



**SUBMISSION OF THE
TREASURY BOARD
TO THE PUBLIC INTEREST COMMISSION
IN RESPECT OF THE
TECHNICAL SERVICES (TC) GROUP**

CHAIRPERSON: William Kaplan

MEMBERS: Lynn Harnden
Gary Cwitco

OTTAWA

December 9, 2022

IN THE MATTER of the *Federal Public Service Labour Relations Act* and a dispute affecting the Public Service Alliance of Canada and His Majesty in Right of Canada as represented by the Treasury Board in respect of all of the employees in the Technical Services bargaining unit as determined in the certificate issued by the former Public Service Staff Relations Board on June 10, 1999.

FOREWORD

This brief is being presented without prejudice to the Employer's right to present any additional facts or arguments it considers appropriate and relevant during the proceedings of the Public Interest Commission.

INTRODUCTION

The Public Service Alliance of Canada (PSAC) and Treasury Board were engaged in negotiations between June 2021 and May 2022 to renew the collective agreement for the Technical Services (TC) group, which expired on June 21, 2021.

The TC group is a bargaining unit in the Core Public Administration (CPA) and is defined in the Canada Gazette as:

“The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.”

In accordance with *the Federal Public Sector Labour Relations Act* (FPSLRA), the PSAC served notice to bargain with the Employer by letter dated February 22, 2021. The parties met for negotiations for a total of sixteen (16) days in six (6) sessions between June 2021 and May 2022.

At the outset of this round of negotiations, the Employer and the Bargaining Agent agreed to convene a separate table to negotiate items that would apply to all four tables (Program and Administration - PA, Operational Services - SV, Technical Services - TC and Education and Library Science - EB), known as the “Common Issues Table”. The parties met to negotiate the Common Issues for a total of sixteen (16) days in six (6) sessions between June 2021 and March 2022.

The PSAC declared impasse and filed for the establishment of a Public Interest Commission (PIC) on May 18, 2022. The Chairperson of the Federal Public Sector Labour Relations and Employment Board (FPSLREB) advised the parties on June 29, 2022, that she was recommending the establishment of the PIC. In her decision, the Chairperson also advised that she appointed a mediator to assist the parties in the period leading up to the PIC hearings.

The parties met in mediation for the Common Issues Table from September 12 to 14, 2022, and September 20 to 23, 2022. Mediation sessions for the PA, SV, TC, and EB groups were held in October 2022. The purpose of each mediation session was to help the parties resolve the large number of outstanding proposals to reduce the number of items submitted to the PIC. During these mediation sessions, the parties were able to make only nominal progress. Those items that have been resolved through mediation are highlighted throughout this document.

This document presents the Employer's position on the outstanding issues between the parties, including rates of pay. Currently, the Bargaining Agent has 298 outstanding proposals; 209 proposals specific to the Common Table and

89 proposals that are specific to the TC Group. The Employer has 64 outstanding proposals; 52 proposals at the Common Table and 12 proposals that are specific to the TC Group.

The document also provides relevant contextual information pertaining to the current round of bargaining and the TC group.

The Employer brief is organized as follows:

Executive Summary

Part I provides a status update on the current round of negotiations for the CPA as a whole, and for the TC group specifically.

Part II presents information on internal and external comparability, recruitment and retention, the government's economic and fiscal circumstances, and provides total compensation figures for the TC group and its sub-groups.

Part III presents the Employer's submission for rates of pay and duration, and associated rationale.

Part IV presents the Employer's position on other outstanding proposals.

Part V provides information on the TC bargaining unit, including the group definitions and qualifications standards.

EXECUTIVE SUMMARY

The Government of Canada is committed to good faith negotiations and has a history of negotiations that are productive and respectful of its dedicated workforce. Its approach to collective bargaining is to negotiate agreements that are fair for public service employees and reasonable for Canadians.

The Technical Services (TC) group is composed of six different categories of employees occupying positions that are primarily involved in the performance, inspection, and leadership of skilled technical activities. As of March 2021, the TC group comprised 11,000 employees, 75% of which are classified as General Technical (GT) and Engineering and Scientific Support (EG).

The collective agreement for the TC group expired on June 21, 2021, and the Public Service Alliance of Canada (the PSAC) served notice to bargain to Treasury Board on February 22, 2021. After sixteen (16) days of bargaining spread over six (6) negotiation sessions, and after the Employer tabled its initial comprehensive offer on May 4, 2022, the PSAC declared impasse on May 18, 2022.

This section outlines the key trends and data supporting the Employer's position. As required by Section 175 of the Federal Public Sector Labour Relations Act, this brief is guided by four factors: recruitment and retention, external comparability, internal relativity, and the state of the Canadian economy and the Government of Canada's fiscal circumstances.

Recruitment and Retention

The evidence on recruitment and retention strongly suggests that compensation levels for the TC group are appropriate to attract and retain a sufficient number of employees. There is no indication that increases above the pattern established to date for the federal public service with represented employees are needed to recruit and retain employees in the TC group.

The largest departments hiring TC employees did not identify widespread recruitment and retention issues for the six TC sub-groups. Separations rates for the Engineering and Scientific Support (EG) and Technical Inspection (TI) sub-groups, which comprise 74% of the TC bargaining unit, have been consistently below that of the CPA average between 2016 and 2021. Hiring rates for the General Technical (GT) subgroup have been above the CPA average for from 2016 to 2019, with a negligible drop below the CPA average in the last two fiscal years. The GT, EG and TI sub-groups altogether comprise 98% of the bargaining unit, indicating that R&R figures for the TC bargaining unit as a whole are quite healthy.

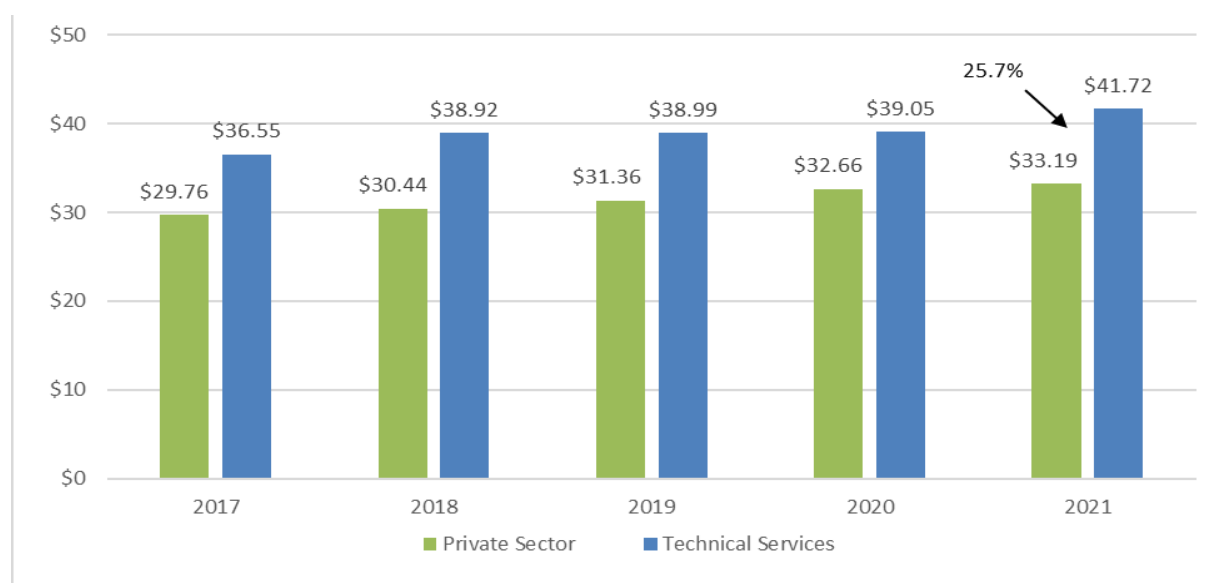
It is important to note that populations in the remaining three TC sub-groups (DD, PI, and PY) are very small due to the highly technical and specialized nature of the work- R&R figures for these groups are therefore quite volatile and do not reflect overall health of the TC group. In addition, departments run very successful recruitment processes for the TC group.

External Comparability

TC wages are highly competitive with the external labour market. Figure 1 below compares TC salaries, adjusted for hours worked, with Statistics Canada figures for hourly earnings of comparable positions in the private sector. We can see that TC wages consistently outpace their private sector comparators. The average hourly wage for TC workers exceeded that of the private sector by 25.7% in 2021.

Moreover, the TC average hourly wage has increased by 14.1% between 2017 and 2021, while the private sector average increased by only 11.5% over the same period

Figure 1: Hourly Wage – Private Sector vs Technical Services



Previous external wage studies conducted by Mercer also show that TC wages are competitive with equivalent positions in the private sector. A comparison of TBS' incumbent data with the 50th percentile of the external labour market's equivalent positions reveals that the wages for the EG, TI, and GT sub-groups, which together makeup 98% of the TC bargaining unit, are either comparable to private sector salaries or are leading the market.

Finally, Table 2 below shows wage growth for all TC sub-groups, ranging from 16.4% to 21.9%%, outpacing both Public Sector cumulative wage increases as reported by ESDC at 13.2% and cumulative increases as represented by the change in Consumer Price Index (CPI) inflation (14.2%) between 2012 and 2020.

Moreover, four of the six sub-groups, representing 99.6% of TC population, have seen their cumulative increases outpace private sector settlements as reported by ESDC (18.1%) over the same period.

Table 2: TC Wage Growth vs. Other Sectors between 2012-2020

External Cumulative Increase Comparison (2012 - 2020)									
	ESDC Public Sector	ESDC Private Sector	CPI	TC Group					
				DD	EG	GT	PY	PI	TI
Cumulative Increase	13.2%	18.1%	14.2%	16.4%	18.4%	18.6%	16.4%	19.7%	21.9%

Notes: TC rates calculated by TBS from settlement rates (weighted average).

Internal Relativity

In the absence of any direct comparators for the TC positions in the CPA, the CPA average could be considered as an adequate benchmark for internal comparative purposes.

Table 3 shows the cumulative increases for the TC sub-groups and the overall CPA average. As shown in the table, four of six of the TC sub-groups outpace or are nearly equivalent to the CPA average. Once again, these sub-groups represent the majority of the TC population. The two sub-groups which are below the CPA (DD and PY) account for only a small fraction of the TC population.

Table 3: TC Wage Growth vs. the CPA

Internal Cumulative Increase Comparison (2012 - 2020)							
	CPA	TC Group					
		DD	EG	GT	PY	PI	TI
Cumulative Increase	18.7%	16.4%	18.4%	18.6%	16.4%	19.7%	21.9%

Notes: TC and CPA rates calculated by TBS from settlement rates (weighted average).

Moreover, it is important to note that the CPA average is brought up by a few groups who received beyond-pattern increases to address specific recruitment and retention pressures and/or wage comparability issues in prior rounds of bargaining. Therefore, no issues regarding internal relativity have been identified for the TC group.

State of the Canadian economy and the Government of Canada's fiscal circumstances

Although Canada has managed to recover quickly from the economic damage caused by the pandemic and has managed to reverse pandemic job losses despite multiple waves of COVID-19, multiple economic and social issues remain as serious concerns.

The current round of negotiations is taking place amidst an inflationary backdrop that has not been experienced in decades. Moreover, the rapid nature of the Bank of Canada's response to these inflationary pressures is unprecedented.

Additionally, supply chain shocks caused by COVID-19 and the Russian invasion of Ukraine have served to exacerbate an already turbulent economic environment.

It is in this economic context that negotiations in unionized environments across Canada, including those in the federal public sector, are taking place. It is important to note that when considering wage settlements that have been reached in 2022 so far, average wage increases have remained well below inflationary levels. This may be in response to the notion that the current inflationary levels are the primary concern of the Bank of Canada and central banks around the world and that efforts to combat it will continue, regardless of recessionary repercussions. Consensus amongst economists is that continued increases to interest rates will not only control inflation but may also send the Canadian economy into recession.

TABLE – Major Wage Settlements in All Jurisdictions (Aggregated Private and Public Sectors) by Year

Year	Number of Agreements	Number of Employees	Duration of Agreements in months (average)	Average Annual Percentage Adjustment across all settlements
2013	484	1,092,600	36.8	1.4%
2014	246	689,808	45.8	1.7%
2015	243	757,548	42.8	1.2%
2016	284	1,075,189	46.9	1.4%
2017	216	845,401	39.6	1.7%
2018	206	709,788	42.1	1.3%
2019	240	635,602	41.9	1.6%
2020	142	711,453	41.1	1.6%
2021	124	917,131	41.1	1.9%
2022	19	144,359	44.7	1.7%

The table above illustrates that the increase in wages produced by settlements in other unionized environments are significantly lower than the demands outlined by the Public Service Alliance of Canada. To illustrate this point, a review of significant wage settlements in provincial governments is helpful. The following notable agreements have been reached in 2022:

- The government of Quebec has signed two major agreements as follows:
 - An agreement with the Syndicat de la fonction publique et parapublique du Québec representing 27,000 employees in

- business, finance and administration occupations from July 2022 to March 2023 will provide 2% increases.
- An agreement between the Agence du revenu du Québec with the Syndicat de la fonction publique et parapublique du Québec representing 6,000 employees in business, finance and administration occupations from August 2022 to March 2026 will provide yearly increases of 2%.
 - The government of Nova Scotia has signed an agreement with the Nova Scotia Government Employees Union (NSGEU) after an arbitral award, which provided 7,946 employees increases of 1.5% in both 2021 and 2022 and increases of 3.0% and 0.5% in 2023 and 2024.
 - The Alberta government has signed 3 agreements as follows:
 - An agreement between Alberta Health Services and the United Nurses of Alberta representing 29,354 employees (registered nurses and registered psychiatric nurses) from January 2022 to March 2024 provides increases of 0%, 1.0% and 1.2%.
 - An agreement between Alberta Health Services and the Alberta Union of Provincial Employees representing 18,216 employees (Licensed practical nurses and technical occupations) from May 12, 2022, to March 2024, which provides increases of 0%, 1.0% and 1.3%.
 - An agreement between Alberta Health Services, Covenant Health and the Health Sciences Association of Alberta representing 21,807 employees in professional occupations in health (except nursing) from July 25, 2022, to March 31, 2024, which provides increases of 0%, 1.0% and 1.3%.
 - Ontario is still operating and settling agreements under its 1% wage cap legislation.

Additionally, settlements have started to be reached in the federal core public administration that are significantly lower than the PSAC demands as well. On October 21, 2022, the Government of Canada reached its first tentative agreement for the 2021-2022 round of collective bargaining with the Association of Canadian Financial Officers (ACFO) for the newly formed Comptrollership (CT) group. The tentative agreement was ratified by ACFO members, on October 28, 2022, and will be recommended for approval of the Treasury Board.

The CT tentative agreement covers over 6,500 employees working in the CPA, spanning a four (4) year period (2022 to 2026) and provides general economic increases of 3.5%, 3.0%, 2.0% and 2.0%.

Not only would outsized increases in the federal government context place it out of step with other major unionized employers in both the public and private sectors, but it would serve to exacerbate the growing divide between salaries and benefits enjoyed by public sector employees and their private sector counterparts. A nascent but fundamental inequity is emerging between the public and private sectors as the long-term tax burden of businesses and households will inevitably grow as government payrolls continue to expand and the associated compensation packages increase in value.

This divide was already notable prior to the pandemic. Consider, for instance, that after falling by 7.6 percent between 2011 and 2015, the number of federal public servants increased by 16 percent between 2016 and 2020. In contrast, private sector employment grew by just 1.9 percent over the same period. Additionally, total compensation, inclusive of wages, for federal public sector workers have been steadily growing for decades. This phenomenon has not only been shown through numerous wage comparability exercises undertaken by the Treasury Board of Canada Secretariat over many years but by outside think tanks, such as the Fraser Institute.

The overall compensation gap is far greater when one accounts for non-wage benefits such as pension and health benefits, job security, and typical retirement age. Just consider, for instance, that 87.7 percent of public-sector workers are covered by registered pension plans, compared to just 22.5 percent of private-sector workers.

Public Service Health Care Plan (PSHCP)

Following many discussions with stakeholders and much consideration, an agreement was reached regarding new and enhanced benefits under the Public Service Health Care Plan (PSHCP). Changes to benefits under the PSHCP will be effective as of July 1, 2023. A particular focus has been made to enhance mental health supports by expanding mental health provider options, increasing the mental health annual maximum coverage and the introduction of a new benefit for gender affirmation coverage.

Bargaining Agent Proposals

The Bargaining Agent has submitted a substantial list of proposals in this round of bargaining. The PSAC initially tabled 218 proposals that are common to all PSAC groups, including significant economic increases, new and/or enhanced leave entitlements, and other non-monetary elements that seek to erode management authorities and embed legislation or Employer policies in collective agreements. The PSAC also initially tabled 102 proposed changes that are specific to the TC

group, including new leave provisions, new and expanded allowances, and other monetary and non-monetary elements that currently do not exist in the TC agreement and /or in other collective agreements in the CPA.

As noted in the table below, the PSAC monetary proposals for the TC group are significant and represent a total ongoing cost of approximately \$300.4M or 28.34% of the 2021 TC group wage base.¹

TABLE: Bargaining Agent Key Monetary Proposals

To note, there are a number of Bargaining Agent proposals that have a monetary impact/cost that the Employer has not been able to cost given the lack of information provided (e.g., lack of clarification of extension of eligibility or scope).

BARGAINING AGENT KEY MONETARY PROPOSALS	ONGOING COST	% OF WAGE BASE
Common proposals: <ul style="list-style-type: none"> • Leave for Indigenous Traditional Practices (<i>up to 5 days per calendar year, to engage in traditional practices</i>) • NJC Bilingualism Bonus increased from \$800 to \$1,500 • Increase accrual of vacation leave entitlements • Various changes to the Maternity and Parental Leave allowance provisions • New Article – Social Justice Fund (<i>1 cent per hour worked for each employee in the bargaining unit</i>) 	\$14,187,201	1.34%
General economic (GEI) increases of 4.5% a year for three (3) years	\$149,625,098	14.1%
Various wage restructures and adjustments: <ul style="list-style-type: none"> • All pay scales • Market adjustments • Restructures • Increased and expanded allowances • New allowances • Special conditions 	\$85,902,003	8.12%
Arbitral Award Appendix A – Engineering and Scientific Support Group annual rates of pay – Restructure	\$13,502,185	1.27%
Overtime at 2X (all overtime performed)	\$9,878,266	0.93%
Article 27: Shift and weekend premiums increased (<i>to \$5.00, \$8.00 if shift starts at midnight</i>)	\$2,566,646	0.24%
Article 29: Call-back pay increased from 1 to 2 hours straight time when working from home	\$442,145	0.04%
Article 29: Call-back pay increased from 3 to 4 hours pay for each call-back	\$711,550	0.07%
Article 30: Stand-by pay increase from 1/2 hour to 1 hour for each 4-hour period	\$8,369,840	0.79%
Article 39: Sick Leave with Pay (<i>change 'may' to 'shall' and increase the advance of unearned leave from 187.5 to 202.5 hours; upon request, unearned leave above 202.5 hours may be granted; reimburse costs associated with obtaining medical</i>)	\$1,372,823	0.13%

¹ The ongoing costs are based on March 2018 population and compensation data for TC employees – this is referred to the wage base throughout this document.

<i>certificate)</i>		
Article 47: Leave with Pay for Family-Related Responsibilities <i>(increase from 37.5 to 75 hours per year, remove 'elderly', remove 'unforeseeable', add 'terminally ill family member', remove 7.5-hour cap on appointments with professional)</i>	\$12,907,458	1.22%
Article 51: Bereavement Leave with Pay <i>(expansion)</i>	\$630,619	0.06%
Increase Meal Allowance to the lunch rate as outlined in Appendix C of the NJC (\$22.15).	\$156,760	0.01%
Total (all proposals that have a monetary impact)²	\$300,252,594	28.33%³

The Employer's position is that the Bargaining Agent's proposals are contrary to the replication principle, where the results of a third-party process should replicate as closely as possible what would have been achieved had the parties negotiated a settlement on their own. The Employer submits that the Bargaining Agent's proposals do not reflect what the parties could or would have bargained given the significant costs, legal considerations, and/or impacts to operations and service to Canadians. Additionally, the PSAC's proposals are largely unsubstantiated based on available data and associated metrics related to recruitment and retention and internal and external comparability.

For the TC table, the Bargaining Agent started with 102 demands and currently has 89. At the PSAC Common Issues Table, the Bargaining Agent currently has 209 demands. Combined, this amounts to 298 outstanding demands that impact the TC table.

As noted, these aforementioned Bargaining Agent demands have significant operational, legal, and/or financial implications. The Employer has conservatively costed the outstanding PSAC proposals for all four (4) groups for which the Bargaining Agent has requested conciliation, including common measures, at between approximately 25% and 46% of the respective wage base on an ongoing basis (EB: 25% of wage base, PA: 32% of wage base, TC: 28% of wage base, and SV: 46% of wage base). To note, this costing does not reflect all the Bargaining Agent demands tabled.

It is the Employer's position that the parties should focus on system-wide problems that need to be addressed at the collective bargaining table. That said, overall, the Bargaining Agent has not demonstrated what problems it seeks to address in their many proposals. Making changes to this mature collective agreement without sound rationale that impact operations and have significant costs do not serve Canadians nor are they reasonable for Canadians. Further, without sound rationale such changes could also lead to unintended consequences for all parties, including employees.

² Other Bargaining Agent monetary proposal are detailed in Part III.

³ Overall totals do not add up exactly due to rounding.

Employer Proposals

As noted, the Employer's position is that the TC agreement is well-established and fully developed and does not require significant changes. That said, the Employer has proposed amendments and improvements, including fair economic increases, modernized language, and increases to certain leave provisions. The Employer's priorities for this round of bargaining are to:

- preserve and enhance management authorities to continue to effectively and efficiently meet operational requirements and service to Canadians,
- enhance flexibilities with regards to hours of work provisions,
- support pay administration simplification, and
- address departmental operating priorities.

The Employer's TC specific monetary proposals, with the associated costs, are included below.

EMPLOYER MONETARY PROPOSALS	COST (Ongoing)	% OF WAGE BASE
TC-Specific proposals		
General economic increases over four years: 1.5%, 3%, 2% and 1.75%.	\$90,114,878	8.50%
Article 51: Bereavement leave with pay – Leave for stillbirth (3 days paid leave)	no additional cost	0.00%
Article 63: Increase percentage for DPH for part-time employees (from 4.25% to 4.6%)	\$51,330	0.00%
Arbitral Award Appendix A – Engineering and Scientific Support Group annual rates of pay – Restructure	\$12,837,872	1.21%
Appendix W, X, Z, AA, BB, CC, DD and EE: Increase the allowance by GEI as tabled at the Common Issues Table in March 2022 (6.92%)	\$338,359	0.03%
TOTAL	\$103,342,439	9.75%

The Employer's proposals at the PSAC Common Issues table also include proposed language with regards to collective agreement duration and implementation that provides for reasonable implementation timelines and considers capacity and complexity. With this proposal, the Employer seeks to establish a new norm for implementation that recognizes the complexity of implementation and continues to distinguish between manual and automated transactions.

Employer's request to return to the table

The Employer has approached negotiations in good faith and with a view of identifying problems and finding reasonable solutions in order to reach a renewed collective agreement.

In its approach, throughout this round of negotiations, the Employer continues to seek to understand “the why” behind each of the Bargaining Agent’s many tabled proposals. In other words, the Employer seeks to understand if there is a systemic or wide-ranging problem that the Bargaining Agent aims to address with its proposed revisions to this mature collective agreement.

Given the Employer’s role to ensure service to Canadians and stewardship of public funds, every change to a mature collective agreement must be supported by a sound evidence-based rationale. Further, this due diligence mitigates unintended consequences on stakeholders (e.g., employees and managers), operations and service to Canadians.

