

Ontario trades, employers prep for contract negotiations

Don Wall November 10, 2021



Labour mobility, inflation and productivity look to be among key issues this time around as Ontario's ICI and residential sectors get set to bang out new three-year collective agreements in the coming months.

By legislation, all collective agreements in those two construction sectors expire April 30, 2022. The deadline is over five months away but already stakeholders are focusing on research, pencilling in bargaining positions and watching adversaries warily.

Wage settlements in 2019 were around two per cent per year but observers are saying with inflation predicted to be above four per cent for 2021 and GDP forecasts being revised quarterly, uncertainty reigns.

“I think every round we say, ‘this is going to be the biggest round we’ve ever had,’” commented Andrew Pariser, vice-president of the Residential Construction Council of Ontario (RESCON).

“But I think literally, this is going to be the biggest time we’ve ever had. When you look at what we’ve been through over the last three years, obviously we’ve never had to go into a round of bargaining, hopefully at the tail end of the pandemic, but essentially having gone through a pandemic. We’ve got major supply chain issues.

“Construction has obviously done well over the last three years. But in residential construction, we are super impacted by interest rates.”

Besides residential and ICI, several other construction sectors have collective agreements expiring April 30, including sewer and watermain, heavy construction and roads. Pariser noted in a recent newsletter that besides the macroeconomic issues that will affect negotiations, local factors will also impact discussions including the need for better COVID-related sanitation, racist incidents and diversity concerns.

Wayne Peterson, executive director of the Construction Employers Coordinating Council, which has members in the ICI sector, agreed this round of negotiations is “very important” and said besides wages, labour shortages across most trades would be prominent during talks.

“We need experienced people,” said Peterson. “Someone who’s got a third-, fourth-year, even a fifth-year apprentice would help.

“It promises to be a challenging discussion. I know a number of trades are talking about it now.”

Peterson expects to see discussions over labour mobility, with unions to be consulted on bringing in workers from outside the province, as well as union-hall hiring practices.

Negotiations will also address fitness for work and readiness for work — the former related to cannabis and other factors, the latter to unions supplying fully qualified and trained workers.

Peterson doubts mandatory vaccinations and training will be contentious. Both employers and employees now agree they have to adhere to the mandates of owners on the matter.

“I would say there’s a handshake agreement in the industry now,” he said.

Patrick Dillon, business manager of the Provincial Building and Construction Trades Council of Ontario, noted recently that the Building Trades have commissioned analysis from labour economist Jim Stanford that will be used to press aggressively for higher wages.

“When you go to the bargaining table, (it’s) ammunition and arming them with some arguments,” Dillon said.

Employers will of course attempt to hold the line on wages, Peterson suggested, with such issues as worker productivity, potential inflation, catch-up for the high cost of living in 2021 and recognition of workers’ service during the pandemic all expected to be raised.

“It’s been an ongoing discussion over the past 12 years, have the wages kept up with inflation. My answer to that is yes, in fact, wage increases have exceeded inflation,” said Peterson.

He noted the parties have taken note of the long-term deal the electrical power sector has signed with its unions, with a wage increase of two per cent per year through to 2025.

“In a lot of cases, you’d have the same workforce, working for the electrical power sector, as you do ICI construction,” he said.

First out of the gate will be IBEW and its employers, Peterson said, following a bargaining framework that has been in place since 1992. He said he expects details of the protocol to be agreed upon soon, and meanwhile regional discussions are beginning. Negotiations will ensue and final offers are expected to be in by mid-February. There is a no-strike, no-lockout clause, and if there is an impasse, an adjudicator will decide between the two offers.

Meanwhile, Katherine Jacobs, director of research with the Ontario Construction Secretariat (OCS), is busy gathering data on numerous economic indicators that both sides will use during negotiations. She said she is frequently having to update projections on inflation and GDP gleaned from various sources, and admits that a forecast of 4.7-per cent GDP growth she was giving just in October might have to be revised.

The OCS was created to provide resources for both sides and set the stage for “reasonable” negotiations, said Jacobs.

“It’s not always an adversarial approach,” said Jacobs.

“The Carpenters’ last round were looking at the commercial sectors, smaller commercial-sector work, and how they could work with their contractor partners to be more successful in that market area. And they came up with some interesting techniques through collective bargaining to be able to help get that work.

“I think there are pretty sophisticated conversations that they have.”