

COLLECTIVE BARGAINING BULLETIN



Business Council of
British Columbia
Est. 1966

Volume 54, Issue 5, Oct/Nov 2022

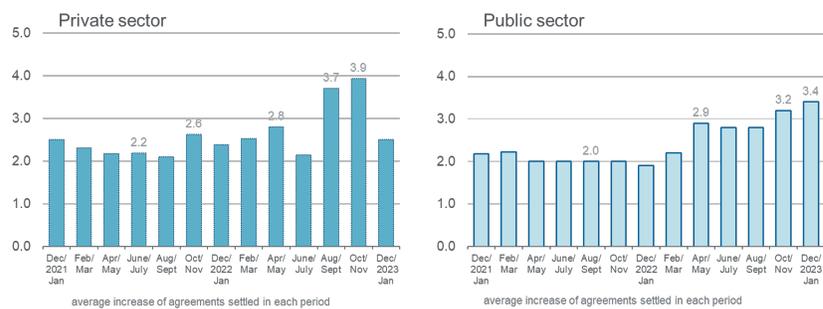
B.C. WAGE SETTLEMENTS

B.C. consumer price inflation averaged 6.9% in 2022, up from 2.8% in 2021. Unsurprisingly, in the face of higher living costs wage growth in the province has accelerated. By the end of 2022, the all-industry average hourly wage was up 5% y/y, a substantial increase from the 1.5%-2.0% range that workers and employers are more familiar with.

The 5% y/y gain is not unusually large. As recently as 2018 the all-industry wage rose by 5%. Back then the labour market was also tight with the unemployment rate hovering around 4.5% as in 2022. But in 2018 a sizeable jump in the provincial minimum wage rate was a major factor in 2018's strong wage growth. In 2022 the situation differs in that the 5% annual gain only reflects market conditions.

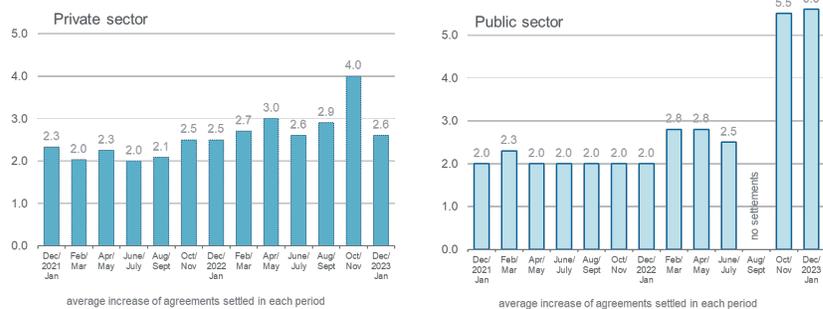
In the collective bargaining realm wage settlements have also moved higher over the past year. The average 2022 wage increase across private sector contracts settled in the second and third quarters of last year rose to nearly 4%. Public sector wage

Contracted wage increases for 2022
(average of agreements settled each period), %



Source: BC Bargaining Database.

Contracted wage increases for 2023
(average of agreements settled each period), %



Source: BC Bargaining Database.

settlements averaged 3.2%-3.4%, up from 2% gains that prevailed prior to the inflation spike.

In 2023 private sector wage settlements have also risen from 2% up to the 2.8%-3% range. In the public sector settlements jumped to 5.5% in the final months of 2022. (Note this figure is based on a small number of

settlements and should be interpreted cautiously).

In sum, annual wage increases in both unionized and non-unionized workplaces have risen in response to higher inflation. But so far wage increases have remained comparatively modest.