Unfortunately, the Bargaining Agent has not provided the Employer with information, evidence, or justifications with respect to many of their proposals. The Employer respectfully submits that the responsibility to demonstrate the need for a change lies with the party proposing that change. In turn, this supports evidence-based discussions that lend themselves to the parties being able identify a potential path to settlement.

On May 4, 2022, the Employer shared with the Bargaining Agent its initial comprehensive offer for the TC group. The Bargaining Agent provided no response or counteroffer and instead wrote to the Chairperson of the FPSLRB to declare an impasse, without any attempt to negotiate or discuss the offer.

The high volume of Bargaining Agent proposals has made it extremely challenging for the parties to identify and focus their work on key priorities and advance negotiations.

As a more limited number of proposals is expected to illuminate a path to settlement, the Employer respectfully submits that the Bargaining Agent needs to identify their key priorities, similar to what the Employer has done.

Therefore, in the public’s interest, the Employer respectfully requests that the Commission direct the parties to return to negotiations with a reasonable number of key priorities and proposals, that take into consideration fairness to employees and reasonableness to Canadians.

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Part I – Status of Negotiations

1.1 Negotiations in the Federal Public Service

The Government of Canada is committed to bargaining in good faith with all federal public sector Bargaining Agents and has a history of negotiations that are productive and respectful of its dedicated workforce. Its approach to collective bargaining is to negotiate agreements that are fair for public service employees and reasonable for Canadians.

The parties began TC table discussions for this current round of negotiations in June 2021. Despite having signed the current collective agreement only seven (7) months prior, the PSAC has come to the table with an unrealistic number of demands given the maturity of the bargaining relationship. For the most part, the PSAC has not demonstrated or provided evidence regarding what problems it seeks to address in their many proposals. This has made it difficult for the parties to advance negotiations and carve a path to settlement.

It is the Employer's position that the parties should focus on systemic or wide-ranging issues and potential options to address. Making changes to this mature collective agreement without due diligence and a sound rationale has the potential to impact operations, service to Canadians and represent significant costs for taxpayers.

2018 Round of Collective Bargaining

It is important to note that in the previous round of negotiations (the 2018 round), the Government reached 53 tentative or signed agreements with groups covering close to 270,000 employees or over 98% of public servants in represented groups in the core public administration (CPA) and separate agencies. Most agreements negotiated in the last round were four-year agreements and without the assistance of a third-party. All PSAC agreements were negotiated with a three-year duration and with third party intervention. To note, the three-year agreements were aligned in value with the four-year agreements for the first three years (i.e., 2018, 2019, 2020).

It is the Employer's position that with respect to the four-year agreements, a pattern was established for the economic increase for 2021 at 1.5%. The initial comprehensive offer tabled at the Common Issues Table on March 29, 2022, replicates this pattern.

Further, the 2018 settlements included a significant number of government-wide improvements that increased the overall value of total compensation reflected in collective agreements (i.e., benefits, leave, pay, allowances, etc.). These included the introduction of new leave provisions for domestic violence and caregiving, improvements to the maternity and parental leave and allowance provisions, as

well as an expansion to the definition of family that broadens the scope of certain leave provisions.

The maturity of the collective agreements aside, the value of improvements for the 2018 round are considerable by any measure especially when viewing through the eyes of taxpayers, and even more so considering that the current collective agreement was signed only seven (7) months prior to the exchange of proposals for the current round.

2021 Round of Collective Bargaining

The Employer's approach for the 2021 round of collective bargaining with the PSAC is articulated around three main themes to support an agile workforce and continuous improvement of service to Canadians:

Future of Work

The Future of Work (FoW) initiative and the related impacts on federal public servants, including the need to continue to deliver results for Canadians, is a significant consideration in this round of bargaining. Specifically, the Employer is seeking changes to existing provisions concerning hours of work to introduce more flexibility in the current framework which would benefit employees, by providing more opportunities to achieve a better work-life balance, and Canadians by making the public service more nimble. Current hours of work provisions pre-date the pandemic, are rigid in their requirements and impose premium payments (e.g., overtime, shift and weekend premiums) when an employee's working hours deviate from the core hours currently prescribed.

This rigidity and additional cost around hours of work hinder the full optimization of the FoW agenda. Furthermore, departments have indicated that they consider increased flexibility to the hours of work provisions in the collective agreements a key priority for them and their employees in this round of bargaining. The Employer is focused on introducing increased scheduling flexibilities, without compromising service to Canadians or increasing costs.

Economic Context and Fiscal Responsibility

The Employer's approach and objective is to negotiate, in good faith, collective agreements that are fair for employees and reasonable for Canadians.

The events over the past several years have brought significant economic, social and political stress. Canada and the rest of the world are slowly coming out of the pandemic. However, the economic impact of the pandemic continues to evolve as new COVID waves strain our health care systems and supply chains worldwide,

the effects of climate change and worsening natural disasters such as forest fires, hurricanes, drought have become more and more common and as well as political instability and the invasion of the Ukraine all have had a significant impact on Canada's and the world's economies. Inflation has increased significantly, as prices climb higher worldwide, including for fuel, food, and consumer goods.

In terms of the impact of the COVID-19 pandemic on the CPA workforce, federal public servants have enjoyed robust job security and continuity as, unlike many other jurisdictions and employers, it has avoided enterprise-wide workforce adjustment (e.g., job loss) and has introduced benefit flexibilities (e.g. extending emergency travel benefits and accepting claims for social workers and psychotherapists as mental health professionals) to support its workforce in a relevant and responsible way. With support mechanisms in place, such as "699 paid leave", remote work flexibilities, reimbursement of certain equipment costs, etc. federal public servants were well protected against adverse economic impacts stemming from the pandemic.

Further information on the Employer's considerations around the economic context and fiscal responsibility is detailed in Part II of this brief.

Pay Simplification (including implementation of the collective agreement)

To support the success of the NextGen HR and pay solution (which is slated to replace the current HR and pay systems) and in light of the lessons learned during collective agreement implementation over the past two rounds of negotiations, the Employer is seeking to secure changes with limited impact on the current and future pay system (e.g., prospective implementation of salary increases as was the case in the last round of collective bargaining).

In this vein, the Employer and the PSAC have established a joint sub-committee of the PSAC Common table (including representatives from PSPC, SSC, and key departments) to discuss and identify issues/possible options for pay simplification with consideration to cost and operational requirements in order to streamline and standardize collective agreement provisions across the CPA with the goal of reducing the level of complex customization of the future HR to pay solution.

The issue of retroactive payments and timelines for implementation remains a priority for the Employer in the 2021 round. As such, the Employer is seeking to establish a new norm that recognizes the complexity of implementation of collective agreements, continues to distinguish between manual and automated transactions and provides clarity around the process to employees and Bargaining Agents. This approach has been developed with consideration to lessons learned

from the 2018 round and builds on the success of the retro methodology employed in the last round.

1.2 Status of Negotiations in the Core Public Administration

Since June 2021, the Treasury Board of Canada Secretariat (TBS) has been engaged in negotiations on behalf of the Treasury Board, the Employer for the core public administration (CPA), with the Public Service Alliance of Canada for the renewal of the Program and Administrative Services (PA), the Operational Services (SV), the Technical Services (TC) and the Education and Library Science (EB) collective agreements, representing more than 128,000 employees.⁴⁵

More recently, TBS has begun to engage in negotiations for the renewal of collective agreements with other Bargaining Agents who negotiated four (4) year agreements during the 2018 round. This includes bargaining units with employees represented by the Professional Institute of the Public Service of Canada (PIPSC), the Canadian Association of Professional Employees (CAPE) and the Association of Canadian Financial Officers (ACFO). The vast majority of the 4-year agreements negotiated in the 2018 round expired in 2022 and therefore, negotiations with these groups are in the early stages or have not yet begun.

On October 21, 2022, the Government of Canada reached its first tentative agreement for the 2021-22 round of collective bargaining with the Association of Canadian Financial Officers (ACFO) for the newly formed Comptrollership (CT) group. The tentative agreement was ratified by ACFO members on October 28, 2022, and will be recommended for approval of the Treasury Board.

The new CT group collective agreement brings together financial management, external audit and internal audit work under one group. Specifically, it covers:

- positions formerly included in the Financial Management (FI) group (already represented by ACFO),
- positions formerly classified as Auditing (AU) and covered by the Audit, Commerce and Purchasing (AV) agreement (between the Employer and the PIPSC), and
- positions in internal audit formerly classified as Administrative Services (AS) and covered by the PA agreement.

The new CT tentative agreement:

- covers over 6,500 employees working in the CPA,

⁴ The Treasury Board of Canada negotiates the collective agreements for more than 80 departments and agencies named in Schedule I and Schedule IV of the *Financial Administration Act*.

⁵ Population figures as of March 2021.

- spans a four (4) year period (2022 to 2026), and
- provides general economic increases of 3.5%, 3.0%, 2.0% and 2.0%,
- additional provisions to address the merger.

For those employees formerly represented by PSAC and thus absent of a negotiated economic increase in 2021 during the last round, the tentative agreement includes a general economic increase of 1.5% effective June 2021, matching the clear pattern established in the 2018 round.

The overall average annual economic increase is 2.63% per year over four years, before calculating the compounding effect and excluding the 0.5% group specific merger allowance for 2023 and the one-time allowance upon signing of 2%. The Employer views this agreement as reasonable and fair in the current economic environment.

Other key negotiated amendments include:

- enhanced flexibilities in the hours of work provisions,
- updates to extra duty overtime provisions when work is performed from a remote location,
- the addition of the National Day for Truth and Reconciliation to the list of designated paid holidays and adjustments to the pay for part-time employees to account for this new holiday,
- a modified memorandum of understanding regarding the timelines for the implementation of collective agreements, and
- a memorandum of understanding on pay simplification to recognize the parties' commitment to ongoing collaboration with regards to the identification of human resources (HR) and pay administration solutions to support the pay system.

While not part of the tentative agreement, the Employer and ACFO have also committed to work together on hybrid work. Specifically, the Employer will share information and consult ACFO on the ongoing implementation of this transformative change.

Table 1 below lists the bargaining units in the CPA, their union affiliation and population as of March 2021.

Table 1: Bargaining Units – CPA

BARGAINING AGENT	BARGAINING UNIT	REPRESENTED AND EXCLUDED POPULATION AS OF MARCH 2021
PSAC Public Service Alliance of Canada	PA – Program and Administrative Services	96,698
	TC – Technical Services	10,892
	SV – Operational Services	10,464
	EB – Educational and Library Science	1,128
	FB – Border Services	9,805
		SUBTOTAL: 128,987
PIPSC Professional Institute of the Public Service of Canada	RE – Research	2,711
	AV – Audit, Commerce, and Purchasing	6,754
	NR – Architecture, Engineering, and Land	4,193
	SP – Applied Science and Patent Examination	9,226
	IT – Information Technology	17,242
	HS – Health Services	3,781
		SUBTOTAL: 43,907
CAPE Canadian Association of Professional Employees	EC – Economics and Social Science Services	20,048
	TR – Translation	860
		SUBTOTAL: 20,908
UNIFOR	RO – Radio Operations	281
	AI – Air Traffic Control	10
		SUBTOTAL: 291
CUPE Canadian Union of Public Employees	PO – Police Operations Support Group Law Enforcement (Civilian Members)	425
AJC Association of Justice Counsel	LP – Law Practitioner	3,190
PAFSO Professional Association of Foreign Service Officers	FS – Foreign Service	1,890
ACFO Association of Canadian Financial Officers	FI – Financial Officers	5,675
CMSG Canadian Merchant Service Guild	SO – Ships' Officers	1,281
FGDTLC(E) Federal Government Dockyard Trades and Labour Council (East)	SR(E) – Ship Repair East Coast	587
FGDTLC(W) Federal Government Dockyard Trades and Labour Council (West)	SR(W) – Ship Repair West Coast	660

FGDCA Federal Government Dockyard Chargehands Association	SR(C) – Ship Repair Chargehands	58
CMCFA Canadian Military Colleges Faculty Association	UT – University Teaching	202
IBEW International Brotherhood of Electrical Workers	EL – Electronics	1,096
CFPA Canadian Federal Pilots Association	AO – Aircraft Operations	399
UCCO-SACC-CSN Union of Canadian Correctional Officers	CX – Correctional Officers	6,325
NPF National Police Federation	RCMP Members Appointed to a Rank and Reservists	18,832
TOTAL POPULATION:		234,713

1.3 Status of Negotiations in the Separate Agencies

There are 27 separate agencies listed in Schedule V of the *Financial Administration Act*. Fifteen (15) are represented by at least one bargaining agent and they conduct their own negotiations for unionized employees. Separate agencies are distinct from the CPA; they have different job duties and specific wage levels according to their business purpose. The largest separate agencies include the Canada Revenue Agency, Parks Canada, and the Canadian Food Inspection Agency. The CPA and separate agencies share many of the same Bargaining Agents, including the PSAC and PIPSC.

As part of the federal public administration, separate agencies follow the same broad government objectives; they are committed to negotiating agreements in good faith that are fair and reasonable for employees, Bargaining Agents and Canadian taxpayers.

Twenty-four (24) of the thirty (30) bargaining units in publicly funded separate agencies have received their notice to bargain for the 2021-2022 round of collective bargaining. Eleven (11) separate agencies have started or are in the process of starting negotiations with their respective groups. Table 2 below lists the separate agencies, and bargaining units, their union affiliation and population.

Table 2: Bargaining Units– Separate Agencies

Separate Agencies	Bargaining Agents	Bargaining Units	Population
Canada Energy Regulator (CER)	PIPSC	All Unionized Employees (CER)	422
Canada Revenue Agency (CRA)	PIPSC	Audit, Financial and Scientific (AFS)	12,597
	PSAC	Program Delivery and Administrative Services (PDAS)	32,533
Canadian Food Inspection Agency (CFIA)	PSAC	PSAC	4,038
	PIPSC	Informatics (IN)	264
		Scientific and Analytical (S&A)	1,193
		Veterinary Medicine (VM)	584
Canadian Nuclear Safety Commission (CNSC)	PIPSC	Nuclear Regulatory (NUREG)	702
Canadian Security Intelligence Service (CSIS)	PSAC	Intelligence Support *	89
Communications Security Establishment Canada (CSEC)	PSAC	All Unionized Employees (CSE)	2,822
National Capital Commission (NCC)	PSAC	All Unionized Employees (NCC)	444
National Film Board (NFB)	PIPSC	Administrative and Foreign Services (AFS) Scientific and Professional (S&P)	175
	SGCT	Administrative Support (AS), Operation (OP) and Technical (TC) *	184
National Research Council Canada (NRC)	RCEA	Administrative Services (AS)	309
		Administrative Support (AD)	500
		Computer Systems Administration (CS) *	238
		Operational (OP)	62
		Purchasing and Supply (PG)	31
		Technical (TO)	995
	PIPSC	Information Services (IS)	64
		Library Services (LS)	43
		Research Officer / Research Council Office (RO/RCO)	1,792
		Translator (TR)	7
Office of the Auditor General of Canada (OAG)	PSAC	Audit Services Group (ASG) *	174
Office of the Superintendent of Financial Institutions Canada (OSFI)	PSAC	Administrative Support (AS) *	17
	PIPSC	Professional Employees Group (PEG)	689
Parks Canada Agency (PCA)	PSAC	All Unionized Employees (Parks)	4,327
Social Sciences and Humanities Research Council of Canada (SSHRC)	PSAC	Administrative and Foreign Services (AFS)	241
		Administrative Support (AS)	40

Statistical Survey Operations (SSO)	PSAC	All Unionized Employees (SSO) *	2,208
Staff of the Non-Public Funds, Canadian Forces (SNPF-CF)	<i>Note: The SNPF-CF is not a publicly funded separate agency. The population data for this employer is unavailable.</i>		
*Bargaining units that have not provided notice to bargain for the 2021 round of collective bargaining.			67,784

1.4 Negotiations with the Technical Services (TC) Group

In this round of bargaining, PSAC (TC group) and TBS officials were engaged in six (6) negotiation sessions between June 2021 and May 2022. The parties were also engaged in five (5) negotiations sessions at a separate bargaining table mandated to negotiate proposals that are common across the four bargaining units represented by the PSAC [Program and Administrative Services (PA), Operational Services (SV), Technical Services (TC) and Education and Library Science (EB)] between June 2021 and March 2022.

As noted in table 3 below, the parties agreed to and “signed-off” on the following twenty-five (25) items during negotiations and mediation. However, it is the Employer’s position that these items should form part of a final negotiated settlement.

Table 3: Proposals Agreed to by the Parties

Item	Details	Employer Proposal	Bargaining Agent proposal
Various articles throughout the Agreement	Delete references to “furlough leave”	X	
Various articles throughout the Agreement	Update references to the “Public Service Labour Relations Board (PSLRB)” and “ <i>Public Service Labour Relations Act</i> (PSLRA)” omitted last round of bargaining.	X	
Various articles throughout the Agreement	Amend the references of departments’ titles in accordance with the “Legal Title”.	X	
Housekeeping	Delete last sentence of clause 30.02 in English version of agreement. This was struck out in a previous round of bargaining. It no longer exists in the French version.		X
Article 2 – Interpretation and Definitions	Withdraw proposal to amend definition of “continuous employment” by deleting reference to date of signing.	X	
Article 8 – Grievance Procedure	Withdraw proposals to increase timelines for presenting a grievance to the first level; and		X
	Withdraw proposal to give grievor the choice to have their final level grievance heard by an employee representative from a department other than their department of employment.		X
Article 22 – Health and Safety	Withdraw proposal for a new provision committing the Employer to train members of health and safety (OHS) committees as per		X

	the NJC OHS Directive as well as the Canada Labour Code.		
Article 25 – Hours of Work	Withdraw proposal for a 35-hour workweek.		X
	Withdraw proposal to reduce the notification period for changing shifts.	X	
Article 28 – Overtime	Withdraw proposal to clarify that overtime will not be paid to employees during courses, training sessions, conferences and seminars unless the employee is required to attend by the Employer.	X	
Article 32 – Designated Paid Holidays	Add National Day for Truth and Reconciliation to the list of Designated Paid Holidays (DPH).	X	
	Withdraw proposal to add three (3) additional days to the list of DPHs		X
Article 34 – Travelling time	Withdraw proposal to delete exception @ clause 34.06 for compensation of travelling time to courses, etc.		X
	Withdraw part of proposal @ paragraph 34.09 (a) to amend travel status leave (from 7.5 hours of leave for every 15 days away)		X
	Withdraw proposal @ clause 34.09 to delete exception for travel in connection with courses, etc.		X
Article 38 – Vacation leave	Withdraw proposal on scheduling of vacation leave with pay	X	
Article 40 – Medical appointments for pregnant employees	Withdraw proposal to grant time off with pay for the purpose of attending preventative medical appointments		X
Article 41 – Injury-on-duty leave	Withdraw proposal to remove the Employer's discretion in determining when and how long an employee should remain on IODL		X
	Withdraw proposal to expand the criteria for eligibility for benefits provided by GECA		X
Article 60 – Correctional	Same amendments as PA		X
Article 63 – Part-time employees	Increase the percentage paid to part-time employees in lieu of DPH to 4.6%.	X	
Appendix N – Sessional leave for certain employees of the Translation Bureau	Withdraw proposal to discuss this Appendix	X	
Appendix U – MOU on Salary Protection: Red Circling	Update references to the Directive on Terms and Conditions of Employment.	X	
Appendix CC – MOU employees working in JRCC, MRSC or ACV	Withdraw on proposal to amend eligibility for employees working on ACV.		X

The PSAC declared impasse and filed for the establishment of a PIC on May 18, 2022. The Chairperson of the FPSLRB advised the parties in June 2022, that she was recommending the establishment of the PIC and also established that mediation should occur before the formal PIC hearings in an attempt to reach settlement or at least to bring the parties closer to settlement.

1.5 Bargaining Agent Proposals

The Bargaining Agent has submitted an extensive list of proposals, including new allowances and measures that currently do not exist in the TC collective agreement. As noted in the table below, the Bargaining Agent's monetary proposals, which include annual economic increases of 4.5% over three years, are equivalent to an overall increase of \$28.33%, compared to the 2021 TC wage base.

