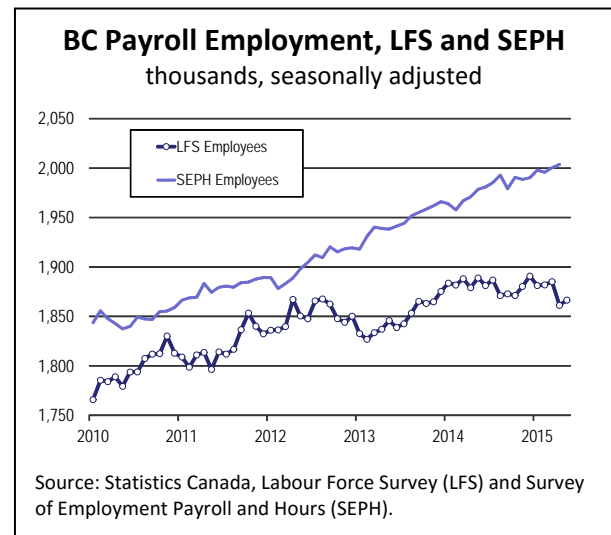
According to Statistics Canada’s Labour Force Survey (LFS), job growth in BC remains weak. Through May of this year, total employment is up a very meek 0.3% compared to the same five month period in 2014.

Breaking down the job numbers into the three classes of workers the LFS tracks shows that so far the number of employees working in the private sector has inched ahead just 0.3%, mirroring overall job growth. And the estimated number of employees in the public sector has fallen 3%. Self-employment is up, but this comes on the heels of a steep decline last year.

Growth in the number of employees in the public and private sectors, according to the LFS estimates, is sufficiently weak that it seems somewhat at odds with other economic indicators: retail spending in BC has been growing at the fastest pace since 2010, housing sales are strong, and auto sales have surged.

An alternative source of labour market information also produced by Statistics Canada suggests the job market might not be as weak as the LFS suggests. The Survey of Employment, Payroll and Hours (SEPH) collects information from employers (whereas the LFS surveys individuals) and it shows the number of employees in BC is up 1.8% over the first

four months of the year compared to the same period in 2014. Up to 2012 growth estimates in employees in BC from the two surveys were fairly closely aligned. But since then the numbers have diverged. The LFS may be undercounting job creation and if so an average of the two surveys might provide a more accurate picture of BC’s labour market.



Contract Settlements

There were 21 contracts settled during April and May. Based on these settlements, the overall average wage increase slated for 2015 is 1.9%. In the private sector, the average increase for 2015 is 2.4%. In the public sector the average wage increase in 2015 is a more modest 1.5%. In 2016, the average settlement rises to 2.2%. This average is again lifted by a 2.5% increase in the private sector.