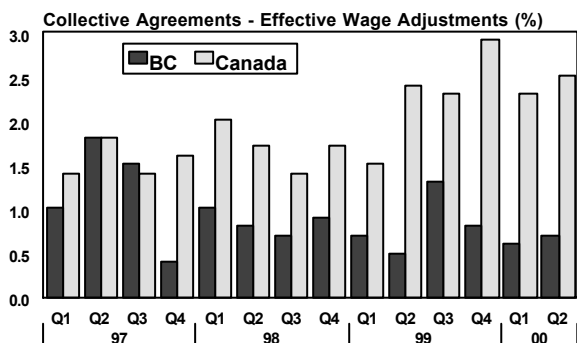


Earnings and Employment Trends ♦ October 2000

BC unions continue to receive the lowest wage settlements in the country.

Data released in the fall 2000 edition of Workplace Gazette¹ show that wage settlements in British Columbia have been perpetually below the Canadian average since the fall of 1997.

Since 1997, BC collective agreement wage settlements have been losing ground compared to the rest of Canada



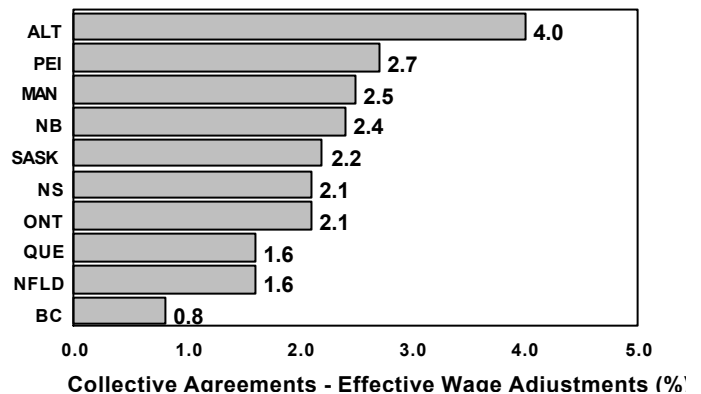
The extent of this gap has been increasing. In recent months, from January to June 2000, the rest of Canada saw wage settlements approximately 4 times those of BC.

It is not just the booming provinces of Alberta and Ontario that are pushing up the Canadian average. In fact, since 1998 BC has seen considerably lower wage settlements than every other province

¹ Produced by Human Resources Development Canada showing the effective (including COLA) annual average wage adjustment over the life of the contract from collective agreement settlements in Canada which cover 500+ employees. The effective wage adjustment is based on the "base rate" which is for the lowest paid classification of qualified workers in the bargaining unit.

across the country. The chart below shows the variation between province for 1999.

Inter-provincial comparisons show that BC's wage increases have been well below all other provinces -- 1999.



The chart shows that Alberta unions have been very successful at bargaining wage increases – wage gains above the 3 per cent level have become the norm for that province.

Furthermore, since 1999, the divergence among the provinces is even more severe. In the first six months of 2000, BC is once more at the bottom, gaining only 0.6 per cent, Ontario and Quebec are edging closer to the 2.5 per cent level and Alberta, again at the top, is registering a 5 per cent wage boost.

Further analysis shows that BC wage settlements have not kept up in either the private or public sector. Recently the private sector in BC has been receiving wage adjustments in the 1.3 per cent range which is half the 2.6 per cent for Canada as a whole. While that gap is substantial,

the public sector gap between BC and Canada is much larger.

The adjacent chart shows the extent of the gap in wage settlements over the past year between the public sectors in BC and the rest of the country. For that time frame, all provinces except BC have received an average settlement of greater than 2 per cent while BC has averaged 0.7 per cent.

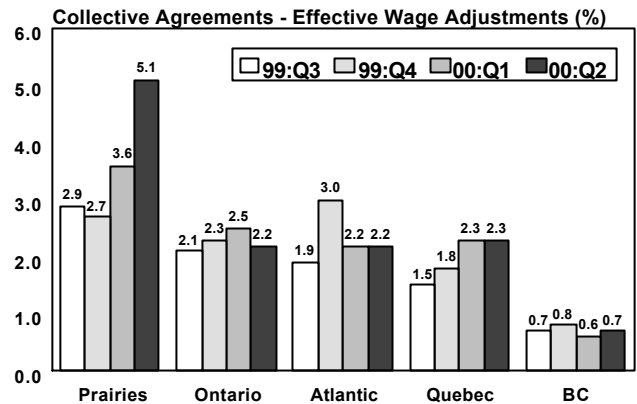
The “public sector” is defined as bargaining units that negotiate wages with non-commercial employers who are part of, or an agent of, the government. Examples of jobs that fall within this category are:

- ❑ public school teachers
- ❑ hospital nurses
- ❑ university and college staffs
- ❑ staff of social services businesses
- ❑ provincial government employees
- ❑ municipal government employees

While federal government settlements are included in the Public Sector, their data is not under the provincial breakouts but rather under the separate category of “federal jurisdiction”. On average, the “federal” public sector has consistently had wage adjustments exceeding 2 per cent from 1998 on.

It should be kept in mind that because many collective agreements are in affect for two and three years, the wage adjustment numbers settled in the last year could well still be in affect in 2001 and 2002.

Recently, in the Public Sector, every other province in Canada has been receiving wage adjustments at least 3 times the level of those for BC



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