Table 4: Bargaining Agent Monetary Proposals

BARGAINING AGENT MONETARY PROPOSALS	COST (Ongoing)	% OF WAGE BASE
Common proposals		
Leave for Indigenous Traditional Practices (<i>up to 5 days per calendar year, to engage in traditional practices</i>)	\$1,010,500	0.10%
NJC Bilingualism Bonus increased from \$800 to \$1,500	\$1,660,394	0.16%
Joint Learning Program \$210,000 monthly for pilot project	Costs reflected under Bargaining Agent Proposals for PA group	0.00%
Joint Learning Program base funding increase	Costs reflected under Bargaining Agent Proposals for PA group	0.00%
Increase accrual of vacation leave entitlements: <ul style="list-style-type: none"> 3 weeks until the employee's 5th year of service; 4 weeks commencing the month of the employee's 5th year of service; 5 weeks commencing the month of the employee's 10th year of service; 6 weeks commencing the month of the employee's 23rd year of service; 6 weeks and 2 days commencing the month of the employee's 30th year of service; and 7 weeks commencing the month of the employee's 35th year of service. 	\$8,334,257	0.79%
Various changes to the Maternity and Parental Leave allowance provisions	\$2,963,608	0.28%
New Article – Social Justice Fund (<i>1 cent per hour worked for each employee in the bargaining unit</i>)	\$218,442	0.02%
Various changes to Leave with or without pay for Alliance Business (Article 14)	Unable to cost	TBD
Collective Agreement Implementation	Unable to cost	TBD
Childcare MOU (Appendix N) (<i>Workplace childcare funding model</i>)	Unable to cost	TBD
Total (Common Proposals):	\$14,187,202	1.34%
TC-specific proposals		
General economic increases of 4.5% a year for three (3) years	\$149,625,098	14.1%
Add one increment to the top of all pay scales, drop the lowest increment from the bottom of all pay scales. All members to immediately move up their pay scales by one increment and delete steps 1 and 2 of the PI-CGC-01 pay scale	\$45,737,915	4.32%
Roll-in pay note #4 (\$2,000 annual allowance) to all PI scales	\$206,000	0.02%

TI Aviation: 20.24% increase to the A-1 rates for TI-05 to TI-08	\$7,890,710	0.74%
TI Marine: 20.24% increase to the A-1 rates for TI-05 to TI-08	\$9,914,975	0.94%
TI Rail: 20.24% increase to the A-1 rates for TI-06 to TI-08	\$2,981,071	0.28%
Incorporate TI-TDG and other discipline not covered above at Transport Canada or the Transportation Safety Board into the Rail portion of Appendix A-1, include DND to the list of eligible departments, and amend Railway Safety Pay Notes – expanded eligibility.	\$2,289,049	0.22%
Arbitral Award Appendix A – Engineering and Scientific Support Group annual rates of pay – Restructure	\$13,502,185	1.27%
Appendix R: Special conditions applicable to Aircraft Maintenance Engineers (AME) – increase and expand special assignment allowance.	\$185,394	0.02%
Appendix W: shore-based position at the Canadian Coast Guard – rolling in current allowance and creating new monthly allowance (as part of salary) valued at: EG-06 \$635, EG-07 \$765, EG-08 \$1,239, GT-06 \$490, GT-07 \$172, GT-08 \$140.	\$626,839	0.06%
Appendix X: Percy Moore and Norway House hospitals – rolling in current allowance and creating new annual allowance (as part of salary) of \$15,000.	\$183,758	0.02%
Appendix Z: Fishery Officers – rolling in current allowance and creating new annual allowance valued at 17.7% of salary for GT-02 to GT-04 and 14.4% for GT-05 to GT-07	\$6,319,076	0.60%
Appendix AA: Enforcement Officers – rolling in current allowance and creating new annual allowance valued at 17.7% of salary for GT-02 to GT-04 and 14.4% for GT-05 to GT-07	\$2,615,443	0.25%
Appendix BB: DND ship repair yards – rolling in current allowance and creating a new annual allowance in the same amount as the current allowance (\$2,500) and expanding eligibility to additional DND employees. In addition, a new allowance valued at 7.2% of salary for certain GT-07 employees and 10.4% for certain GT-08 employees at FMF.	\$1,141,410	0.11%
Appendix CC: Search and rescue – rolling in current allowance and creating a new allowance valued at 10% of salary for GT-05 and expanding eligibility to additional Canadian Coast Guard employees occupying certain GT-05 and GT-06 level positions valued at 10% of salary.	\$885,898	0.08%
Appendix DD: Labour Affairs Officers – rolling in current allowance and creating a new allowance valued at 6.3% of salary for TI-05 and TI-06 employees.	\$960,349	0.09%
Appendix EE: Measurement Canada and Canadian Grain Commission – rolling in current allowance and creating a new allowance valued at 15.44% of salary for TI-03 to TI-07 employees.	\$2,953,569	0.28%
New allowance for ammunition technicians valued at \$3,000 for eligible employees	\$575,640	0.05%
New allowance for DTAES EGs at DND valued at 12.2% of salary for EG-06 and 15.3 % of salary for EG-07	\$51,635	0.00%
New allowance for single AME valued at \$6,000 for eligible employees	\$84,240	0.01%
New Flight Pay Allowance for all TC employees	\$184,714	0.02%
Overtime at 2X (all overtime performed)	\$9,878,266	0.93%
Article 27: Shift and weekend premiums increased (to \$5.00, \$8.00 if shift starts at midnight)	\$2,566,646	0.24%

Article 21: Designated Paid Holiday - Add National Day Truth and Reconciliation ¹	see note 3	-
Article 29: Call-back pay increased from 1 to 2 hours straight time when working from home	\$442,145	0.04%
Article 29: Call-back pay increased from 3 to 4 hours pay for each call-back	\$711,550	0.07%
Article 30: Stand-by pay increase from 1/2 hour to 1 hour for each 4-hour period	\$8,369,840	0.79%
Article 39: Sick Leave with Pay (<i>change 'may' to 'shall' and increase the advance of unearned leave from 187.5 to 202.5 hours; upon request, unearned leave above 202.5 hours may be granted; reimburse costs associated with obtaining medical certificate</i>)	\$1,372,823	0.13%
Article 47: Leave with Pay for Family-Related Responsibilities (<i>increase from 37.5 to 75 hours per year, remove 'elderly', remove 'unforeseeable', add 'terminally ill family member', remove 7.5-hour cap on appointments with professional</i>)	\$12,907,458	1.22%
Article 51: Bereavement leave with pay (<i>expansion</i>)	\$630,619	0.06%
Increase Meal Allowance to the lunch rate as outlined in Appendix C of the NJC (\$22.15).	\$156,760	0.01%
Article 25: Compensation for "captive time"	Unable to cost	--
Remove the travelling time and stop-over caps per Article 34 (Travelling Time).	Unable to cost	--
Expanded eligibility for dangerous goods allowance.	Unable to cost	--
Increase the hours of work that can be worked during surveillance mode from 9.5 to 11.5 hours per Appendix C.	Unable to cost	--
Delete Appendix I and convert all employees covered by it to day workers.	Unable to cost	--
Appendix L – amend how EG employees engaged in sea trials at DND are compensated	Unable to cost	--
Improve and increase the flight pay allowance and flight pay premium at Appendix R.	Unable to cost	--
Expand the eligibility for the allowance at Appendix W (shore-based positions at the Canadian Coast Guard).	Unable to cost	--
New allowance for salmonid enhancement program workers.	Unable to cost	--
New allowance for use of force specialist.	Unable to cost	--
New allowance for employees in Environmental Response and SAR at the CCG	Unable to cost	--
New allowance for Environmental Response Officers at Transport Canada	Unable to cost	--
Total (TC Specific proposals)	\$286,140,613	27.00%
Sub-Total (Common proposals)	\$14,187,202	1.34%
GRAND TOTAL (all proposals that have a monetary impact)	\$300,327,815	28.33%

Notes:

1. The Government of Canada proclaimed that September 30 will be the National Day for Truth and Reconciliation (NDTR), a new national holiday. Article 30.02(I) entitled members of the bargaining group to a designated paid holiday to observe this day, starting in 2021.

The bargaining agent proposes to identify the NDTR in Article 30.02 while retaining the entitlement to one additional day when proclaimed by an act of Parliament as a national holiday. Generally, the productivity cost of introducing a new designated paid holiday is roughly equivalent to 0.37% of wages, assuming a similar economic increase proposal. Much like the productivity cost of introducing the NDTR in 2021, a new designated paid holiday introduced in future years would carry the same productivity cost.

In addition to the above-noted common and TC-specific proposals, the Bargaining Agent has additional proposals that although could not be costed due to unavailability of accurate data or insufficient details on the proposal, but would nevertheless increase the total costing of the Bargaining Agent's proposals, which is already significantly higher than the Employer's proposals and the government fiscal capacity to increase benefits to the collective agreement. These proposals are the followings:

- New compensation for “captive time”.
- Remove the travelling time and stop-over caps per Article 34 (Travelling Time).
- Expanded eligibility for dangerous goods allowance.
- Increase the hours of work that can be worked during surveillance mode from 9.5 to 11.5 hours per Appendix C.
- Delete Appendix I and convert all employees covered by it to day workers.
- Appendix L – amend how EG employees engaged in sea trials at DND are compensated
- Improve and increase the flight pay allowance and flight pay premium at Appendix R.
- Expand the eligibility for the allowance at Appendix W (shore-based positions at the Canadian Coast Guard).
- New allowance for salmonid enhancement program workers.
- New allowance for use of force specialist.
- New allowance for employees in Environmental Response and SAR at the CCG
- New allowance for Environmental Response Officers at Transport Canada

1.6 Employer Proposals

The Employer proposes to negotiate improvements for the TC group that include fair economic increases, modernized language, increases to certain leave provisions, as well as other improvements. The Employer's detailed position on each outstanding items can be found in parts III and IV of the Employer's brief.

The Employer's monetary proposals, with the associated costs, are included in table 5 below.

Table 5: Employer's Monetary Proposals

EMPLOYER MONETARY PROPOSALS	COST (Ongoing)	% OF WAGE BASE
TC-Specific proposals		
General economic increases over four years: 1.5%, 3%, 2% and 1.75%.	\$90,114,878	8.50%
Article 51: Bereavement leave with pay – Leave for stillbirth (3 days paid leave)	no additional cost	0.00%

Article 63: Increase percentage for DPH for part-time employees (from 4.25% to 4.6%)	\$51,330	0.00%
Arbitral Award Appendix A – Engineering and Scientific Support Group annual rates of pay – Restructure	\$13,502,185	1.21%
Appendix W, X, Z, AA, BB, CC, DD and EE: Increase the allowance by GEI as tabled at the Common Issues Table in March 2022 (6.92%)	\$338,359	0.03%
TOTAL	\$103,342,439	9.75%

The Employer's proposals at the PSAC Common Issues table also include proposed language with regards to collective agreement duration and implementation that provides for reasonable implementation timelines and considers capacity and complexity. With this proposal, the Employer seeks to establish a new norm for implementation that recognizes the complexity of implementation and continues to distinguish between manual and automated transactions

1.7 Restructure of EG group pay scales

Under the Technical Services (TC) collective agreement which expired on June 21, 2018, the PSAC and the Employer had agreed to create a Joint Committee to undertake a comparison of the value of work and compensation of employees in the EG group in the CPA with their comparators working at the CFIA.

Subsequently, the settlement with the TC group in the context of the following (2018) round included a second MOU outlining a process for resolving the work of this Joint Committee and to resolve a potential dispute regarding the need for a wage adjustment for the EG group resulting from the joint comparability study.

Specifically, the parties agreed that:

“Following notice to bargain being served for the next round, the parties will consider a specific wage adjustment proposal for the EG group. In the event that the parties are unable to reach agreement on an appropriate wage adjustment, following the expiry of the current agreement either party may refer this matter to binding determination, as permitted under section 182 of the Federal Public Sector Labour Relations Act, for final and binding determination. The collective agreement will be adjusted according to the decision issued as a result of this process. For further clarity, this referral to binding determination may occur before the parties have concluded a negotiated renewal to the collective agreement.

If the parties go to binding determination, they agree to use Mort Mitchnick as the chairperson of the process or of the board if the parties agree to form a three-person panel. If Mr. Mitchnick is not available and a mutually acceptable alternative cannot be identified, the chairperson shall be

appointed by the Federal Public Sector Labour Relations and Employment Board.”

As per the terms of the MOU, the Union filed for arbitration on June 21st, 2021, the day the existing collective agreement expired. A hearing was held on October 19, 2021, and on January 6th, 2022, the Arbitrator issued an award as follows:

Effective June 22, 2022, add one new step to the top of the EG pay scale that is 1.5% higher than the existing maximum. All employees who have been at the existing maximum rate for at least twelve months as of that date shall move to this new rate on that date.

Effective June 22, 2023, add 1.8% to that new top step of the scale.

Both of these adjustments are to take place prior to the application of any general wage increase for that year.

On September 15, 2022, the Arbitrator, who had remained seized (in the usual way until the parties are in agreement that the award has been properly implemented) issued a supplementary award to address implementation:

- 1) Implementation of the two awarded “equity” adjustments will not take place until the terms of the new collective agreement, and in particular the wage increase settled upon by the parties for the year commencing June 22nd, 2021, have been ultimately determined.
- 2)
 - a) This award must be implemented within 180 days of the signing of the new collective agreement.
 - b) Employees so affected and for whom the award is not implemented within one hundred and eighty-one (181) days after signature will be entitled to a fifty-dollar (\$50) non-pensionable amount; these employees will be entitled to an additional fifty-dollar (\$50) non-pensionable amount for every subsequent complete period of ninety (90) days that this award is not implemented. These amounts will be included in their final retroactive payment.

While the Arbitral Award stems from a commitment by the parties made during the 2018 round of bargaining and a process conducted in parallel to ongoing negotiations, the Employer nonetheless considers implementation of the Arbitral Award to form part of the current round of bargaining.

1.8 Common Proposals

As previously indicated, at the outset of this round of negotiations, the Employer and the Bargaining Agent agreed to convene a separate fifth table to negotiate items that would apply to all four tables (PA, SV, TC and EB), known as the “Common Issues Table”. Thirty-five (35) items, listed below, have been identified jointly by the parties for discussion at the Common Issues Table.

The Employer and the Bargaining Agent agreed that it was appropriate to make representations on these provisions only once, and to do so during the PIC process for the PA group. This avoids unnecessary duplication in the respective submissions for the four groups and limits the risk of having different recommendations on the same topics.

1. Article 2 Interpretation and Definition
2. Article 7 National Joint Council Agreements
3. Article 10 Information
4. Article 11 Check Off
5. Article 12 Use of Employer Facilities
6. Article 14 Leave with or without Pay for Alliance Business
7. Article 17 Discipline
8. Article 19 No Discrimination
9. Article 20 Sexual Harassment
10. Article 23 Job Security
11. Article 24 Technological Changes
12. Article 33 Leave, General
13. Article 34 Vacation Leave with Pay
14. Article 38 Maternity Leave without Pay
15. Article 40 Parental Leave without Pay
16. Article 41 Leave without Pay for the Care of Family
17. Article 56 Statement of Duties
18. Article 68 Duration
19. **New clause** Article 25 Hours of Work (Right to Disconnect)
20. **New Article** Protections Against Contracting Out
21. **New Article** Remote Work
22. **New Article** Equity in the Workplace
23. **New Article** Leave for Indigenous Traditional Practice
24. **New Article** Social Justice Fund
25. Appendix A-1 Rates of Pay

-
26. Appendix C Memorandum of Understanding with Respect to a Joint Learning Program
 27. Appendix D Workforce Adjustment
 28. Appendix F Memorandum of Understanding between the Treasury Board of Canada and the Public Service Alliance of Canada with respect to the Implementation of the Collective Agreement
 29. Appendix K Memorandum of Agreement with Respect to Implementation of Union Leave
 30. Appendix M Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to Mental Health in the Workplace
 31. Appendix N Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to Child Care
 32. **New Appendix** Bilingualism Allowance and Language Training
 33. **New Appendix** Memorandum of Understanding between the Treasury Board and the Public Service Alliance of Canada with Respect to Diversity and Inclusion in the Workplace
 34. **New Appendix** Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to Gender-Inclusive Language
 35. Pay Simplification

Part II – Considerations

The Employer's monetary proposal for the TC group, outlined in **Part III** of this briefing, is aligned with Section 175 of the *Federal Public Sector Labour Relations Act*. This section outlines the key trends and data supporting the Employer's position.

Section 175 of the FPSLRA outlines four principles for consideration by public interest commissions:

- Recruitment and retention
 - (a) *the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;*
- External comparability
 - (b) *the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the public interest commission considers relevant;*
- Internal relativity
 - (c) *the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;*
 - (d) *the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and*
- The state of the economy and the government's fiscal situation
 - (e) *the state of the Canadian economy and the Government of Canada's fiscal circumstances*

2.1 Recruitment and Retention

The Treasury Board negotiates rates of pay that enable the Employer to recruit qualified employees and retain them in the public service. TBS reviews compensation levels and monitors compensation data on a regular basis to identify signs of recruitment and retention challenges. Those signs include consistent decreases in total population, growing numbers of employees leaving their

positions for other employment opportunities, and persistently low response or low application rates to job advertisements.

TBS also surveys individual departments to identify problems in recruiting and retaining employees and the impact of such difficulties with no issues being raised by the largest employing departments.

The following section investigates if any of the above-mentioned concerns are present in the TC bargaining unit. The section includes four indicators: first, total population growth; second, total number of hirings over time; third, total separations by reasons; and fourth, total applications per job advertisement. All six of the TC occupational groups are included with the reference period being between 2016-2017 and 2020-2021.

Total Population

Table 6 shows the TC sub-groups' population over the last five fiscal years. Over the reference period, the EG, GT and TI sub-groups (which together represent 98% of the bargaining unit) have shown strong growth in population. Between 2016-2017 and 2020-21, the EG population has increased by 9.5% while the GT population grew by 19.1%. In addition, after a slight decrease following the first year, the TI group's population has increased by 4.6% since 2017-2018, while the population for the PI group has remained stable. It is worth mentioning that given the small size of the PY classifications, any variation within these groups may have a significant impact on the year over year comparison, which should be interpreted with caution.

The population for the DD group has steadily declined since 2016-2017 largely as a result of employees undergoing re-classifications to the EG classification as per work requirements.

In times of recruitment and retention problems one would expect consistent decreases in population which is not the case for most of the TC bargaining unit.

Table 6: Population

Population	2016-17	2017-18	2018-19	2019-20	2020-21
DD group					
12-months average population	73	64	51	47	43
Year-to-year (y/y) increase	-	-12.3%	-20.7%	-7.8%	-8.5%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%
EG group					

12-months average population	5,614	5,709	5,866	6,042	6,145
Year-to-year (y/y) increase	-	1.7%	2.8%	3.0%	1.7%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%
GT group					
12-months average population	2,293	2,335	2,502	2,643	2,731
Year-to-year (y/y) increase	-	1.8%	7.2%	5.6%	3.3%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%
PI group					
12-months average population	155	156	150	156	152
Year-to-year (y/y) increase	-	0.8%	-3.7%	3.8%	-2.4%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%
PY group					
12-months average population	7	6	4	3	2
Year-to-year (y/y) increase	-	-14.6%	-36.8%	-25.0%	-33.3%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%
TI group					
12-months average population	1,623	1,612	1,633	1,655	1,686
Year-to-year (y/y) increase	-	-0.7%	1.3%	1.3%	1.9%
Core Public Administration y/y increase	-	2.1%	4.4%	5.2%	4.2%

Source: Incumbent file

Notes:

1. Figures include employees working in departments and organizations of the core public administration (FAA Schedule I and IV).
2. Figures include all active employees and employees on leave without pay (by substantive classification) who were full- or part-time indeterminate and full- or part-time seasonal.
3. Since the population figures are 12-month averages, the variation of the population from one year to the next will not match the net increase/decrease calculated by subtracting the total separations from total hires in the tables below.

The trends in population growth presented above are the result of hirings (inflow) and separations (outflow). In general, when separations decrease or hiring increases, the group is not facing recruitment and retention challenges. To better understand the dynamics between these two flows, the following analysis presents how hirings (Table 7) and separations (Table 8) have evolved for the six TC occupational sub-groups.

Hirings

Table 7 shows the inflows of employees, both externally and internally, for the TC bargaining unit.

The table shows that hiring rates (both externally and internally) have been healthy. Between 2016-17 and 2020-21, the GT group showed a strong hiring rate, averaging 13.2%, while the CPA averaged 12.1% over the same period. While both the EG and TI groups had hiring rates slightly below that of the CPA average, this is due to both groups having experienced a lower level of separation than other CPA groups (see following section), decreasing their need for additional hires.

Table 7: Hiring

Hiring	2016-17	2017-18	2018-19	2019-20	2020-21
DD group					
External Hiring	5	3	4	5	2
Internal Hiring	1	0	1	1	0
Total Hiring (external and internal)	6	3	5	6	2
Total Hiring Rate	8.2%	4.7%	9.9%	12.9%	4.6%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%
EG Group					
External Hiring	386	482	529	544	361
Internal Hiring	103	113	156	125	114
Total Hiring (external and internal)	489	595	685	669	475
Total Hiring Rate	8.7%	10.4%	11.7%	11.1%	7.7%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%
GT Group					
External Hiring	108	183	342	226	202
Internal Hiring	106	139	149	96	103
Total Hiring (external and internal)	214	322	491	322	305
Total Hiring Rate	9.3%	13.8%	19.6%	12.2%	11.2%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%
PI Group					
External Hiring	15	12	7	14	4
Internal Hiring	1	1	1	1	0
Total Hiring (external and internal)	16	13	8	15	4
Total Hiring Rate	10.4%	8.3%	5.3%	9.6%	2.6%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%
PY Group					
External Hiring	1	0	0	0	0
Internal Hiring	0	0	0	0	0
Total Hiring (external and internal)	1	0	0	0	0
Total Hiring Rate	13.5%	0.0%	0.0%	0.0%	0.0%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%
TI Group					
External Hiring	44	102	139	91	89
Internal Hiring	30	31	36	47	91
Total Hiring (external and internal)	74	133	175	138	180
Total Hiring Rate	4.6%	8.2%	10.7%	8.3%	10.7%
CPA Total Hiring Rate	9.2%	11.6%	14.1%	13.9%	11.5%

Source: PSC Appointments file

Notes:

1. Figures include employees working in departments and organizations of the core public administration (FAA Schedule I and IV).
2. Figures include all active employees and employees on leave without pay (by substantive classification) who were full- or part-time indeterminate and full- or part-time seasonal.
3. External hiring includes hires from outside the CPA. It also includes employees whose employment tenure changed from casual, term or student to indeterminate or seasonal.
4. Internal hiring includes hires to the group from other groups within the CPA.
5. Total hiring rates are calculated by dividing the number of external and internal hires in a given fiscal year by the average number of employees.

Separations

The following section includes two types of separations: first, external separation, which occurs when employees depart outside the CPA; and second, internal separation, which is when employees move between groups within the CPA.

Table 8 shows that separation rates for the TC bargaining unit have been healthy. The separation rates for the EG and TI groups (which comprise approximately 73% of the bargaining unit population) have been consistently below that of the CPA average for the entire reference period. Though the GT group separation rates had been slightly above the CPA average, decreasing by 38% since 2017-18, the final year shows a lower separation rate of 6.9%, which is substantially lower than the CPA average. Additionally, the hiring rates for the GT group shown in the previous section are above the CPA average for 3 out of 5 of the displayed fiscal years, counteracting the effects of the increase in separation rates. Once again it is worth mentioning that given the small size of the PY classification, that variations within these groups have a larger impact on the results and should be interpreted with caution.

The relatively low separation rates for most of the TC sub-groups throughout the period provide no evidence of any retention problems.

Table 8: Separations

Separations					
	2016-17	2017-18	2018-19	2019-20	2020-21
DD group					
External Separations	5	6	3	3	4
<i>Voluntary - Non-Retirements</i>	0	1	0	1	0
<i>Voluntary - Retirements</i>	4	5	3	2	4
<i>Involuntary</i>	1	0	0	0	0
<i>Unspecified</i>	0	0	0	0	0
Internal Separations	10	7	12	4	7
Total Separations (internal and external)	15	13	15	7	11
Total Separation Rate	20.5%	20.2%	29.6%	15.1%	25.4%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%

EG group					
External Separations	322	298	302	333	264
<i>Voluntary - Non-Retirements</i>	28	37	45	47	47
<i>Voluntary - Retirements</i>	252	232	234	248	189
<i>Involuntary</i>	40	19	12	18	13
<i>Unspecified</i>	2	10	11	20	15
Internal Separations	126	153	162	151	140
Total Separations (internal and external)	448	451	464	484	404
Total Separation Rate	8.0%	7.9%	7.9%	8.0%	6.6%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%
GT group					
External Separations	126	132	108	125	90
<i>Voluntary - Non-Retirements</i>	22	24	22	15	13
<i>Voluntary - Retirements</i>	86	95	84	97	61
<i>Involuntary</i>	15	5	2	5	5
<i>Unspecified</i>	3	8	0	8	11
Internal Separations	82	129	139	133	98
Total Separations (internal and external)	208	261	247	258	188
Total Separation Rate	9.1%	11.2%	9.9%	9.8%	6.9%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%
PI group					
External Separations	7	17	10	6	6
<i>Voluntary - Non-Retirements</i>	3	5	1	2	0
<i>Voluntary - Retirements</i>	3	6	7	2	6
<i>Involuntary</i>	1	6	1	2	0
<i>Unspecified</i>	0	0	1	0	0
Internal Separations	4	2	3	0	1
Total Separations (internal and external)	11	19	13	6	7
Total Separation Rate	7.1%	12.2%	8.7%	3.9%	4.6%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%
PY group					
External Separations	1	0	0	0	0
<i>Voluntary - Non-Retirements</i>	0	0	0	0	0
<i>Voluntary - Retirements</i>	1	0	0	0	0
<i>Involuntary</i>	0	0	0	0	0
<i>Unspecified</i>	0	0	0	0	0
Internal Separations	0	1	3	1	0
Total Separations (internal and external)	1	1	3	1	0
Total Separation Rate	13.5%	15.8%	83.6%	36.4%	0.0%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%

TI group					
External Separations	83	95	91	87	69
Voluntary - Non-Retirements	8	17	15	12	14
Voluntary - Retirements	66	73	71	68	49
Involuntary	8	5	3	3	5
Unspecified	1	0	2	4	1
Internal Separations	24	27	38	51	47
Total Separations (internal and external)	107	122	129	138	116
Total Separation Rate	6.6%	7.6%	7.9%	8.3%	6.9%
CPA Total Separation Rate	8.2%	8.3%	8.8%	9.0%	7.7%

Source: *Mobility file; PSC Appointments file*

Notes:

1. Figures include employees working in departments and organizations of the core public administration (FAA Schedule I and IV).
2. Figures include all active employees and employees on leave without pay (by substantive classification) who were full- or part-time indeterminate and full- or part-time seasonal.
3. External separations are separations to outside the CPA. Voluntary non-retirement separations include resignation from the CPA for: outside employment, return to school, personal reasons, abandonment of position; it also includes separation to a Separate Agency. Voluntary retirement separations includes all retirements due to illness, age, or elective. Involuntary separations include resignation under Workforce Adjustment, discharge for misconduct, release for incompetence or incapacity, cessation of employment - failure to appoint, dismissed by Governor-in-Council, layoff, rejected during probation, and death.
4. Internal separations are separations from the group to other groups within the CPA.
5. Total Separations rates are calculated by dividing the number of external and internal separations in a given fiscal year by the average number of employees.

Job Advertisements

Table 9 presents job advertisement figures for the six TC sub-groups. The analysis focuses on total applications per advertisement and total screened-in applications per job advertisement. These indicators shed light on how the labour market responds in times of hiring needs.

The analysis shows that the total number of screened-in applications per job advertisement has been strong over the 5-year period, providing departments with a large pool of qualified applicants in times of hiring needs. For 2020-21, total applications screened-in per job advertisement for the EG and GT groups have been either in line or been greater than the CPA median. For the remaining sub-groups, it is not surprising to see some figures below the CPA median since they are highly specialized groups limiting the pool to draw from, compared to groups requiring less specialized skills who drive up the overall average.

Table 9: Job advertisements

Job Advertisements					
	2016-17	2017-18	2018-19	2019-20	2020-21
Total Advertisements					
DD	3	3	4	4	1
EG	167	172	206	174	156
GT	66	61	58	82	77
PI	1	4	5	7	4
PY	0	0	0	1	0
TI	30	41	29	41	30
CPA median	7	7	11	12	11
Total Applications per Advertisement					
DD	57	45	46	36	51
EG	90	90	92	75	125
GT	88	109	113	97	196
PI	40	81	73	58	65
PY	-	-	-	96	-
TI	65	92	128	120	100
CPA median	77	66	106	97	134
Total Applications Screened-In Per Job Advertisement					
DD	43	43	36	26	51
EG	62	68	68	52	98
GT	71	80	77	66	144
PI	15	79	73	54	65
PY	-	-	-	79	-
TI	49	72	94	95	73
CPA median	57	55	79	73	99

Source: Public Service Commission PSRS Extracts

Conclusion

The analysis on recruitment and retention metrics illustrates that salary levels for the TC bargaining unit are sufficient to attract and retain qualified employees within the group. Overall, the TC group shows healthy recruitment and retention figures with low separations, healthy hiring rates, and a large pool of qualified applicants in times of departmental hiring needs. Recruitment and retention statistics demonstrate that groups in the TC bargaining unit are healthy. Existing terms and conditions of employment, including compensation rates, have drawn qualified candidates from the labour market to fill positions when they become available.

Consequently, the population grew steadily over the reporting period indicating no evidence of retention and recruitment challenges with the TC bargaining unit.

2.2 External comparability

This section compares TC pay rates to those offered in the external market. The Government of Canada's stated objective is to provide compensation that is competitive with, but not leading, compensation provided for similar work in relevant external labour markets. TBS reviews labour market trends nationally and it commissions third-party human resources experts to conduct secondary research at the occupational-group level. National trends guide compensation decisions.

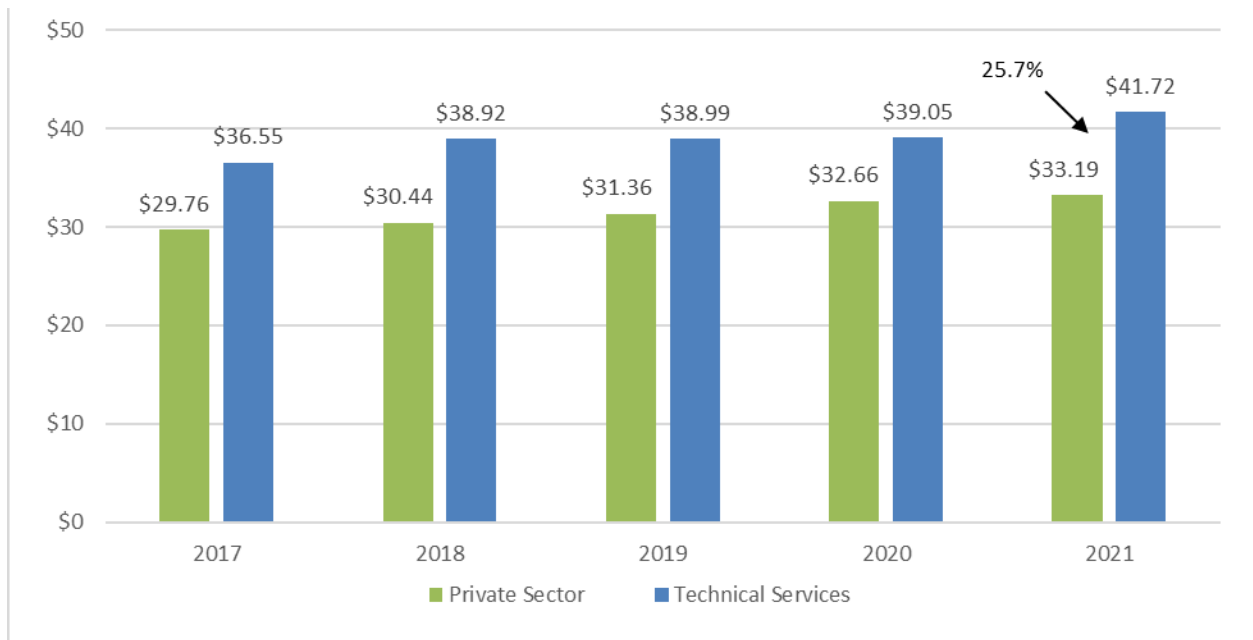
This section will demonstrate that TC wages are highly competitive with the external labour market.

Section 2.2.1 compares the TC salaries, adjusted for hours worked, with private sector hourly earnings. Section 2.2.2 provides an analysis of the salaries of the TC positions to comparable positions in external market. Lastly, section 2.2.3 contrasts the cumulative wage increases among the TC bargaining unit with wage settlements in the public and private sectors.

Hourly wages for the TC group relative to the Private Sector

The following chart compares TC salaries, adjusted for hours worked, with private-sector hourly earnings published by Statistics Canada publishes in its Labour Force Survey. The private sector includes a broad spectrum of jobs, including some that are comparable to those performed by the TC group.

When determining wage increases for its employees, the government needs to consider federal public service wages relative to the wages that most Canadians earn. As shown in Figure 1, the average hourly wage for TC workers exceeded what the private sector provided by 25.7% in 2021. Moreover, the TC average hourly wage has increased by 14.1% between 2017 and 2021, while the private sector increased by only 11.5% over the same period. This has caused the average hourly wage gap between the private sector and the TC group to rise over time.

Figure 1: Hourly Wage – Private Sector vs Technical Services (TC)

Source: Labour Force Survey (LFS) (Table 14-10-0134-0) statistics represent the gross taxable income of employees and include additional payments besides base pay. Technical Services wages include base wage only and do not include allowances, overtime, and other premiums.

2.2.2 Summary of Previous External Wage Studies

In August 2021 Mercer completed a wage study evaluating the competitiveness of its base salary levels for positions in the EG group relative to the external market. (Exhibit 1) In addition, in October 2022, Mercer also completed a separate wage study evaluating the competitiveness of its base salary levels for positions in the GT and TI groups. (Exhibit 2) The positions were selected by departments who employ such classifications to ensure a proper representation of the roles and responsibilities of employees in the selected groups. For the selected positions, secondary research was completed using external salary surveys to conduct the market analysis. Mercer used three commercially available salary surveys, including Mercer, Willis Towers Watson, and LifeWorks. Matches for the benchmark positions were determined based on job content and professional judgement, as survey capsule descriptions are typically brief relative to organizational descriptions. As a rule of thumb, positions are considered a “good match” if at least 80% of the role is represented in the survey position capsule description. To further ensure the strongest possible matches were included in the wage study, Mercer validated them with employing departments in the CPA.

TBS’ incumbent data was compared to the 50th percentile of the market using the maximum salary range for its annual base salary. The maximum level of a salary range is a good indicator of the expected salary of federal government employees. Generally, base pay practices are calibrated such that employees will achieve the

maximum base salary rate of pay (job rate) of their salary band. External to the public sector at any given level the 50th percentile of a defined labour market typically represents the expected salary for “fully competent” job performance. Progression beyond the 50th percentile is generally reserved for a high relative performance and advanced competency growth. The choice of the 50th percentile as an acceptable benchmark is consistent with TBS’ key guiding compensation principle according to which compensation in the public service should be competitive with, but not lead, relevant external labour markets that provide similar work.

Compensation within plus or minus 10% of TBS’s target market positioning is generally considered to be within competitive norms and aligned with the market. By assuming a single competitive rate, one would impose too high a level of precision on an analysis that requires subjective decisions in defining and comparing work across organizations.

Overall, Table 10, which summarizes the key findings of the two studies conducted by Mercer, indicates that EG, GT and TI wages are either comparable or lead the market for every single position. Not one single position was found to be lagging the market.

Table 10: Wage Study Results

Job	TBS Position	Classification Level	TBS Max Salary (\$000) ¹	Base Salary		Legend
				Average Market P50 (\$000) ²	TBS Max vs Market P50 ³	
1	Aircraft Maintenance Engineer - Fixed Wing / Rotary Wing	EG-06	\$93.8	\$86.5	8.4%	Above Comparator Market (Greater than +10%)
2	Hull Surveyor	EG-06	\$93.8	\$94.2	-0.4%	
3	Senior Maintenance Management Specialist (Type 2*)	EG-06	\$93.8	\$98.2	-4.5%	
4	Senior Project Technologist (Mechanical) (Non Supervisory)	EG-06	\$93.8	\$91.4	2.6%	Within Comparator Market (+/-10%)
5	ICSS In-Service System Manager	EG-06	\$93.8	\$89.6	4.7%	
6	Multidisciplinary Hydrographer- Working Level	EG-05	\$85.3	\$84.0	1.5%	
7	Research Technologist	EG-05	\$85.3	\$85.1	0.2%	
8	Hydrometric Technologist	EG-05	\$85.3	\$83.2	2.5%	
9	Meteorological Technologist/Advisor	EG-05	\$85.3	\$80.0	6.6%	
10	Sr. Technician / Support	EG-05	\$85.3	\$74.4	14.6%	
11	Project Technologist	EG-05	\$85.3	\$80.3	6.2%	
12	Geomatics Analyst	EG-04	\$77.5	\$76.4	1.5%	
13	Stream Plant Biology	EG-04	\$77.5	\$75.0	3.4%	
14	Aquatic Science Technician IV	EG-04	\$77.5	\$73.8	5.0%	Below Comparator Market (Less than -10%)
15	Stream Microbiology	EG-04	\$77.5	\$71.8	8.0%	
16	Fishery Officer	GT-04	\$75.7	\$79.2	-4.4%	
17	Civil Aviation Safety Inspector - Airworthiness	TI-06	\$105.2	\$93.5	12.5%	
18	Technical Team Lead Airworthiness	TI-07	\$118.9	\$104.9	13.4%	

Notes:

(1) Reflects the maximum base salary range effective as of June 22, 2020 to June 21, 2021.

(2) Reflects the average of all benchmark jobs for the position. Market data presented for all survey sources is on an organization weighted basis.

(3) Represents the market variance between TBS' maximum salary range to the external P50 base salary compensation calculated using the following formula: (TBS Max Salary – Market P50) / Market P50.

(4) Due to rounding, numbers may not calculate exactly in the results tables.

The results of the Mercer studies further support the employer's position that large increases to pay for the TC group are currently unwarranted.

2.2.3 Comparison of External Wage Growth

Table 11: TC Wage Growth vs. Other Sectors between 2012 and 2020⁶

External Cumulative Increase Comparison (2012 - 2020)									
	ESDC Public Sector	ESDC Private Sector	CPI	TC Group					
				DD	EG	GT	PY	PI	TI
Cumulative Increase	13.2%	18.1%	14.2%	16.4%	18.4%	18.6%	16.4%	19.7%	21.9%

Notes: TC rates calculated by TBS from settlement rates (weighted average).

This section compares how wages have grown between 2012 and 2020 among the TC sub-groups, relative to wage settlements over the same period in the public and private sectors (as measured by ESDC⁷). As shown in Table 11, all TC sub-groups benefited from cumulative wage increases between 2012 and 2020 that have outpaced both inflation (14.2%) and public sector settlements (13.2%). Moreover, four of the six sub-groups, representing 99.6% of TC population, have seen their cumulative increases outpace private sector (18.1%) settlements over the same period.

Of note, the table above does not account for the new pay step that will be added at the top of each level of the EG pay grid in their next collective agreement, as per a recent arbitral award. This will add an extra step valued at approximately 3.3% to the maximum rates of pay to roughly 60% of the TC population that are employed in the EG sub-group, further improving their position relative to the external market.

2.3 Internal Relativity

Internal relativity is a measure of the relative value of each occupational group within the CPA. The *Policy Framework on the Management of Compensation* states that compensation should reflect the relative value to the employer of the work performed, so ranking of occupational groups relative to one another is a useful indicator of whether their relative value and relative compensation align. Further, the *Federal Public Service Labour Relations Act* says that there is a need to maintain appropriate relationships with respect to compensation between classifications and levels.

⁶ ESDC rates are based on wage settlements for bargaining units that have 500 or more employees. They are weighted averages of the annual percentage 'adjustments' in 'base rates' during the period covered by the settlements. The 'base rate' is the wage rate of the lowest paid classification containing a significant number of qualified workers in the bargaining unit. The 'adjustments' include such payments as restructures and estimated cost-of-living allowance.

⁷ Wage settlements as reported by ESDC for employers that have 500 or more unionized employees. These data are weighted averages of the annual percentage "adjustments" in "base rates" during the period covered by the settlements. The "base rate" is the wage rate of the lowest paid classification containing a significant number of qualified workers in the bargaining unit. The "adjustments" include such payments as restructures and estimated cost-of-living allowances.

Comparison of Internal Wage Growth, 2012 to 2020⁸

In the absence of any direct comparators for the TC positions in the CPA, the average could be considered as an adequate benchmark for internal comparative purposes.

Table 12 compares the cumulative increases for the TC sub-groups and for the CPA average

While the cumulative wage increases of two of the groups (DD and PY) were slightly below the CPA average, those account for only a small fraction of the TC population. The cumulative wage increase reported below for the EG sub-group, while marginally below the CPA average, does not reflect the additional step at the top of each level that will be implemented once an agreement is reached for this round of bargaining. Moreover, it is important to note that the CPA average is brought up by a few groups who received beyond-pattern increases to address specific recruitment and retention pressures and/or wage comparability issues in prior rounds of bargaining.

Therefore, by and large, there do not seem to be any issues with regards to internal relativity for the TC group.

Table 12: TC Wage Growth vs. the CPA

Internal Cumulative Increase Comparison (2012 - 2020)							
	CPA	TC Group					
		DD	EG	GT	PY	PI	TI
Cumulative Increase	18.7%	16.4%	18.4%	18.6%	16.4%	19.7%	21.9%

Notes: TC and CPA rates calculated by TBS from settlement rates (weighted average).

2.4 Economic and Fiscal Circumstances

State of the Economy and the Government's Fiscal Position

Canada has managed a swift economic recovery, quickly reversing pandemic job losses despite multiple waves of COVID-19. After an unexpected and intense period of economic disruption, workers and businesses re-emerged and re-engaged in an altered economic landscape. This economic re-opening unfolded amidst pent-up demand, fueled by pandemic savings, which clashed with persistent supply constraints, resulting in a pronounced near-term surge in inflation.

⁸ The CPA average is weighted by the population of each bargaining group and includes economic increases, restructures, and terminable allowances.

Furthermore, the War of Ukraine and the resulting sanctions against Russia have weighed on global markets and consumer and business confidence, while leading to an additional surge in commodity prices. Higher commodity prices and persistent supply disruptions have exacerbated the inflationary pressures across the world.

Central banks throughout the world have responded to higher inflation by hiking interest rates from historical lows to reduce demand and lower inflation. The Bank of Canada, notably, announced cumulative interest rate increases of 300 basis points, with interest rates rising from a pandemic low of 0.25% to 3.25% as of September 2022.

These rate hikes have started to slow economic activity and the outlook for the end of 2022 and for 2023 has darkened quickly and dramatically.

Employment, which swiftly recovered from pandemic losses, has recently stalled, and in August 2022, declined for the third consecutive month⁹. Compared to peak employment in May 2022, employment had already declined by 113,500 in the last three months to August 2022.

Canadians have also experienced a negative wealth shock. Indeed, the collective net worth of Canadian households – that is, total assets minus liabilities – fell by nearly \$1 trillion in the second quarter of 2022, representing a 6.1%¹⁰ decline from the first quarter and ranking as the largest decline on record.

Many Canadians have responded to these worsening economic conditions by cutting back on their spending. According to Statistics Canada's latest reported figure, retail spending dropped 2.5% month over month in July 2022¹¹, suggesting that consumers are becoming more frugal in the face of higher prices, falling wealth, and rapidly rising interest rates. Consumer spending is a critical component of real GDP growth and declining consumer spending is further evidence of an oncoming recession.

The following sections outline the state of the Canadian economy and labour market, conditions for the public service relative to those in other sectors, as well as the Government's fiscal circumstances. This includes an overview of gross domestic product (GDP) growth, consumer price inflation, and how the public service compares against the other Canadian workers, who are the ultimate payer of public services.

⁹ Statistics Canada, Labour Force Survey, August 2022. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220909/dq220909a-eng.htm>

¹⁰ Statistics Canada, National balance sheet and financial flows, second quarter 2022. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220912/dq220912a-eng.htm>

¹¹ Statistics Canada, Retail trade, July 2022. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220923/dq220923a-eng.htm>

Real Gross Domestic Product (GDP) Growth

Real GDP growth, which is the standard measure of economic growth in Canada, provides an overall indication of the demand for goods, services, and labour. Lower real GDP growth reduces demand for employment, which increases unemployment and curbs wage increases. A decline in real GDP leads to lower economic output and levels of employment and little, if any, pressure for wage growth.

Prior to the sharp decline in real GDP in 2020, economic growth had moderated to 1.9% in 2019 (Table 13).

In 2020, due to the COVID-19 pandemic, real GDP fell 5.2% as economic activity was curtailed to protect Canadians and the fragile health care system.

Table 13: Real gross domestic production, year-over-year growth

	2019	2020	2021	2022(F)	2023(F)
Real GDP Growth	1.9%	-5.2%	4.6%	3.3%	1.2%

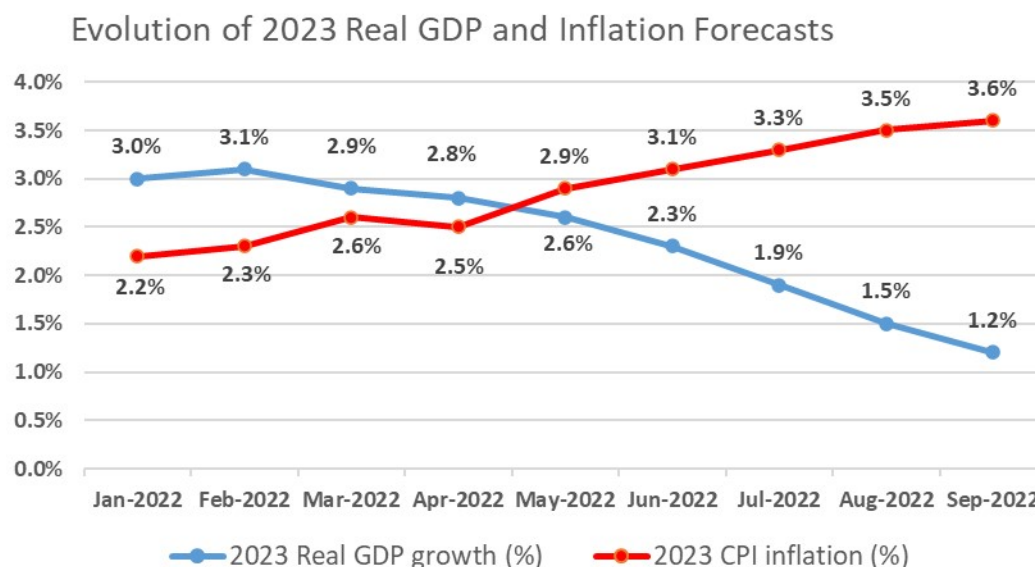
Source: Statistics Canada, Consensus Forecasts September 2022.

GDP returned to growth in 2021, increasing 4.6%. This rebound in growth was supported with historically high fiscal deficits and very stimulative monetary policy.

Real GDP matched its pre-pandemic levels earlier than expected in the fourth quarter of 2021¹², marking the fastest recovery of the last three recessions. This economic resurgence, combined with the easing of public health restrictions and a strong housing market, helped boost economic activity. However, the productive capacity of the economy has been unable to keep up with consumer demand from a near fully re-opened economy.

Real GDP growth is, as of September 2022, forecast to come in at 3.3% in 2022, and at 1.2% in 2023. However, the outlook for economic growth in 2023 has been repeatedly downgraded, as can be seen in Figure 2. Initially, for 2023, the forecast called for continued robust real economic growth of around 3.0%. By September 2022, after months of continuous downgrades, the forecast had been slashed by 60% to 1.2%.

¹² Department of Finance, Budget 2022

Figure 2: Evolution of 2023 Real GDP and CPI inflation forecasts

Source: Consensus Economics, September 2022

According to the Bank of Canada, slowing economic growth is mostly due to the impact of high inflation and more restrictive financial conditions on consumption and housing activity. This internal weakness has combined with a weaker outlook for global growth which has also impacted Canadian exports and business investment.

Risks to the Economic Outlook

As alluded to above, the economic outlook has recently deteriorated. Oxford Economics in their September 2022 Research Briefing stated¹³,

‘Odds of a downturn in Canada have just crossed a tipping point and we now expect a moderate recession starting Q4 2022. The slump is mainly due to the impact of more aggressive rate tightening by the Bank of Canada, higher inflation for longer, and weaker external demand from looming recessions in the US and other advanced economies.’

The Oxford Economics Research Briefing cites Canada’s historically high household debt and housing prices that have made the economy much more sensitive to changes in interest rates. Recent interest rate hikes by the Bank of Canada to combat inflation will cause debt service costs to jump and the significant housing correction already underway to deepen.

¹³ Oxford Economics, Canadian economy headed for a hard landing, September 2022. Source: <https://www.oxfordeconomics.com/resource/canadian-economy-heading-for-hard-landing/>

BMO economics is now also forecasting a recession in 2023, with 0% growth in the fourth quarter of 2022 and two quarters of negative growth in the first half of 2023.¹⁴

There is a growing consensus among economic forecasters that there will be a near-term recession, which should lead to increasing unemployment and slowing wage growth.

The Consumer Price Index

The Consumer Price Index (CPI) tracks the price of a typical basket of consumer goods. Measuring price increases against wage growth demonstrates relative purchasing power over time.

Annual 2020 CPI inflation increased 0.7% year-over-year, falling 1.2 percentage points from the 2019 annual inflation of 1.9%. According to Statistics Canada's 2020 CPI annual review data release,

This low level of inflation in 2020 was mostly attributable to a decline in consumer spending related to protective measures to restrict movement and encourage physical distancing during the pandemic.

In 2021, inflation on all items increased to 3.4%; however, excluding energy, the annual average CPI was much lower at 2.4% in 2021. Grocery prices rose an even more modest 2.2% in 2021, and prices for fresh vegetables fell relative to 2020.

Throughout 2021 and into 2022, the COVID-19 pandemic remained an important factor impacting prices. Inflationary pressures largely stemmed from a combination of continued global supply chain constraints and pent-up consumer demand as the economy reopened.

A report by the Parliamentary Budget Officer examining inflation found that over the entire pandemic period inflation was concentrated in certain items, and that, 'This finding is consistent with the view that supply or sector-specific issues are a key driver of high inflation.'¹⁵ This finding suggested that once pandemic related supply issues were resolved, inflation should have fallen back to the 2.0% Bank of Canada target.

Unfortunately, pandemic related supply issues did not ease but were instead exacerbated by the War in Ukraine.

¹⁴ BMO Economics, Canadian Economic Outlook for Sep. 23, 2022. Source: https://economics.bmo.com/media/filer_public/5d/bb/5dbb825c-8aab-49fe-908b-42f901174aa4/outlookcanada.pdf

¹⁵ Office of the Parliamentary Budget Officer, Inflation Monitor- June 2022. Source: <https://www.pbo-dpb.ca/en/publications/RP-2223-006-S--inflation-monitor-june-2022--surveillance-inflation-juin-2022>

Recovering consumer demand combined with supply constraints led to overall excess demand in the Canadian economy in early and mid-2022. This strong consumer demand has made it much easier or more likely for businesses to pass cost increases on to consumers, resulting in higher inflation.

Starting from a low of 0.7% growth year over year in December 2020, inflation began a continuous upward climb, and briefly plateaued from October through to December 2021, reaching 4.8%. Then, Russia's invasion in late February 2022 came as an unexpected shock and inflation began to rise again, breaching 5.0% in January 2022, through 6.0% in March, over 7.0% in May and then peaked in June 2022.

This culminated in June 2022, when CPI inflation peaked at a 40-year high of 8.1%. Statistics Canada noted that,

*'The increase was the largest yearly change since January 1983. The acceleration in June was mainly due to higher prices for gasoline, however, price increases remained broad-based with seven of eight major components rising by 3% or more.'*¹⁶

After June 2022, inflation began to quickly fall, slowing to 7.6% in July and 7.0% in August 2022. This trend is forecast to continue, with inflation expected to range between 1% and 3% in July 2023.

Table 14: Consumer Price Index, year-over-year growth

Indicator	2019	2020	2021	2022(F)	2023(F)
CPI (y/y) Consensus	1.9%	0.7%	3.4%	6.9%	3.6%
CPI (y/y) Bank of Canada	2.0%	0.7%	3.4%	7.2%	4.6%

Source: Statistics Canada, Consensus Forecasts (September 2021), Bank of Canada MPR July 2022.

The Bank of Canada is committed to restoring price stability, with low, stable, and predictable inflation. The Bank's stated goal is to get inflation back to its two percent target with a soft landing for the economy. To accomplish that, the Bank has repeatedly raised interest rates for a total of 300 basis points from a pandemic low of 0.25% to 3.25% through September 2022 to prevent high inflation from becoming entrenched.

The Bank is rightly concerned that the longer inflation remains high, the more difficult and painful it will be to get inflation back down.

In a speech to the Conference Board of Canada, the governor of the Bank of

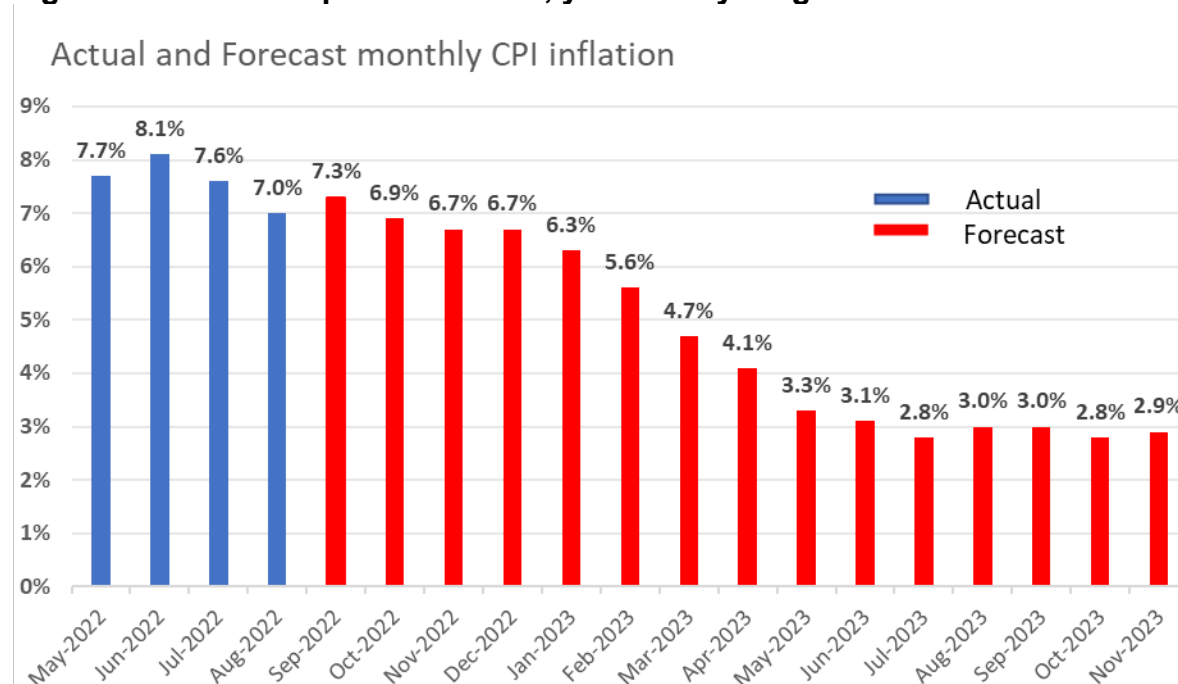
¹⁶ Statistics Canada, June 2022 Consumer Price Index. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220720/dq220720a-eng.htm>

Canada gave the following advice to businesses¹⁷:

'And my one bit of advice is, the high inflation we see today is not here to stay. So, when you're entering into longer-term contracts, don't expect that inflation is going to stay where it is now. You should expect that it's going to come down.'

So, where those are price contracts or wage prices, you should be expecting that inflation is going to come down. It is going to take some time for higher interest rates to work through the economy, but over the next two years we are confident inflation is going to come down back to our two percent target.'

Figure 3: Inflation expected to slow, year-over-year growth



Source: Consensus Economics, Consensus Forecasts, September 2022.

Risk to the inflation outlook

In their latest Monetary Policy report published in July 2022, the Bank of Canada (BoC) outlined several risks that would lower their forecast for inflation including¹⁸:

¹⁷ Transcript of panel discussion with Tiff Macklem, Governor at (Canadian Federation of Independent Business (CFIB)) Thursday, 14 July 2022, Source: <https://20336445.fs1.hubspotusercontent-na1.net/hubfs/20336445/cfib-webinars/Transcript-20220714-CFIB-Webinar.pdf>

¹⁸ Bank of Canada, Monetary Policy Report- July 2022. Source: <https://www.bankofcanada.ca/2022/07/mpr-2022-07-13/>

More severe global slowdown

The BoC identified that the global economy could slow more than anticipated. Economy-wide disruptions could occur if rationing is implemented. At the same time, the impact of tighter financial conditions on household confidence and spending could be greater than expected. This could lead to slower growth in many regions. These shocks would be transmitted to the Canadian economy through weaker foreign demand, lower commodity prices and a deterioration in the terms of trade.

Sharper decline in housing activity and consumption in Canada

The BoC forecasts that there will be a significant decline in housing activity. However, a steep drop in homebuyer sentiment could accelerate the decline in house prices. Significant drops in house prices would reduce household wealth and access to credit as well as undermine consumer confidence. This would weigh on demand, especially from highly indebted households that have taken out sizable mortgages to purchase a home. Higher borrowing rates and reduced access to credit could also have larger-than-expected dampening effects on household spending, business investment and employment.

Reversal of increases in the price of goods

The BoC expects that the pandemic spike in goods prices will persist. However, these prices could decline as supply chain bottlenecks dissipate and demand moderates. Oil prices and transportation costs could decrease more sharply than expected or growth in goods consumption could slow more than projected, particularly in the United States. According to the BoC, if either of these scenarios occurs, inflation would be lower than projected.

Since the release of the Bank of Canada's July Monetary Policy report, many of these risks have been realized, with world economic growth slowing and the Canadian housing market undergoing a correction where benchmark house prices have already fallen 7.4% from peak prices in the Spring of 2022¹⁹.

Canadian Labour Market

Canada experienced historic declines in labour market activity due to pandemic closures.

¹⁹ Bloomberg news, Housing Prices Grind Lower in Canada, Aiding Fight Against Inflation, September 15, 2022. Source: <https://www.bloomberg.com/news/articles/2022-09-15/home-prices-in-canada-drop-in-august-extending-market-slide?leadSource=uverify%20wall>

In March 2020, a sequence of unprecedented government interventions related to COVID-19 were put in place. These interventions resulted in a dramatic decline in economic activity and a sudden shock to the Canadian labour market, as evidenced by a historical tumble of the Canadian workforce in that month. Indeed, employment fell by more than one million in March 2020²⁰. Employment losses totaled three million from February to April 2020, almost two million of which were in full-time work.²¹

After this sudden shock, Canada's labour market emerged strongly from repeated pandemic waves and as noted in Budget 2022, Canada has seen the fastest jobs recovery in the G7²².

Despite strong employment growth in 2021 and 2022, fixed-weight average hourly earnings, a measure of wage growth that controls for changes in employment in industries to better match underlying wage trends from Statistics Canada, has consistently lagged inflation. Fixed-weight average hourly earnings growth in 2021 was 2.8% and the forecast for 2022 is 3.9%. This figure for 2023 has recently been downgraded from an expected increase of 3.1% in June 2022.

Table 15: Labour market indicators, year-over-year growth

Indicator	2019	2020	2021	2022(F)	2023(F)
Average hourly earnings (y/y) (fixed weights)	2.6%	3.6%	2.8%	3.9%	2.8%
Unemployment rate²³ (%)	5.7%	9.5%	7.5%	5.4%	5.8%

Source: Fixed-weight average hourly earnings is from Consensus Economics, September 2022.

Unemployment rate is from Statistics Canada, forecast is from Consensus Economics.

The weakening economic outlook has also led to an increase in the forecast unemployment rate, which, of September 2022, is set to increase to 5.8% in 2023. This is 0.4 percentage points higher than what was forecast three months ago, and it will likely be revised upwards again as more economists update their forecasts to factor in either a recession or a more pronounced slowdown in economic growth.

A recent report²⁴ also found that the public sector accounted for a large majority (86.7 percent) of all net new jobs created since the start of the pandemic and that there was little net job creation in the private sector, even when including self-employment.

²⁰ Statistics Canada, Labour Force Survey, March 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200409/dq200409a-eng.htm>

²¹ Statistics Canada, Labour Force Survey, April 2020. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/200508/dq200508a-eng.htm>

²² Department of Finance, Budget 2022, A Strong Recovery Path, Overview: Economic Context. Source: <https://budget.gc.ca/2022/report-rapport/overview-aperçu-en.html#2022-0>

²³ Statistics Canada, Employment and Unemployment rate, annual. Source: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410037501>

²⁴ Fraser Institute, Comparing Government and Private Sector Job Growth in COVID-19 Era, September 2022. Source: <https://www.fraserinstitute.org/studies/comparing-government-and-private-sector-job-growth-in-the-covid-19-era>

The report found that, *'Net jobs increased in the private sector by just 0.4 percent between February 2020 and July 2022 compared to an increase in net jobs of 9.4 percent in the government sector.'*

This report implies that job creation in the sectors of the economy more exposed to market forces have not fared as well as the public sector.

Working Conditions in the Public Sector Versus the Private and Other Sectors

The reference to the “state of the Canadian economy” in section 175 (e) of the *FPSLRA* also encompasses the economic prospects of Canadians relative to those of federal government employees. It is important to acknowledge and to take into consideration that public sector workers enjoy advantages over the average private sector worker, namely with regards to pension and benefit plan coverage and plan quality, job security, paid time-off and average age at retirement.

Pre-pandemic, public servants provided invaluable services to Canadians, with the Canadian public service ranked as the number one country in civil service effectiveness by the Institute for Government.²⁵

During COVID, they worked even harder, and this service is greatly appreciated.

According to the annual report on the public service:

*'More than ever, Canadians relied on their Federal Public Service. In the face of uncertainty, the Public Service remained a steady and dependable force, while demonstrating creativity and flexibility to respond to the evolving needs of Canadians during the pandemic.'*²⁶

That said, the public service also enjoys good pay relative to the comparable private sector. Using 2015 wage data from the 2016 Census, the most comprehensive data set available, full-time, full-year wages and salaries for federal government workers were 17% higher than those in the private sector (\$77,543 versus \$66,065).²⁷

A more recent 2020 study²⁸ found that Canada's government-sector workers (from federal, provincial, and local governments) enjoyed an 9.4% wage premium in

²⁵ Institute for Government, 2017. Source: New index ranks best performing civil services in the world | The Institute for Government.

²⁶ Clerk of Privy Council and Secretary to the Cabinet, 29th Annual Report to the Prime Minister on the Public Service of Canada. Source: <https://www.canada.ca/content/dam/pco-bcp/documents/clk/29-eng.pdf>

²⁷ Statistics Canada, custom tabulation of 2015 wages and salaries from the 2016 Census.

²⁸ Comparing Government and Private Sector Compensation in Ontario, 2020, Fraser Institute. Calculations by the Fraser Institute using Statistics Canada data from custom tabulation Labour Force Survey data on Job losses by Reasons and Class of workers. <https://www.fraserinstitute.org/studies/comparing-government-and-private-sector-compensation-in-canada-2020>

2018, on average, over their private-sector counterparts in 2018 after controlling for important characteristics like gender, age, marital status, education, tenure, size of firm, job permanence, immigrant status, industry, occupation, province, and city.

Public sector workers are nearly four times more likely to be covered by a registered pension plan than their private sector counterparts (90.2% versus 24.1%).²⁹ Moreover, pension plans in the public sector tend to be of the defined benefit (DB) type, where pension benefits are guaranteed by the employer. Indeed, public sector workers are more than eight times more likely to be covered (81.7% versus 9.6%) by a DB pension plan than their counterparts in the private sector where DB pensions are quickly disappearing.³⁰ In fact, many of these surviving private sector DB plans are already closed to new employees, indicating that DB pension plan coverage in the private sector will continue to decline into the future.

Furthermore, the federal public service pension plan offers full protection against inflation; a guarantee that is not available in all pension plans, and not even in all public service plans. For example, it was announced that New Brunswick's largest government employee pension fund cannot afford to pay retired employees a full cost-of-living increase on retirement benefits for 2023.³¹

The benefit of a more secure retirement is further compounded by an earlier average age of retirement in the public sector. Public sector workers' average retirement age is 2.4 years younger than that of private sector workers.³²

Prior to the COVID-19 pandemic, public sector workers had greater job security than their private sector counterparts. When examining job losses as a percentage of total employment – a proxy for job security – public sector workers were five times less likely to experience job loss than those in the private sector (0.5% versus 2.3%).³³ This analysis excludes job losses as result of an end of temporary, casual, and seasonal jobs, which, if included, would widen the gulf between the sectors.

²⁹ Pension plans in Canada, as of January 1, 2021, Statistics Canada, Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220718/dq220718a-eng.htm>

³⁰ DB plan coverage shrank from 21.3% in 2000, 18.3% in 2005, 12.7% in 2010, 9.9% in 2015 and 9.6% in 2020.

³¹ CBC news, N.B. government employee pensions unable to fund full cost of living amounts in 2023- Shared-risk plans struggle to keep up with record inflation. Source: <https://www.cbc.ca/news/canada/new-brunswick/nb-government-employee-pension-cost-living-1.6575404>.

³² Comparing Government and Private Sector Compensation in Ontario, 2020, Fraser Institute. Calculations by the Fraser Institute using Statistics Canada from custom tabulation Labour Force Survey data on Job losses by Reasons and Class of workers. <https://www.fraserinstitute.org/studies/comparing-government-and-private-sector-compensation-in-canada-2020>

³³ Comparing Government and Private Sector Compensation in Ontario, 2019, Fraser Institute. Calculations by the Fraser Institute using Statistics Canada from custom tabulation Labour Force Survey data on Job losses by Reasons and Class of workers. <https://www.fraserinstitute.org/studies/comparing-government-and-private-sector-compensation-in-ontario-2019>.

The pandemic has brought into starker relief the greater degree of job security enjoyed by public servants, whose income and future pension benefits remained unaffected. Conversely, many Canadians experienced job and income losses and as a result have become increasingly financially vulnerable.

During the initial waves of the pandemic, the federal government implemented a comprehensive suite of measures to help employees, including front-line workers, to manage the impacts of the COVID-19 pandemic. For example, employees were being provided “Leave With Full Pay for Other Reasons (699 Leave)” where they could not work because they were required to self-isolate, care for children, suffered from COVID-19 symptoms (diagnosed or not), were at high risk of developing a severe illness from COVID or lived with someone who is at high risk of developing a severe illness. In fact, more than one in three federal public servants were granted paid time off work as 699 leave during the first nine months of the COVID-19 pandemic whereas it is unclear whether and to what extent other workers benefited from similar provisions. The advantages for federal public service employees in pension and benefit coverage availability is further extended to a quality advantage. A recent comprehensive study prepared for the Treasury Board of Canada Secretariat (TBS) by Mercer,³⁴ which directly compared employer costs of pensions and benefits, determined that the public service’s plans were 24% more expensive than those in the general Canadian marketplace. Applied to a base salary of \$73,000, close to the public service average, a 24% pension and benefit premium represents \$2,800 or 3.9% of base pay higher than those outside the public service. The study noted that the source of this federal public service premium:

“...is reflective of high value provisions that are not typically available to employers of all sizes, such as Defined Benefit pensions, retiree benefits, cost-of-living adjustments on long-term disability, and a higher than average portion of the cost being paid by the employer for the Public Service active employee benefits.”

The ability to work from home, or hybrid work, is also viewed by many as an employment perk. Nicholas Bloom, a Stanford economics professor, has studied remote and hybrid work for years and found that, *‘People report repeatedly in survey after survey that they value it at somewhere like 7% or 8% of a pay increase. A free pension plan is about the same value to employees.’*³⁵

Statistics Canada through the Labour Force Survey began tracking the proportion of workers with a hybrid work arrangement since January 2022. In the wider

³⁴ Results Report: Pension and Benefit Benchmarking by Industry Sector. Mercer (2019).

³⁵ Time.com/Charter, ‘What We Know Now About the Business Impact of Hybrid Work’, Kevin J. Delaney, Source: [What We Know Now About the Business Impact of Hybrid Work | Time](#)

Canadian labour force, the proportion of workers with hybrid arrangements was 8.6% in August 2022.³⁶ While there are no published statistics on the percentage of federal employees that are currently working under a hybrid arrangement, it is certainly many times higher than the 8.6% in the wider economy and has added another metric by which the federal public service has an advantage over other working Canadians.

It is the Employer's position that these protections and benefits, inclusive of the greater job security enjoyed by public servants, are competitive and merit consideration when assessing the value of its offer and the baseline value of being a federal public servant.

Recommending generous wage increases would only further expand and entrench the inequity between the federal public service and other Canadians. This raises serious equity concerns between the benefits and job security enjoyed by federal public servants and the Canadians whose tax dollars fund them and who do not have access to the same entitlements.

Fiscal Developments

The Government of Canada had adopted the position that reasonable deficit spending that targets Canada's middle-class can boost economic growth, provided that appropriate trade-offs are made to avoid accumulating excessive debt loads. Higher debt levels lead to higher borrowing costs, and as a result, fewer resources for spending priorities.

Prior to the COVID-19 pandemic crisis, the deficit was \$14 billion for fiscal year 2018-19, followed by a pre-pandemic December 2019 forecast deficit of \$26.6 billion for 2019-20,³⁷ and an average forecast deficit of around \$20 billion per year over the fiscal years 2020-21 to 2024-25.

However, with the unprecedented economic shock of COVID-19, the Government committed to help Canadian households and businesses weather the storm.

This pandemic effort came at a high fiscal cost, which was acknowledged in the foreword to Budget 2022,

'The money that rescued Canadians and the Canadian economy—deployed chiefly and rightly by the federal government to the tune of eight of every ten dollars invested—has depleted our treasury.'

³⁶ Statistics Canada, Labour Force Survey, August 2022. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/220909/dq220909a-eng.htm>

³⁷ Department of Finance, Economic and Fiscal Update 2019, table A1.2. December 2019. Source: <https://www.budget.gc.ca/efu-meb/2019/docs/statement-enonce/anx01-en.html#s9>

Our COVID response came at a significant cost, and our ability to spend is not infinite. We will review and reduce government spending, because that is the responsible thing to do.

And on this next point, let me be very clear: We are absolutely determined that our debt-to-GDP ratio must continue to decline. Our pandemic deficits are and must continue to be reduced. The extraordinary debts we incurred to keep Canadians safe and solvent must be paid down.

This is our fiscal anchor—a line we shall not cross, and that will ensure that our finances remain sustainable so long as it remains unbreached.’³⁸

Consequently, the federal deficit and debt have increased exponentially in 2020-21 and beyond because of the additional spending on the COVID-19 economic response plan and the sharply lower revenues due to lockdowns. The deficit for 2020-21 increased from a projected \$25.1 billion pre-COVID-19 to \$327.7 billion³⁹— a more than thirteen-fold increase.

Higher deficits continue in 2021-22, forecast at nearly \$114 billion, and nearly an additional **\$150 billion** in projected deficits from 2022-23 to 2026-27 (Table 18).

Table 16: Fiscal outlook (\$ billions)

Revenues and Expenses (\$ billions)	Projection						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Budgetary revenues	316.4	394.4	408.4	429.5	450.8	475.1	496.0
Program expenses, less net							
actuarial losses	608.5	473.0	425.4	430.4	439.2	453.1	463.3
Public debt charges	20.4	24.9	26.9	32.9	37.0	39.8	42.9
Net actuarial losses	-15.3	-10.3	-8.9	-6.1	-2.4	-0.8	1.8
Budgetary balance	-327.7	-113.8	-52.8	-39.9	-27.8	-18.6	-8.4
Federal debt	1,048.7	1,160.8	1,213.7	1,253.6	1,281.4	1,300.0	1,308.4

Source: Department of Finance, Budget 2022

The deficits forecasted in the Budget 2022 are underpinned by a much rosier economic outlook than is currently forecast. For Budget 2022, real economic growth was forecasted at 3.9% for 2022 and at 3.1% for 2023 whereas the latest consensus forecast from September 2022 projects growth of 3.3% for 2022 and 1.2% for 2023⁴⁰. With lower forecast economic growth, all else equal, the upcoming deficit figures for 2022-23 and beyond would be higher because of a smaller economy than foreseen in Budget 2022.

³⁸ Department of Finance, Budget, 2022, Foreword. Source: <https://budget.gc.ca/2022/report-rapport/intro-en.html#wb-cont>

³⁹ Department of Finance, Fiscal Reference Tables, December 2021, <https://www.canada.ca/en/departement-finance/services/publications/fiscal-reference-tables/2021.html>.

⁴⁰ Department of Finance, Budget 2022, Table A1.1 Average Private Sector Forecasts, and Consensus Forecasts, September 2022.

An even worse outcome for the fiscal projection would be a recession in 2023. As noted in a World Bank Report,

*'To stem risks from persistently high inflation, and in a context of limited fiscal space, many countries are withdrawing monetary and fiscal support. As a result, the global economy is in the midst of one of the most internationally synchronous episodes of monetary and fiscal policy tightening of the past five decades.'*⁴¹

As the outlook for real economic growth declines, and with increasing warning signs of a near-term recession, deficits will be higher as will scrutiny of government spending.

Higher deficits and rising interest rates have combined to increase the Government's public debt charges, i.e., the interest costs on the federal debt. Public debt charges are projected to more than double from the \$20.4 billion in 2020-21 to \$42.9 billion in 2026-27.

The ability to borrow and spend these significant amounts at relatively affordable interest rates is reflective of earlier fiscal discipline and confidence in the Government's ability to prudently manage post-pandemic spending and deficits.

Personnel costs typically account for a sizeable share of direct program expenses. In 2019-20, they represented 36.3% of direct program expenses. While their share fell to 19.8%⁴² in 2020-21, it is because of the unusual contribution of emergency pandemic spending. Nevertheless, personnel costs, excluding net actuarial losses, stood at \$59.6 billion dollars in 2020-21 and remained one of the largest components of direct program expenses. Because personnel costs constitute a major component of government spending, careful attention and management of these costs is an important consideration, including to negotiate wage increases on behalf of taxpayers.

A portion of the increase in personnel costs is attributable to higher 'legacy' costs for the Government's generous pensions and benefits promises due to low and falling interest rates.

These pension and benefit legacy costs became so large that they are now represented as a separate line-item in the fiscal forecast. Titled 'Net Actuarial Losses', these costs were forecast in Budget 2022 to cost an additional **\$43.8** billion dollars over six fiscal years from 2020-21 to 2025-26⁴³.

⁴¹ World Bank Group, Is a Global Recession Imminent? Justin Damien Guénette, M. Ayhan Kose, and Naotaka Sugawara.

⁴² Public Accounts of Canada 2021, Table 3.9 Expenses by Object. Source: <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2021/vol1/s3/charges-expenses-eng.html#sh6> and Fiscal Reference tables, Table 7: Expenses

⁴³ Department of Finance, Budget 2022, Table A1.4 Summary Statement of Transactions.

The Government manages total compensation costs prudently on behalf of Canadians. Large increases in the costs of pensions and benefits would necessitate that wage growth slow to help mitigate the overall total compensation increase. While pensions and benefits are not bargained directly, bargaining agents should be cognizant that existing pensions and benefits are getting much more expensive, to the tune of tens of billions of dollars more expensive. In the private sector this would likely result in benefit cuts and higher co-pays for employees or lower wage increases to maintain manageable total compensation cost growth.

In that context and given that compensation accounts for such a sizeable share of the government's expenses, responsible fiscal management strongly implies that wage increases should reflect the much higher costs of providing future benefits, and the huge sums that the government has invested in helping Canadians through the pandemic.

2.5 Replication Principle

CPA Settlements to Date

As part of the previous round of negotiations, 20 collective agreements from the core public administration and 20 collective agreements from separate agencies have been concluded with base economic increases of 1.5% for the 2021-2022 fiscal year. The replication principle stipulates that a PIC should seek to replicate the agreement that the parties would have reached had they been able to negotiate a settlement themselves. The Bargaining Agent has already agreed to this economic increase for two groups that they represent in the CPA and SA, those being the Border Services (FB) and their membership in the Office of the Auditor General (OAG). Furthermore, the Statistics and Survey Operations arbitration report that was issued on October 28, 2022, awarded 1.5% for this fourth year.

As the evidence presented in this brief has shown, none of the circumstances faced by the TC group set them apart from others who have settled at the pattern in 2021-22 or would suggest that the parties should have agreed to a different rate.

The table below illustrates that the increase in wages produced by settlements in other unionized environments are significantly lower than the demands outlined by the Public Service Alliance of Canada.

Table 17: Major Wage Settlements in All Jurisdictions (Aggregated Private and Public Sectors) by Year

Year	Number of Agreements	Number of Employees	Duration of Agreements in months (average)	Average Annual Percentage Adjustment across all settlements
2013	484	1,092,600	36.8	1.4%
2014	246	689,808	45.8	1.7%
2015	243	757,548	42.8	1.2%
2016	284	1,075,189	46.9	1.4%
2017	216	845,401	39.6	1.7%
2018	206	709,788	42.1	1.3%
2019	240	635,602	41.9	1.6%
2020	142	711,453	41.1	1.6%
2021	124	917,131	41.1	1.9%
2022	19	144,359	44.7	1.7%

Provincial and Territorial Government Compensation

Wage increases in provincial and territorial governments have been modest during the period of negotiations due to the higher fiscal burden on governments from elevated debt levels and an uncertain economic outlook.

The Government of Quebec has reached agreements for two of its collective bargaining groups with the Syndicat de la fonction publique et parapublique du Québec. The first agreement covers 32,380 technicians and trades workers and provided increases of 2.0% in 2020-2021, 2.0% in 2021-2022 and 2.6% in 2022-2023, while an agreement with its 20,564 professional employees (i.e., economists, actuaries, policy analysts) provided wage increases of 2.0%, 2.0% and 2.4% over the same period.

The Nova Scotia Government and General Employees Union, representing 7,946 administrative services, technical services, operational services, and professional services provided increases of 1.5% in both 2021-2022 and 2022-2023, and increases of 3.0% and 0.5% in 2023-2024.

The Yukon Government reached a settlement with the Yukon Association of Education Professionals, covering 4,149 education professionals providing increases of 1.75% in 2022-2023, 1.8% in 2023-2024 and 1.8% in 2024-2025.

Finally, the BC General Employees' Union's public service bargaining committee has reached a tentative agreement with the provincial government's B.C.'s Public Service Agency. The agreement, which was ratified on October 18, 2022, covers 33,000 employees. It provides wage increases of 25 cents per hour plus an

increase of all pay rates of 3.24% in 2022-2023, rates of pay to be increased by the annualized average of BC CPI over 12 months starting on March 1, 2022, from a minimum of 5.5% to a maximum of 6.75% in 2023-24, and rates of pay to be increased by the annualized average of BC CPI over 12 months starting on March 1, 2023, from a minimum of 2% to a maximum of 3% in 2024-25.

It is important to note that the settlement in BC is an outlier when compared to wage settlements in other jurisdictions as well as broader settlements in unionized environments across the private and public sector. As noted in table 17 above, settlement data published by Employment and Social Development Canada's Labour Program, average annual wage increases achieved thus far in 2022 have hovered at or below 2% for the year.

Additionally, historical context is important when comparing wage increases in the federal government vs. those in BC. As the table below indicates, BC has exercised wage freezes in 2001, 2012, and 2015, whereas the federal government has not resorted to a wage freeze since at least the turn of the millennium. Moreover, the increases achieved below do not include the use and application of the group specific elements that the federal government has used extensively in recent rounds of bargaining.

Table 18: Cumulative pattern increases: Federal Core Public Administration vs. British Columbia pattern mandate increases

Year	Pattern Economic Increases in the Federal Core Public Administration	Equivalent BC "Mandate" Wage Increases
2007	2.30%	2.00%
2008	1.50%	2.00%
2009	1.50%	2.00%
2010	1.50%	2.00%
2011	1.75%	0.00%
2012	1.50%	0.00%
2013	2.00%	1.50%
2014	1.25%	2.00%
2015	1.25%	0.00%
2016	1.25%	1.00%
2017	1.25%	1.50%
2018	2.80%	1.50%
2019	2.20%	1.50%
2020	1.50%	2.25%
2020	1.35%	2.25%
2021	1.50%	2.25%
Cumulative Pattern Wage growth	29.91%	26.53%

The First Agreement in the 2021-22 Round of Collective Bargaining

On October 21, 2022, the Government of Canada reached its first tentative agreement for the 2021-2022 round of collective bargaining with the Association of Canadian Financial Officers (ACFO) for the newly formed Comptrollership (CT) group. The tentative agreement was ratified by ACFO members, on October 28, 2022, and will be recommended for approval of the Treasury Board.

The CT tentative agreement covers over 6,500 employees working in the CPA, spanning a four (4) year period (2022 to 2026) and provides general economic increases of 3.5%, 3.0%, 2.0% and 2.0%.

In addition to this 10.91% in economic increases the Employer is also providing a signing bonus, valued at 2% of the employees' substantive annual rate of pay on November 8, 2022, (the day after the new agreement comes into effect).

This agreement is more generous than the average public and private sector agreements during this time period and is aligned with what is being offered to the TC group. Therefore, the Employer submits that its offer should be considered the top end of what can be recommended while still aligning with the replication principle

2.6 Total Compensation

This section demonstrates that, in addition to competitive wages, employees in the TC group enjoy a substantial pensions and benefit package. All terms and conditions of employment, including supplementary benefits, need to be taken into account in evaluating external comparability, even if they are not subject to negotiation.

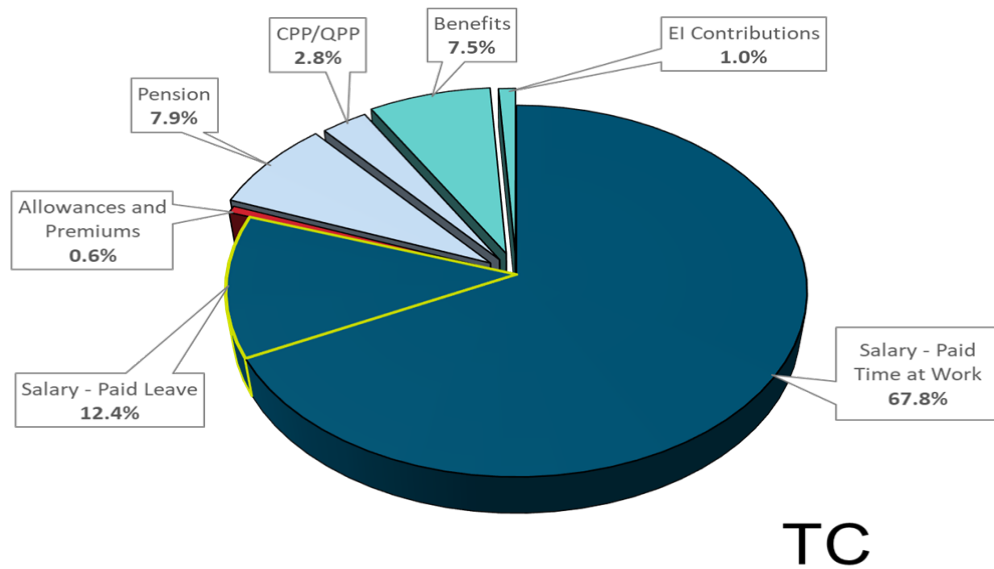
In addition to wages, total compensation is composed of paid and unpaid non-wage benefits, such as employer contributions to pensions, other employee benefit programs (i.e., health and dental) and additional allowances.

As seen in Figure 4 below, a detailed breakdown of total compensation of a typical employee shows that:

- Base pay represented 67.8% of total compensation for employees in the TC Bargaining Unit.
- Pension and benefits, including life and disability insurance, health, dental plans and EI, represented 15.4% of total compensation for groups in the TC Bargaining Unit.
- Allowances and premiums accounted for 0.6% of total compensation in the TC Bargaining Unit.

Overall, the figure shows that base wage is only one component of the group's total compensation package. TC employees also benefit from substantial paid leave and an advantageous pension and benefit package.

Figure 4 –Total Compensation Components – Technical Services (TC) Bargaining Unit



Part III – Employer's Submission for Rates of Pay and Response to PSAC's Proposals

As noted below, the Employer is proposing a four-year duration to expire on June 21, 2025, while the Bargaining Agent proposes a three-year duration to expire on June 21, 2024.

Table 19 below compares the wage proposals from the Employer and the Bargaining Agent.

Table 19: Employer and Bargaining Agent Wage Proposals

	EMPLOYER PROPOSAL	BARGAINING AGENT PROPOSAL
Economic increases	<p><u>On June 22, 2021</u>, increase rates of pay by 1.5%.</p> <p><u>On June 22, 2022</u>, increase rates of pay by 3.0%.</p> <p><u>On June 22, 2023</u>, increase rates of pay by 2.0%.</p> <p><u>On June 22, 2024</u>, increase rates of pay by 1.75%.</p>	<p><u>On June 22, 2021</u>, increase rates of pay by 4.5%.</p> <p><u>On June 22, 2022</u>, increase rates of pay by 4.5%.</p> <p><u>On June 22, 2023</u>, increase rates of pay by 4.5%.</p>
Wage adjustments or restructures	<p>Increase existing allowances at Appendix X, W, Z, AA, BB, CC, DD, and EE by the general economic increase</p>	<p>Unless otherwise specified, all adjustments occur June 22, 2021, prior to application of the annual economic increases.</p> <ul style="list-style-type: none"> Expand and roll all current allowances into salary. All such allowances will be subject to all future economic increases. Add one increment to the top of all pay scales, drop the lowest increment from the bottom of all pay scales. All members to immediately move up their pay scales by one increment. Create/apply new and expanded occupational allowances to restructured rates of pay. These allowances will increase in all years by the general economic increases negotiated by the parties. <p><u>PI Group annual rates of pay (Appendix A)</u></p> <ul style="list-style-type: none"> Roll-in pay note #4 (\$2,000 annual allowance) to all PI scales Delete steps 1 and 2 of the PI-CGC-01 pay scale <p><u>TI Group annual rates of pay (Appendix A-1)</u></p> <ul style="list-style-type: none"> TI Aviation: 20.24% increase to the A-1 rates for TI-05 to TI-08 TI Marine: 20.24% for TI-05 to TI-08 TI Rail: 20.24% for TI-06 to TI-08

		<ul style="list-style-type: none"> • TI-TDG and other discipline not covered above at Transport Canada or the Transportation Safety Board: Incorporate into the Rail portion of Appendix A-1 • Include DND to the list of eligible departments • Amend Railway Safety Pay Notes – expanded eligibility. <p><u>Appendix W – shore-based position at the Canadian Coast Guard</u></p> <ul style="list-style-type: none"> • Allowance (as part of salary) for eligible EG and GT employees at the EG/GT-06 to 08 levels. • Expanded eligibility <p><u>Appendix X – Percy Moore and Norway House Hospitals</u></p> <ul style="list-style-type: none"> • Allowance (part of salary) in the amount of \$15,000 for Laboratory and X-ray Technologists <p><u>Appendix Z – Fishery Officers</u></p> <ul style="list-style-type: none"> • Allowance for GT-02 to GT-04: 17.7% of salary • Allowance for GT-05 to GT-07: 14.4% of salary <p><u>Appendix AA – Enforcement Officers</u></p> <ul style="list-style-type: none"> • Allowance for GT-02 to GT-04: 17.7% of salary • Allowance for GT-05 to GT-07: 14.4% of salary <p><u>Appendix BB – Ship repair yards</u></p> <ul style="list-style-type: none"> • Expanded eligibility <p><u>Appendix CC – Search and rescue</u></p> <ul style="list-style-type: none"> • Allowance for GT-05 (JRCC) (expansion) and all levels of the GT and EG groups: 10% of salary • Expansion to certain GT-05 and GT-06 positions at the Canadian Coast Guard <p><u>Appendix DD – Labour Affairs Officers</u></p> <ul style="list-style-type: none"> • Allowance for TI-05 and TI-06: 6.3% of salary <p><u>Appendix EE – Measurement Canada and Canadian Grain Commission</u></p> <ul style="list-style-type: none"> • Allowance for TI-03 to TI-07: 15.44% of
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		<p>salary</p> <p><u>New allowance for salmonid enhancement program workers</u></p> <ul style="list-style-type: none"> • \$3,000 for eligible GT-02 to GT-06 and EG-02 to EG-05 employees <p><u>New allowance for ammunition technicians</u></p> <ul style="list-style-type: none"> • \$3,000 for eligible (classification) employees <p><u>New allowance for DTAES EGs at DND</u></p> <ul style="list-style-type: none"> • EG-06: 12.2% of salary • EG-07: 15.3% of salary <p><u>New allowance for single AME</u></p> <ul style="list-style-type: none"> • \$6,000 for eligible (classification) employees
Arbitral Award	<p><u>Engineering and Scientific Support (EG) group</u></p> <p>Align EG salaries for all employees in the EG group with those at the Canadian Food Inspection Agency by adding one additional increment at all levels effective June 22, 2021.</p>	
TOTAL	<p><u>\$103,342,439</u></p> <p><u>9.75%</u></p>	<p><u>\$302,739,132</u></p> <p><u>28.33%</u></p>

The Bargaining Agent's wage proposals are significant. The PSAC proposes a cumulative wage increase of 28% over three years. For the first year, the PSAC seeks a 4.5% increase which is not aligned with the pattern established for 2021, i.e. 1.5%.

In contrast, the Employer's proposed economic increases is 9.75% over a four-year period. The Employer submits that the Bargaining Agent's proposals are not supported by any rigorous analysis, as demonstrated in detail at Part II.

As demonstrated by the comprehensive analysis provided in Part II of this presentation, the Employer's offer is reasonable, and aligned with economic and fiscal realities. The Employer's wage proposal before this PIC is in keeping with the analysis included in this document.

As highlighted in section 1.2 above, settlements have begun to emerge for the current round of bargaining. Specifically, the Association of Canadian Financial Officers have ratified a 4-year agreement. The details were explained in the considerations section of this report so we will not repeat them here other than to mention that it is a beginning and a good indicator of a sophisticated BA freely negotiating an agreement that is reasonable for employees and fair to Canadians.

Part IV – Employer's Submission On Other Outstanding Issues

The Bargaining Agent and the Employer were in mediation for the Technical Services (TC) Group on October 18-21, 2022, inclusively. As indicated in Part I, the parties made some moderate progress during mediation to resolve outstanding issues.

The parties signed off on the following items during the mediation:

- Article 32: Designated Paid Holidays (DPH) (add one new holiday)
- Article 60: Correctional Service Specific Duty Allowance: amend as per PA
- Article 63: Pay in lieu of DPH for Part-Time Employees
- Appendix U: Salary Protection: Red Circling: Update references to the Directive on Terms and Conditions of Employment

The Bargaining Agent withdrew the following demands. Consequently, they are not included in this brief and the Employer requests that the Commission not include these demands in its report:

- Article 8 – Grievance procedure:
 - give grievor the choice to have their final level grievance heard by an employee representative from a department other than their department of employment.
 - increase timelines for presenting a grievance to the first level.
- Article 22 – Health and safety: new provision committing the Employer to train members of health and safety (OHS) committees as per the NJC OHS Directive as well as the Canada Labour Code.
- Article 25 – Hours of work: 35-hour workweek with no loss of pay.
- Article 32 – Designated Paid Holidays: add three (3) additional days to the list of DPH
- Article 34 – Travelling time:
 - delete exception @ clause 34.06 for compensation of travelling time to courses, etc.
 - amend travel status leave (from 7.5 hours of leave for every 15 days away) @ paragraph 34.09 (a)
 - delete exception for travel in connection with courses, etc. @ clause 34.09.
- Article 40 – Medical appointments for pregnant employees: grant time off with pay for the purpose of attending preventative medical appointments
- Article 41 – Injury-on-duty leave:
 - remove the Employer's discretion in determining when and how long an employee should remain on IODL.
 - expand the criteria for eligibility for benefits provided by GECA.
- Appendix CC – MOU for employees working in JRCC, MRSC or ACV: amend eligibility for employees working on ACV

The Employer withdrew the following demands. Consequently, they are not included in this brief and the Employer requests that the Commission not include these demands in its report:

- Article 2 – Interpretation and Definitions: amend definition of “continuous employment” by deleting reference to date of signing.
- Article 25 – Hours of work: reduce the notification period for changing shifts.
- Article 28 – Overtime: clarify that overtime will not be paid to employees during courses, training sessions, conferences and seminars unless the employee is required to attend by the Employer.
- Article 38 – Vacation leave: scheduling of vacation leave (expectation that employee will take leave)
- Appendix N – Sessional leave for certain employees of the Translation Bureau: discuss the Appendix

This section includes the Employer's recommendations for all outstanding proposals that are specific to the TC group:

Tabs#	Provision or appendix	Employer proposal	Bargaining Agent proposal
1.	Article 25 – Hours of Work	X	X
2.	Enhanced Flexibilities in Hours of Work - Article 25: Hours of Work - Article 26: Shift Principle	X	
3.	Article 27 – Shift and weekend premiums	X	X
4.	Extra Duty Work Performed from a Remote Location - Article 28: Overtime - Article 29: Call-Back Pay - Article 30: Standby - Article 31: Reporting Pay - Article 32: Designated Paid Holidays	X	
5.	Article 28 – Overtime	X	X
6.	Article 29 – Call-Back Pay	X	X
7.	Article 30 – Standby	X	X
8.	Article 32 – Designated Paid Holidays		X
9.	Article 34 – Travelling Time		X
10.	Article 39 – Sick Leave with Pay		X
11.	Article 40 – Medical Appointment for Pregnant Employees		X
12.	Article 47 – Leave with Pay for Family-Related Responsibilities		X
13.	Article 51 – Bereavement Leave		X
14.	Article 62 – Dangerous Goods		X
15.	Article 65 – Pay Administration		X

Tabs#	Provision or appendix	Employer proposal	Bargaining Agent proposal
16.	New Article XX – Flight Pay Allowance		X
17.	New Article XX – Occupational Group Structure Review		X
18.	New Article XX – Whistleblowing		X
19.	Arbitral Award Appendix A – Annual Rates of Pay (EG subgroup)	X	X
20.	Appendix A – Annual Rates of Pay (PI subgroup)		X
21.	Appendix A-1 – Technical Inspection Group Pay Notes		X
22.	Appendix C – Memorandum of Agreement concerning Fishery Officers in the General Technical Group, working on off-shore surveillance on the Department of Fisheries and Oceans		X
23.	Appendix I – Memorandum of Agreement Concerning Employees in the Engineering and Scientific Support Group in the Sea Lamprey Control Unit		X
24.	Appendix K – Special Provisions for Employees Concerning Diving Duty Allowance, Vacation Leave With Pay, National Consultation Committee and Transfer at Sea	X	
25.	Appendix L – Memorandum of Agreement Concerning Employees in the Engineering and Scientific Support Group, Employed by the Department of National Defence Engaged in Sea Trials		X
26.	Appendix O – Memorandum of Agreement Between the Treasury Board (Hereinafter Called the Employer) and the Public Service Alliance of Canada (Hereinafter Called the Alliance) in Respect of an Off Pay Supplemental Unemployment Benefit (SUB) Plan Applicable to Employees in the Primary Product Inspection (PI) Group at the Canadian Grain Commission		X
27.	Appendix R – Special Conditions Applicable to Certain Aircraft Maintenance Engineers		X
28.	Appendix W – Memorandum of Understanding in respect of employees in the engineering and scientific support (EG) and general technical (GT) groups working shore-based positions at Canadian Coast Guard (CCG)	X	X
29.	Appendix X – Memorandum of Understanding in Respect of the Employees in the Engineering and Scientific Support (EG) Group Working at Health Canada at the Norway House and Percy E. Moore Hospitals		X
30.	Appendix Z – Memorandum of Understanding in Respect of Employees in the General Technical (GT) Group Working as Fishery Officers		X
31.	Appendix AA – Memorandum of Understanding in respect of employees in the general technical (GT) group working as enforcement and wildlife officers at Environment Canada		X
32.	Appendix BB – Memorandum of Understanding in respect of employees in the Engineering and Scientific Support		X

Tabs#	Provision or appendix	Employer proposal	Bargaining Agent proposal
	(EG) Group working at Fleet Maintenance facilities or Formation Technical Authority at the Department of National Defense		
33.	Appendix CC – Memorandum of Understanding in respect of employees in the General Technical (GT) group working as Search and Rescue Coordinators in a Joint Rescue Coordination Centre (JRCC)		X
34.	Appendix DD – Memorandum of Understanding in respect of employees in the Technical Inspector (TI) group working as Labour Affairs Officers at Employment and Social Development Canada		X
35.	Appendix EE – Memorandum of Understanding in Respect of Employees in the Technical Inspector (TI) Group Working at Measurement Canada		X
36.	Appendix KK – Memorandum of Understanding with Respect to the Joint Review of Appendix C applicable to Fishery Officers in the General Technical (GT) Group working offshore surveillance at the Department of Fisheries and Oceans (DFO)	X	
37.	Appendix LL – Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to a Joint Study on Support Mechanisms for Employees	X	X
38.	New Appendix “X-1” – Allowance for Salmonid Enhancement Program Workers		X
39.	New Appendix “X-2” – Allowance for Ammunition Technicians		X
40.	New Appendix “X-3” – Allowance for Engineering and Scientific Support (EG) employees at Directorate of Technical Airworthiness and Engineering Support (DTAES) EG employees at DND		X
41.	New Appendix “X-4” – Single-AME Base Allowance		X
42.	New Appendix “X-5” – Employees in Environmental Response and SAR at the Canadian Coast Guard		X
43.	New Appendix “X-6” – Allowance for Environmental Response Officers at Transport Canada		X
44.	Various – Enforcement Workers		X

*** For ease of identification as well as to avoid repetition of remarks, Employer proposals related to its key priority of addressing extra duty work from a remote location are grouped (includes content from articles 28, 29, 30, 31 and 32).**

Items specific to the Common Issues Table:

As agreed by the parties, the Employer's recommendations for outstanding proposals that are common for all PSAC groups will be addressed during the PA group PIC proceeding, scheduled for November 28, 29, 30 and December 1, 2022.

Provision or appendix	Employer proposal	Bargaining Agent proposal
Article 7 National Joint Council Agreements		X
Article 10 Information	X	X
Article 12 Use of Employer Facilities		X
Article 14 Leave with or without Pay for Alliance Business	X	X
Article 17 Discipline	X	X
Article 19 No Discrimination		X
Article 20 Sexual Harassment		X
Article 23 Job Security		X
Article 24 Technological Changes	X	X
Article 25 Hours of Work (Right to Disconnect)		X
Article 37 Leave, General	X	
Article 38 Vacation Leave with Pay		X
Article 42 Maternity Leave without Pay	X	X
Article 44 Parental Leave without Pay	X	X
Article 45 Leave without Pay for the Care of Family	X	
Article 57 Statement of Duties	X	
Article 68 Duration	X	X
New Article Protections Against Contracting Out		X
New Article Remote Work		X
New Article Equity in the Workplace		X
New Article Leave for Indigenous Traditional Practice		X
New Article Social Justice Fund		X
Appendix H Memorandum of Understanding with Respect to a Joint Learning Program	X	X
Appendix S Memorandum of Understanding between the Treasury Board of Canada and the Public Service alliance of Canada with respect to the Implementation of the Collective Agreement	X	X
Appendix T Workforce Adjustment	X	X
Appendix HH Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to Mental Health in the Workplace		X
Appendix II Memorandum of Understanding Between the Treasury Board of Canada and the Public Service Alliance of Canada with Respect to Child Care		X
Appendix JJ Memorandum of Agreement with Respect to Implementation of Union Leave	X	
New Appendix Bilingualism Allowance and Language Training		X
New Appendix Memorandum of Understanding between the Treasury Board and the Public Service Alliance of Canada with Respect to Diversity and Inclusion in the Workplace		X
New Appendix Memorandum of Understanding between the Treasury Board and the Public Service Alliance of Canada with respect to Pay Simplification Solutions	X	

Article 25 – Hours of Work

Union Proposal

New

This clause shall apply to all employees, including shift workers, day workers and Pls.

25.09 An employee shall have a rest period of least eight (8) consecutive hours immediately after finishing overtime or a call-back. In case of multiple call-backs the eight (8) hour rest period shall commence after the completion of the last call-back.

When an employee's next scheduled shift would start within the (8) hour rest period, and where the employee as a result of this sub-clause works fewer hours than called for on their next regularly scheduled shift, they shall receive payment as though they worked the full shift.

New

When an employee is working aboard a vessel and an unforeseen or unplanned event, such as an unscheduled stop in harbour or at anchor, interferes with the employee's scheduled hours of work, the employee shall be paid for all scheduled hours at the applicable rate of pay. If such an event occurs and the employee remains captive during a day(s) of rest, the employee shall be paid for the greater of:

- a) fifteen (15) hours at the straight-time rate per day;
- or
- b) the applicable rate of pay for all hours worked.

~~25.11 Before the Employer changes day workers into shift workers, or changes shift workers into day workers, the Employer, in advance, will consult with the Alliance on such hours of work, and in such consultation, will show that such hours are required to meet the needs of the public and/or efficient operations.~~

The Employer shall not change day workers into shift workers nor change shift workers into day workers without mutual agreement between the Employer and the Alliance.

Employer Proposal

25.11 Except in cases of emergency, bBefore the Employer changes day workers into shift workers, or changes shift workers into day workers, the Employer, in advance, will consult with the Alliance on such hours of work, and in such consultation, will show that such hours are required to meet the needs of the public and/or efficient operations.

Remarks:

New Clause 25.09 – Minimum rest period

The Bargaining Agent is proposing to expand on the notion of minimum rest period currently at subparagraph 25.09 (d)(i) of the TC collective agreement.

Under subparagraph 25.09 (d)(i), every reasonable effort shall be made by the Employer not to schedule the commencement of a shift within eight (8) hours of the completion of the employee's previous shift.

The Employer submits that the Bargaining Agent has not provided a sufficient justification for this proposal. More elaborate details and clarity around the elements of this proposal would be required from the Union in order for the Employer to consider this proposal further.

New Clause – Captive time

The Bargaining Agent is proposing to explicitly address/improve compensation in situations where an employee is held "captive" as a result of an unforeseen or unplanned event, such as an unscheduled stop in harbour or at anchor, which interferes with an employee's scheduled hours of work.

The Employer submits that the Bargaining Agent has not provided a sufficient justification for this proposal. More elaborate details and clarity around the elements of this proposal would be required from the Union in order for the Employer to consider this proposal further.

Clause 25.11 – Day workers into shift workers (and vice versa)

The Bargaining Agent is proposing that the Employer obtain the agreement of the Bargaining Agent before changing day workers into shift workers.

The Employer submits that determining hours of work, including modifying shift schedule is a management prerogative and firmly believes that this is a management right that must be protected to allow the Employer to deliver its mandate and meet its operational obligations.

There is already an obligation in the TC collective agreement to consult the PSAC before changing day workers into shift workers and to show that such change is required for the needs of the public and/or efficient operations.

Regarding the requirement to consult, the Employer is proposing to remove the requirement to consult with the union before changing day workers into shift workers and vice versa in emergency situations.

The Employer submits that in cases of emergency situations, the Employer should have the ability to determine how many employees are working regular and/or shift

work, without having to consult with the union. The requirement to consult and the current onus on the Employer to show that changes are required to meet the needs of the public and/or efficient operations fails to consider the need to respond rapidly in crisis situations, for example, the covid-19 pandemic situation. The ability to switch employees from day worker to shift worker (or vice versa) temporarily is key to enable some department's ability to support operational requirements.

As well, timeframe to make the change needs to be reasonable to both parties – having a 28-day notice is not practical as RCN schedules at DND for example are too volatile to implement a change that far in advance; a more reasonable timeline would be less than a week.

Based on all the above, the Employer requests that the Commission only recommend making the changes proposed by the Employer in its report.

Employer Proposals Related to Enhancing Flexibilities for Hours of Work

Article 25 – Hours of Work

Article 26 – Shift Principle

Employer Proposal

Alternate provision

This article does not apply to employees in the PI bargaining unit (see provisions of Appendix M).

General

25.01 An employee's scheduled hours of work shall not be construed as guaranteeing the employee minimum or maximum hours of work.

25.02 The Employer agrees that, **except in cases of emergency**, before a schedule of working hours is changed, the changes will be discussed with the appropriate steward of the Alliance if the change will affect a majority of the employees governed by the schedule.

25.03 Provided sufficient advance notice is given and with the approval of the Employer, employees may exchange shifts if there is no increase in cost to the Employer.

Day work

25.04 Except as provided for in clause 25.09:

- a. the normal workweek shall be thirty-seven decimal five (37.5) hours,
- b. from Monday to Friday inclusive,
- c. comprising of five (5) days of seven decimal five (7.5) consecutive hours each, exclusive of a lunch period,
- and
- d. shall be scheduled to fall within a nine (9) hour period between the hours of 06:00 and 18:00, unless otherwise agreed in consultation between the Alliance and the Employer at the appropriate level, or except in cases of emergency, and

25.05 Summer and winter hours

The scheduled weekly and daily hours of work stipulated in 25.04 may be varied by the Employer, following consultation with the Alliance, to allow for summer and winter hours, provided the annual total is not changed.

25.06 Flexible hours

~~Subject to operational requirements as determined by the Employer from time to time, an employee shall have the right to select and request flexible hours between 06:00 and 18:00 and such request shall not be unreasonably denied.~~

~~(Renumber accordingly)~~

25.07 Variable hours

- a. Notwithstanding the provisions of this article, upon request of an employee and the concurrence of the Employer, ~~or at the request of the Employer and with the concurrence of the employee, hours of work may be scheduled in accordance with clause 25.14, an employee may complete his or her weekly hours of employment in a period other than five (5) full days~~ provided that over a period of **up to** twenty-eight (28) calendar days the employee works an average of thirty-seven decimal five (37.5) hours per week. As part of the provisions of this clause, attendance reporting shall be mutually agreed between the employee and the Employer.
- b. In every **period of up to** twenty-eight (28) days ~~period such as the~~ employee shall be granted days of rest on such days as are not scheduled as a normal workday for the employee.
- c. Employees covered by this clause shall be subject to the variable hours of work provisions established in clauses 25.12 to 25.15.

25.08 Rest periods

Two (2) rest periods of fifteen (15) minutes each shall be scheduled during each normal day for non-operating employees. The Employer will provide for operating employees, two (2) rest periods of fifteen (15) minutes each per full working day except on occasions when operational requirements do not permit.

Shift work

25.09 For employees who work on a rotating or irregular basis:

- a. Normal hours of work shall be scheduled so that employees work:
 - i. an average of thirty-seven decimal five (37.5) hours per week and an average of five (5) days per week; and
 - ii. seven decimal five (7.5) hours per day.
- b. The Employer shall make every reasonable effort to schedule a meal break of one half (1/2) hour during each full shift which shall not constitute part of the work period. Such meal break shall be scheduled as close as possible to the midpoint of the shift, unless an alternate arrangement is agreed to at the appropriate level between the Employer and the employee. If an employee is not given a meal break scheduled in advance, all time from the commencement to the termination of the employee's full shift shall be deemed time worked.
- c. When an employee's scheduled shift does not commence and end on the same day, such shift shall be deemed for all purposes to have been entirely worked:
 - i. on the day it commenced where one half (1/2) or more of the hours worked fall on that day; or
 - ii. on the day it terminates where more than one half (1/2) of the hours

worked fall on that day.

Accordingly, the first (1st) day of rest will be deemed to start immediately after midnight of the calendar day on which the employee worked or is deemed to have worked his or her last scheduled shift; and the second (2nd) day of rest will start immediately after midnight of the employee's first (1st) day of rest, or immediately after midnight of an intervening designated paid holiday if days of rest are separated thereby.

d. Every reasonable effort shall be made by the Employer:

- i. not to schedule the commencement of a shift within eight (8) hours of the completion of the employee's previous shift;
- ii. to avoid excessive fluctuations in hours of work and to minimize changes to an employee's days of rest;
- iii. to consider the wishes of the majority of employees concerned in the arrangement of shifts within a shift schedule;
- iv. to arrange shifts over a period of time not exceeding fifty-six (56) days and to post schedules at least fourteen (14) days in advance of the starting date of the new schedule;
- v. to grant an employee a minimum of two (2) consecutive days of rest.

e. In order to continue the present scheduling practices for upper air technicians, the provisions of subparagraphs 25.09(a)(ii) and (d)(i) will not apply.

f. Subject to paragraphs 25.09(a) through 25.09(e), scheduling practices will continue in specialized areas as follows:

- i. ice observers aboard icebreakers shall work fifty-six (56) hours per week;
- ii. upper air technicians shall work not less than five (5) hours per shift.

g. Notwithstanding the provisions of this article, it may be operationally advantageous to implement work schedules for employees that differ from those specified in this clause. Any special arrangement may be at the request of either party and must be mutually agreed between the Employer and the majority of employees affected.

(...)

Terms and conditions governing the administration of variable hours of work

25.12 The terms and conditions governing the administration of variable hours of work implemented pursuant to paragraphs 25.05, 25.07, and 25.09(g) are specified in clauses 25.12 to 25.15. This agreement is modified by these provisions to the extent specified herein.

25.13 Notwithstanding anything to the contrary contained in this agreement, the implementation of any variation in hours shall not result in any additional overtime work

or additional payment by reason only of such variation, nor shall it be deemed to prohibit the right of the Employer to schedule any hours of work permitted by the terms of this agreement.

25.14

- a. The scheduled hours of work ~~of any day, as set forth in a variable-schedule specified in clause 25.12~~ may:

- i. exceed or be less than seven decimal five (7.5) hours **per day**;
- ii. **be before or beyond 6 am and 6 pm**;
- iii. **vary from five (5) days per week**;
- iv. **vary from Monday through Friday each week (i.e. be on Saturday and/or Sunday; and**
- v. **be non-consecutive.**

~~s~~Starting and finishing times, meal breaks and rest periods shall be determined according to operational requirements as determined by the Employer. ~~and the daily hours of work shall be consecutive.~~

- b. Such schedules shall provide an average of thirty-seven decimal five (37.5) hours of work per week over the life of the schedule.
- i. The maximum life of a schedule for shift workers shall be six (6) months.
 - ii. The maximum life of a schedule for day workers shall be twenty-eight (28) days, except when the normal weekly and daily hours of work are varied by the Employer to allow for summer and winter hours in accordance with clause 25.05, in which case the life of a schedule shall be one (1) year.
- c. Whenever an employee changes his or her variable hours or no longer works variable hours, all appropriate adjustments will be made.

25.15 For greater certainty, the following provisions of this agreement shall be administered as provided for herein:

i. Interpretation and definitions (clause 2.01)

"Daily rate of pay" shall not apply.

ii. Minimum number of hours between shifts (subparagraph 25.09(d)(i))

The minimum period between the end of the employee's shift and the beginning of the next one, shall not apply.

iii. Exchange of shifts (clause 25.03)

On exchange of shifts between employees, the Employer shall pay as if no

exchange had occurred.

iv. Designated paid holidays (clause 32.05)

- i. A designated paid holiday shall account for seven decimal five (7.5) hours
- ii. When an employee works on a designated paid holiday, the employee shall be compensated, in addition to the pay for the hours specified in subparagraph (i), at time and one half (1 1/2) up to his or her regular scheduled hours worked and at double (2) time for all hours worked in excess of his or her regular scheduled hours.

v. Travel

Overtime compensation referred to in clause 34.04 shall only be applicable on a workday for hours in excess of the employee's daily scheduled hours of work.

vi. Acting pay

The qualifying period for acting pay as specified in paragraph 65.07(a) shall be converted to hours.

vii. Shift and weekend premiums (article 27)

- i. Shift work employees on variable hour shift schedules pursuant to Appendix D of this agreement will receive a shift premium in accordance with clause 27.01.
- ii. **Shift and weekend premiums shall only apply to shift workers. For greater certainty, day workers working variable hours pursuant to clause 25.07 are not to be considered shift workers.**

viii. Overtime

Overtime shall be compensated for all work performed:

- i. **In excess of an employee's scheduled hours of work on regular a scheduled working day in accordance with the provisions of this agreement. ~~or on days of rest at time and three quarters (1 3/4).~~**
- ii. **On days of rest at time and one half (1 1/2) except that if the overtime is worked by the employee on two (2) or more consecutive and contiguous days of rest, the employee shall be paid at double (2) time for each hour worked on the second and subsequent days of rest. Second and subsequent days of rest means the second and subsequent days in an unbroken series of consecutive and contiguous calendar days of rest.**

Article 26 – Shift Principle

26.01

a. When a full-time indeterminate employee is required to attend one of the following proceedings outside a period that extends before or beyond three (3) hours his or her scheduled hours of work on a day during which he or she would be eligible for a shift premium, the employee may request that his or her hours of work on that day be scheduled between 06:00 and 18:00. Such request will be granted provided there is no increase in cost to the Employer. In no case will the employee be expected to report for work or lose regular pay without receiving at least twelve (12) hours of rest between the time his or her attendance was no longer required at the proceeding and the beginning of his or her next scheduled work period.

- i. Federal Public Sector Labour Relations and Employment Board Proceedings clauses 14.01, 14.02, 14.04, 14.05 and 14.06
- ii. contract negotiation and preparatory contract negotiation meetings clauses 14.09 and 14.10
- iii. personnel selection process Article 53

iv. to write provincial certification examinations that are a requirement for the continuation of the performance of the duties of the employee's position v. training courses that the employee is required to attend by the Employer

Remarks:

Hours of work – Enhanced flexibilities

One of the Employer's main priorities in this 2021 round of collective bargaining is to enhance flexibilities with regards to hours of work provisions. As we transition to a post-pandemic world, the Employer is seeking to introduce more flexibility in the collective agreement as it relates to hours of work, where operational requirements permit.

The changes the Employer is proposing are made in response to overwhelming feedback received from employees and managers in departments across the CPA. During the pandemic, employees sought (and continue to seek) more flexibility in their hours of work as they strive to balance work and personal obligations. Employees are seeking the ability to request to work their hours in a way that is not currently possible within the existing provisions (e.g., non-consecutively within a particular day, outside of the core hours and/or outside the normal Monday to Friday work week).

However, it has become evident that a barrier to considering these requests is the rigidity of the hours of work provisions in the TC collective agreement.

Modernizing the hours of work provisions, as the Employer is proposing would help keep the Government of Canada an employer of choice by offering flexibilities to its workforce to account for work/life balance, family care responsibilities and the ability to adapt in the face of world events (i.e., pandemic, climate events, etc....), as well as support the continuous improvement of service to Canadians.

The Employer's various proposals related to enhancing flexibilities regarding hours of work are broken down in themes and are detailed below.

Variable hours – clause 25.07

The Employer has a proposal at paragraph 25.07 (a) which seeks to allow employees the possibility of requesting variable hours in accordance with clause 25.14 as opposed to simply providing employees with the possibility to “complete their weekly hours of employment in a period of other than five (5) full days” (*to note: variable hours are also commonly known as compressed hours*).

The Employer has proposed several changes at clause 25.15 which aim to provide a variety of options to employees should they wish to request changes to their work schedule, which are explained further in this section.

To note, the Employer's original proposal at paragraph 25.09 a) included a provision that would have allowed the Employer to request that an employee work on a variable schedule on a voluntary basis (upon the concurrence of the employee). In order to advance negotiations and in response to feedback received by the Bargaining Agent, the Employer is withdrawing this part of its proposal.

Additional options for variable schedules (25.14)

In order to allow for maximum flexibility and contribute to a better work-life balance for employees, the Employer is proposing several changes to clause 25.14 to enhance the options for possible work schedules that may be requested by an employee.

Current provisions on variable hours allow employees to request to arrange their hours of work in such a manner that it provides them with the possibility to work longer days (within core hours and work consecutive hours) in order to gain a day off every 2, 3 or 4 weeks.

As proposed by the Employer, employees would be able to request to work non-consecutive hours, and/or to work outside of the core hours, spread their weekly hours over less than or more than five days, including on Saturday or Sunday, provided that it is at no additional cost to the Employer (e.g., no late-hour premium,

overtime or shift/weekend premiums) and that the Employer retains the authority to approve these requests considering operational requirements.

Specific application of variable hours of work

The Employer's proposals at clause 25.15 seek to clarify that the new expanded variable hour provisions are conditional to there being no additional cost for the Employer.

Overtime rate for employees working variable hours (new subparagraphs 25.15 viii) i) and ii))

The Employer's proposal at the new subparagraphs 25.27 viii) i) and ii) seeks to remove the single 1.75 overtime rate for employees on a variable work schedule and reverting back to employees being compensated in accordance with the overtime provisions of the collective agreement.

It is the Employer's position that when this provision was negotiated in the TC collective agreement, more than 20 years ago, it was thought that with the introduction of the variable hours of work provisions, there would be an increase in overtime on the 2nd and subsequent days of rest (which is paid a double time, 2x).

Consequently, the decision was made to introduce the 1.75 rate with the intent to mitigate any additional costs for the Employer.

Upon further investigation in the context of enhancing hours of work flexibilities, the Employer has determined that paying employees working variable hours at a rate of 1.75 for overtime work has been more costly than paying the rates prescribed by the collective agreement. The principle outlined in clause 25.14 of not incurring additional costs is therefore not being respected.

With the additional flexibilities contemplated through the Employer's proposal to expand the application of the variable hours, it is likely that more employees will be requesting to work variable hours and as such would be subject to the 1.75 overtime rate (which would significantly increase the cost of allowing for variable hours). This would not be sustainable for the Employer and would go against one of the underlying principles of enhancing the hours of work flexibilities in a way that is cost neutral for the Employer.

It is worth noting that the vast majority of the bargaining units in the core public administration that contain provisions on variable hours are subject to the regular overtime provisions (i.e., 1.5 / 2.0 rates) when working variable hours, that is including the PSAC - EB collective agreement.

Furthermore, departments have indicated that they regularly receive complaints from employees that the 1.75 overtime rate is unfair to those who are not able to work variable hours (for various legitimate personal reasons, e.g., being a single parent and not being able to work extended hours on any given day) and results in an unequitable remuneration for overtime work. In other words, employees working variable hours of work are receiving an additional overtime benefit compared to other employees working overtime who are not on a compressed/variable work schedule.

Article 26 – Shift principle

As a consequential change stemming from the Employer's proposal on enhanced flexibilities in hours of work at Article 25, the Employer is proposing to change hours of work for those employees who are required to attend certain proceedings in certain circumstances to start at 6am rather than at 7am.

Conclusion

Given all that was explained above and keeping with the spirit of aiming towards adding flexibilities regarding hours of work to the collective agreement, which would result in a better work-life balance for employees, a more agile public service and the Government of Canada continuing to being an Employer of choice, the Employer is respectfully requesting that the Commission include its proposals related to the above provisions in its report.

Article 27 – Shift and weekend premiums

Union Proposal
<p>27.01 Shift Premium</p> <p>An employee working on shifts will receive a shift premium of five dollars (\$5.00) per hour for all hours worked, including overtime hours, between 16:00 and 00:00. The shift premium will not be paid for hours worked between 08:00 and 16:00.</p> <p>An employee working on shifts will receive a shift premium of eight dollars (\$8.00) per hour for all hours worked, including overtime hours, between 00:00 and 08:00.</p>
<p>27.02 Weekend Premium</p> <p>(a) An employee working on shifts during the weekend will receive an additional premium of five dollars (\$5.00) per hour for all hours worked, including overtime hours, on Saturday and/or Sunday.</p> <p>(b) Where Saturday and Sunday are not recognized as the weekend at a mission abroad, the Employer may substitute two (2) other contiguous days to conform to local practice.</p>
Employer Proposal
<p>27.02 Weekend premium</p> <p>a. An employee working on shifts during the weekend will receive an additional premium of two dollars (\$2.00) per hour for all regularly scheduled hours worked, including overtime hours, on Saturday and/or Sunday.</p>

Remarks

Union proposals – clauses 27.01 and 27.02

The three proposals of the Bargaining Agent pertaining to shift and weekend premiums amount to a significant increase in the payments awarded to employees who perform shift work. In the first two instances, the rise represents an increase of 150% of the current two dollars (\$2.00) premiums translating into a shift premium of five dollars (\$5.00) per hour worked supplemented by a five dollars (\$5.00) weekend premium paid per hour worked on Saturday and/or Sunday. These premiums also apply on top of overtime hours compensated by the Employer.

In addition to nearly tripling the quantum of the premiums, the Bargaining Agent further requests to quadruple the shift premium for hours worked between 16:00 and 00:00 thereby swelling the two dollars (\$2.00) shift premium to eight (\$8.00) dollars.

The proposed total increases amount to an estimated cost of \$2,566,646 per year for the Employer, representing 0.2% of the TC wage base.

Despite being presented with little justification or supporting evidence for the demands, a review of the current shift and weekend premiums included in all Core Public Administration (CPA) collective agreements revealed that the premiums align with the existing benefit market applicable to federal government employees. With very few exceptions (the Operational Services (SV) group and the three Ship Repairs (SR) groups), the shift and weekend premiums are set at two dollars (\$2.00) and in one case, the Education and Library Science (EB) group, the premiums are capped at one dollar and fifty cents (\$1.50).

As for the introduction of a late-hours premium, i.e., an eight dollars (\$8.00) shift premium for hours worked between midnight and 8 a.m., only one subgroup (out of nine) of the Applied Science & Patent Examination (SP) group offers an increased shift premium in the amount of three dollars and fifty cents (\$3.50). Three CPA collective agreements include a late-hours premium (applicable to the Border Services (FB), Program and Administrative Services (PA) and Translation (TR) groups), which, notably, is not made available to shift workers and, for the TR group, excludes overtime hours.

The Employer maintains its position that the current quantum of the premiums is consistent with the vast majority of collective agreements in the CPA and provides meaningful compensation for the disruption created by shift work as well as for being regularly scheduled to work on a weekend. Therefore, the Employer requests that the Commission not include the Bargaining Agent's proposals under Article 27 in its report.

Employer Proposal – clause 27.02

The Employer's proposal at 27.02 seeks to limit the payment of the weekend premium to regularly scheduled hours only, thereby ceasing a situation of dual remuneration and remedying an unintended and long-standing pay inequity between day workers and shift workers.

Employees working on shifts are paid a weekend premium to compensate for the disruption of being regularly scheduled to work on a weekend. This principle is supported by jurisprudence (see *Turner v. Treasury Board*, 2005 PSLRB 162). (Exhibit 3):

[6] "The shift and weekend premiums are intended to compensate employees who are regularly required to work hours during which many, if not most, other workers are enjoying leisure time.

Employees who are day workers, not shift workers, and who are required to work during a weekend receive pay at the applicable overtime rate.

Currently, employees working on shifts are being paid both the weekend premium and the applicable overtime compensation when they are required to work overtime on a weekend.

When a shift worker is required to work overtime on a weekend, the work performed is considered “extra duty” and is not considered to be part of a shift schedule. As such, similarly to when day workers are required to work overtime during a weekend, only overtime compensation should apply, not the weekend premium.

In addition to inconsistency, this is also costly for the Employer as the weekend premium is paid in addition to the overtime compensation, which already considers compensation for hours worked outside of employees’ regular schedule of work, resulting in a dual remuneration for the same period worked.

Given the above, the Employer requests that the Commission only include the Employer’s proposal in its report.

Various Articles (28, 29, 30, 31 and 32) Employer Proposals Related to Extra Duty Work Performed from a Remote Location

Employer Proposal

Article 28: Overtime

28.06

- a. If an employee is given instructions before the beginning of the employee's meal break or before the midpoint of the employee's workday whichever is earlier, to work overtime on that day and reports for work at a time which is not contiguous to the employee's work period, the employee shall be paid for the time actually worked, or a minimum of two (2) hours' pay at straight time, whichever is the greater **if the employee has to physically report to the workplace.**
- b. If an employee is given instructions, after the midpoint of the employee's workday or after the beginning of his or her meal break whichever is earlier, to work overtime on that day and reports for work at a time which is not contiguous to the employee's work period, the employee shall be paid for the time actually worked, or a minimum of three (3) hours' pay at straight time, whichever is the greater **if the employee has to physically report to the workplace.**
- c. **If an employee is required to work under the conditions described in (a) or (b) and is given authorization to work said overtime at the employee's residence or at another place to which the Employer agrees, the employee shall be paid for the time actually worked at the applicable overtime rate.**

(renumber accordingly)

28.10 Meals ~~allowance~~

~~28.10~~

- a. An employee who works three (3) or more hours of overtime immediately before or immediately following the employee's scheduled hours of work shall be reimbursed for one (1) meal in the amount of twelve dollars (\$12.00), except where free meals are provided.
- b. When an employee works overtime continuously extending three (3) hours or more beyond the period provided for in (a), the employee shall be reimbursed for one (1) additional meal in the amount of twelve dollars (\$12.00) for each additional three (3) hour period thereafter, except where free meals are provided.
- c. Reasonable time with pay, to be determined by the Employer, shall be allowed the employee in order that the employee may take a meal break either at or adjacent to the employee's place of work.
- d. Meal allowances under this clause shall not apply to an employee who is in travel status which entitles the employee to claim expenses for lodging and/or meals.

- d. **Meal allowances under this clause shall not apply to an employee who has obtained authorization to perform overtime work at the employee's residence or at another place to which the Employer agrees.**

Article 29: Call-Back

29.01 If an employee is called back to work **and physically reports to the workplace:**

- a. on a designated paid holiday which is not the employee's scheduled day of work, or
- b. on the employee's day of rest, or
- c. **after the employee has completed his or her work for the day and has physically left his or her place of work, and physically returns to the workplace, provided that the period worked by the employee is not contiguous to the employee's normal hours of work,**

the employee shall be paid the greater of:

- i. compensation equivalent to three (3) hours' pay at the applicable overtime rate of pay **for each call-back which shall apply only the first time an employee performs work during an eight (8) hour period to a maximum of eight (8) hours' compensation in an eight (8) hour period.** Such maximum shall include any reporting pay pursuant to clause 32.06 and the relevant reporting pay provisions, or
- ii. compensation at the applicable rate of overtime compensation for time worked,

~~provided that the period worked by the employee is not contiguous to the employee's normal hours of work.~~

29.02 Call-back worked from a remote location

~~29.02~~ An employee who ~~receives a call to duty or responds to a telephone or data line call~~ **is called back to work** while on standby or at any other time outside of his or her scheduled hours of work, may at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, the employee shall be paid the greater of:

- a. compensation ~~compensated~~ at the applicable overtime rate for any time worked. or
- b. compensation equivalent to one (1) hour's pay at the straight-time rate, which shall apply only the first time an employee performs work during an eight (8) hour period, starting when the employee first commences the work.

Article 30: Standby

30.05 An employee on standby who is required to report for work shall be compensated in accordance with **Article 29 clause 29.01.**

Article 31: Reporting Pay**31.01**

- a. When an employee is required to **physically** report and **physically** reports to **work the workplace** on the employee's day of rest, the employee is entitled to a minimum of three (3) hours' pay at the applicable overtime rate of pay;
- b. **An employee who is required to work on a day of rest, may at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, the employee shall be paid for the time actually worked at the applicable overtime rate.**

31.02 When an employee reports for work under the conditions described in **clause paragraph 31.01(a)**, and is required to use transportation services other than normal public transportation services, the employee shall be reimbursed for reasonable expenses incurred as follows:

- a. at the kilometric rate normally paid to an employee when authorized by the Employer to use his or her automobile when the employee travels by means of the employee's own automobile, or
- b. out-of-pocket expenses for other means of commercial transportation.

Article 32: Designated Paid Holidays

32.06 When an employee is required to **physically** report **to the for workplace** on a designated holiday, the employee shall be paid the greater of:

- ~~a. compensation equivalent to three (3) hours' pay at the applicable overtime rate of pay for each reporting, which shall apply only the first time an employee performs work during an eight (8) hour period to a maximum of eight (8) hours' compensation in an eight (8) hour period;~~
- or
- b. compensation in accordance with the provisions of clause 32.05.

32.07 An employee who is required to work on a designated holiday, may at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, the employee shall be paid for the time actually worked at the applicable overtime rate.

Remarks:**Extra duty work performed from a remote location**

The Employer has tabled a proposal to amend the following provisions:

- Article 28 - Overtime
- Article 29 – Call-back
- Article 30 – Standby

Article 31 – Reporting Pay

Article 32 – Designated Paid Holidays

The Employer is proposing modifications to these related provisions to distinguish and clarify between when an employee physically reports to the workplace versus when the employee works remotely from the employee's residence or at another place to which the Employer agrees.

Consistent with recent jurisprudence, the Employer submits that employees working remotely do not experience the same disruption as employees that require time to prepare and displace themselves to physically report to the workplace.

In [Borgedahl v. Treasury Board \(Correctional Service of Canada\)](#), 2020 FPSLRB 34 (Exhibit 4), the adjudicator found that different types and degrees of disruption to an employee's life are correlated to different levels of remuneration.

Consistent with the Borgedahl decision and as agreed to by the parties in a previous round of negotiations, clause 29.02, Call Back from a Remote Location in the TC group collective agreement, already provides for a different compensation to recognize the varying levels of disruption when employees are called-back to work.

To be specific, when employees receive a call-back and are required to report physically to the workplace, they are paid a minimum of three (3) hours of overtime compensation and when employees receive a call-back and are authorized to perform work at the employee's residence or at another place to which the Employer agrees, they are paid a minimum of one (1) hour of overtime compensation.

Keeping in mind the spirit and intent of the current clause 29.02, Call Back from a Remote Location, the Employer's proposals serve to further distinguish and clarify how any and all overtime work shall be compensated when employees are authorized to work at the employee's residence or at another place to which the Employer agrees:

- Paragraph 28.06 a) and b): employees are given instructions during the day to work non-contiguous overtime. Compensation shall be for actual overtime work at the applicable overtime rate (*no disruption, employees are advised ahead of time of the requirement to work overtime*)
- Paragraph 29.01 (c): employees are called-back to work. Compensation shall be in accordance with clause 29.02 (minimum of one (1) hour)

(disruption, employees are not advised ahead of time of the requirement to work overtime)

- Paragraph 31.01(b) (new): employees are required to work overtime on a day of rest. Compensation shall be for actual overtime work at the applicable overtime rate *(no disruption, employees are advised ahead of time of the requirement to work overtime)**
- Clause 29.02: employees on standby are called-back to work. Compensation shall be in accordance with clause 29.02 (minimum of one (1) hour) *(disruption, employees are not advised ahead of time of the requirement to work overtime, i.e. they know they might be required to work overtime, but they don't know when and for how long)*
- Clause 32.07: employees are required to work overtime on a designated paid holiday. Compensation shall be for actual overtime work at the applicable overtime rate *(no disruption, employees are advised ahead of time of the requirement to work overtime)**

** Per clause 29.02, employees who are called-back to work while on standby or any other time outside of his or her scheduled hours of work, i.e. without prior notice, are paid a minimum compensation of overtime of one (1) hour.*

The Employer submits that its proposal is reasonable and is consistent with the Borgedahl decision, it considers the varying degrees of disruption for the compensation of overtime worked.

Minimum compensation to apply only once in an eight (8) hour period (subparagraphs 29.01(c)(i) and 32.06 (a))

The Employer proposes to limit eligibility to the minimum compensation equivalent to 3 hours' pay at the applicable overtime rate to the first time an employee performs work during an eight (8) hour period. This proposal again aligns with clause 29.02, Call-Back Worked from a Remote Location, which already provides for such a limit.

Put simply, the absence of a limit could potentially contravene clause 65.09 (No pyramiding) if there were multiple call-backs in the same eight (8) hour period (e.g., an employee who is called back at 10:00am on a day of rest works for one (1) hour and gets a minimum compensation of three (3) hours. If that same employee was called back again at 12:00pm and work for another hour, they could be paid twice the overtime for the period from 12:00pm to 1:00 pm, i.e., the

remainder of the minimum three (3) hours for the first call-back (ending at 1:00pm) and another three (3) hours for the new call-back (starting at 12:00pm)).

Meal allowance (clause 28.10 (d))

The Employer has a proposal to clarify that it is not required to reimburse for a meal when an employee is working remotely.

The purpose of the meal allowance is to ensure that employees are not out-of-pocket for the extra expense of purchasing a meal in recognition that, in the workplace, an Employee does not have easy access to food as they would if they were working from home. Employees working from home do have easy access to food and as such they should not be entitled to a meal allowance.

Given all the arguments provided above, the Employer respectfully requests that the Commission include all of the above-noted Employer proposals in its report.

Article 28 – Overtime

Union Proposal

28.01 Each fifteen (15) minute period of overtime shall be compensated for at **double (2) time**. ~~The following rates:~~

- ~~a. time and one-half (1 ½) double (2) time except as provided for in paragraph 28.01(b);~~
- ~~b. double (2) time for each hour of overtime worked after fifteen (15) hours' work in any twenty-four (24) hour period or after seven decimal five (7.5) hours' work on the employee's first (1st) day of rest, and for all hours worked on the second (2nd) or subsequent day of rest. Second (2nd) or subsequent day of rest means the second (2nd) or subsequent day in an unbroken series of consecutive and contiguous calendar days of rest. Consequential amendments through the agreement must be made pursuant to this concept being agreed upon.~~

Consequential amendments through the agreement must be made pursuant to this concept being agreed upon.

28.02

- a. Overtime shall be compensated **on the basis of employee's preference either in cash or equivalent leave with pay** ~~except that, upon request of an employee and with the approval of the Employer, or at the request of the Employer and with the concurrence of the employee, overtime may be compensated in equivalent leave with pay.~~
- b. The Employer shall endeavour to make cash payment for overtime in the pay period following that in which the credits were earned.
- c. The Employer shall grant compensatory leave at times convenient to both the employee and the Employer.
- d. Compensatory leave earned in a fiscal year, and outstanding as of September 30th of the next following fiscal year will be paid on September 30 at the employee's rate of pay on March 31 of the previous fiscal year.

Consequential amendments through the agreement must be made pursuant to this concept being agreed upon.

*****The Employer notes that the union's proposal is based on previous collective agreement language*****

New

28.07

If an employee is given instructions, after the midpoint of the employee's workday or after the beginning of his or her meal break whichever is earlier, to work overtime on that day and reports for work at a time which is contiguous to the employee's work period, the employee shall be paid an additional half hour of pay for every hour of overtime or part thereof.

Meal Allowance**28.10**

- a. An employee who works three (3) or more hours of overtime immediately before or immediately following the employee's scheduled hours of work shall be reimbursed for one (1) meal in the amount **equivalent to the lunch rate outlined in Appendix C of the National Joint Council's Travel Directive** ~~of twelve dollars (\$12.00), except where free meals are provided.~~
- b. When an employee works overtime continuously extending three (3) hours or more beyond the period provided for in (a), the employee shall be reimbursed for one (1) additional meal in the amount **equivalent to the lunch rate outlined in Appendix C of the National Joint Council's Travel Directive** ~~of twelve dollars (\$12.00) for each additional three (3) hour period thereafter, except where free meals are provided~~
- c. Reasonable time with pay, to be determined by the Employer, shall be allowed the employee in order that the employee may take a meal break either at or adjacent to the employee's place of work.
- d. Meal allowances under this clause shall not apply to an employee who is in travel status which entitles the employee to claim expenses for lodging and/or meals.

Employer Proposal

28.01 Each fifteen (15) minute period of overtime shall be compensated for at the following rates:

- a. time and one half (1 1/2) except as provided for in paragraph 28.01(b);
- b. double (2) time for each hour of overtime worked after fifteen (15) hours' work in any twenty-four (24) hour period or after seven decimal five (7.5) hours' work on the employee's first (1st) day of rest, and for all hours worked on the second (2nd) or subsequent day of rest, **provided that the employee also worked on the first (1st) day of rest.** Second (2nd) or subsequent day of rest means the second (2nd) or subsequent day in an unbroken series of consecutive and contiguous calendar days of rest.

Remarks**All overtime paid at double time**

The Bargaining Agent is proposing that all overtime shall be compensated at double time. This demand is replicated at articles 29 (call-back) and 32 (designated paid holiday).

The Employer submits that agreeing to such a change would have a significant financial impact – over \$9.8M for the TC group (0.93% of the TC wage base) and would exceed the provisions contained in other CPA collective agreements, without justification. It would set a precedent and create horizontal pressure across the CPA and separate agencies.

Clause 28.01 – Overtime compensation on second day of rest

The Employer proposes that overtime worked on the second day of rest be payable at double time only if employees have also worked on the first day of rest.

In other words, compensation at double time would be payable to compensate for the disruption of working on two consecutive days of rest. This is a concept already included in other collective agreements, e.g., clause 39.02 of the EB agreement.

Clause 28.02 – Overtime compensation on the basis of employee's preference

The Bargaining Agent is proposing that the employee should be able to decide, unilaterally, whether accumulated overtime should be compensated in cash or in leave with pay.

The Employer submits that the current provision, by which an employee makes a request to be compensated in cash or leave and submits it for the Employer's approval is reasonable, and consistent with other collective agreements. This allows the Employer to consider operational and organizational requirements. In the Employer's view, there is no justification to make the proposed change.

New clause 28.07 – Notification of requirement for overtime

The Bargaining Agent is proposing to introduce new compensation of an additional half hour of pay for every hour of overtime or part thereof in a situation where an employee is given instruction, after the midpoint of the employee's workday or after the beginning of his or her meal break whichever is earlier, to work overtime on that day and reports for work at a time which is contiguous to the employee's work period.

The Employer submits that there is already a clause in the TC collective agreement - Article 28.06, regarding a situation where the overtime is not continuous to the employee's work period. The Employer is in the view that the present notification of requirement for overtime is adequate. No sufficient justification supporting this proposal was provided by the Bargaining Agent.

Clause 28.10 – Overtime Meal Allowance

The Bargaining Agent is proposing to replace the meal allowance for employees who work overtime where meals are not provided with the lunch rate outlined in Appendix C of the National Joint Council (NJC) Travel Directive.

The rates and allowances set out in the NJC Travel Directive provide for the reimbursement of reasonable expenses necessarily incurred while travelling on

government business and were established to ensure employees are not out of pocket.

The Employer submits that it would not be appropriate that entitlement to a meal allowance when working overtime be governed by the NJC Travel Directive. As indicated above, the purpose of the NJC Travel Directive is to provide for the reimbursement of reasonable expenses necessarily incurred while travelling on government business and to ensure employees are not out of pocket. These provisions do not constitute income or other compensation that would open the way for personal gain.

It should be noted that the Employer already increased the meal allowance during the last round of bargaining from \$9.00 to \$12.00.

In addition, no other collective agreement in the CPA contains the level of entitlement that the Union is seeking in this proposal. A recommendation by this PIC to include this in the collective agreement would be inconsistent with the replication principle and would set a precedent for all other groups. The Employer's approach for all 15 bargaining agents, representing 27 Bargaining Units covering over 178,979 unionized employees, is to apply, to the best of its ability, a common approach and level of entitlements.

The Employer asks that the Commission limit recommendations to change to Article 28 to only the Employer's proposal at 28.10.

The Employer is also proposing to limit an employee's entitlement to the meal allowance when performing overtime from a location other than the employee's workplace.

The Employer submits that employees are provided with a meal allowance when they are expected to stay beyond their normal hours of work to perform overtime work. This ensures that they are not out of pocket for the extra expense of purchasing a meal. When an employee is working from their place of residence there should not be an added expense for a meal.

The Employer respectfully requests that the Commission only include the Employer's proposals in its report.

Article 29 – Call-Back Pay

Union Proposal

Alternate Provisions

Clauses 29.01 and 29.02 do not apply to employees covered by 29.03.

29.01 If an employee is called back to work:

- a. on a designated paid holiday which is not the employee's scheduled day of work, or
- b. on the employee's day of rest, or
- c. after the employee has completed his or her work for the day and has left his or her place of work,

and returns to work, the employee shall be paid the greater of:

- (i) compensation equivalent to ~~four three (4)~~ hours' pay at ~~double (2) time the applicable overtime rate of pay~~ for each call-back to a maximum of eight (8) hours' compensation in an eight (8)-hour period. Such maximum shall include any reporting pay pursuant to clause 32.06 and the relevant reporting pay provisions, or
- (ii) compensation at the applicable rate of overtime compensation for time worked,

provided that the period worked by the employee is not contiguous to the employee's normal hours of work.

- d. The minimum payment referred to in subparagraph 29.01(c)(i) above, does not apply to part-time employees. Part-time employees will receive a minimum payment in accordance with clause 63.06 of this Collective Agreement.

29.02 An employee who receives a call to duty or responds to a telephone or data line call while on standby or at any other time outside of his or her scheduled hours of work, may at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, the employee shall be paid the greater of:

- a. compensation at the applicable overtime rate for any time worked, or
- b. compensation equivalent to ~~two one (2)~~ hours' pay at the straight-time rate, which shall apply only the first time an employee performs work during an eight (8) hour period, starting when the employee first commences the work.

Remark

The Bargaining Agent is proposing to increase the rate at which employees are compensated when called back to work – both when an employee has to physically report back to the work and when the employee performs the work remotely.

The Employer submits that agreeing to such a change would have a financial impact – over \$1.15M for the TC group (0.11% of the TC wage base) and would exceed the provisions contained in other CPA collective agreements, without justification from the Union.

The Employer submits that the PSAC has not provided any substantial argument to support increasing the rate of compensation.

Moreover, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees.

Article 30 – Standby

Union Proposal

30.01 Where the Employer requires an employee to be available on standby during off-duty hours, such employee shall be compensated at the rate of one half (1/2) hour for each four (4) hour period or part thereof for which the employee has been designated as being on standby duty.

Remarks:

The Bargaining Agent is proposing to increase the rate of standby pay for each four (4) hour period for which the employee has been designated. The Employer is opposed to this.

No other collective agreement in the CPA provides a payment of 1 hour's pay for a 4-hour period.

All 26 collective agreements have a rate of ½ hour per each 4-hour period or part thereof.

The Employer submits that the almost universal use of cellphones has increased the flexibility of employees to do other things while on standby. The negative impact of standby on employees has therefore decreased over time.

The Employer submits that agreeing to such a change would have a significant financial impact – over \$8.3M for the TC group (0.8% of the TC wage base) and would exceed the provisions contained in other CPA collective agreements, without justification from the Union.

The Employer submits that the PSAC has not provided any substantial argument to support increasing the rate of compensation for employees on standby.

Moreover, the Employer respectfully asks that this Commission prioritize the improvements sought by the Bargaining Agent and recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees.

The Employer therefore requests that the Commission not include the Bargaining Agent's proposal in its report.

Article 32 – Designated Paid Holidays

Union Proposal

32.05

- a. When an employee works on a holiday, he or she shall be paid **double (2)** time ~~and one half (1 1/2)~~ for all hours worked ~~up to seven decimal five (7.5) hours~~ ~~and double (2) time thereafter~~, in addition to the pay that the employee would have been granted had he or she not worked on the holiday.
- b. Notwithstanding paragraph (a), when an employee works on a holiday contiguous to a day of rest on which the employee also worked and received overtime in accordance with paragraph 28.01(b), the employee shall be paid in addition to the pay that the employee would have been granted had he or she not worked on the holiday, two (2) times his or her hourly rate of pay for all time worked.

Remarks:

Clause 32.05 – Double time

See Employer remarks above at Article 28 – Overtime.

Article 34 – Travelling Time

Union Proposal

34.02 When an employee is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, the time of departure and the means of such travel shall be determined by the Employer and the employee will be compensated for travel time in accordance with clauses 34.03 and 34.04. Travelling time shall include time necessarily spent at each stop-over enroute ~~provided such stop-over is not longer than five (5) hours.~~

34.04 ~~If an employee is required to travel as set forth in clauses 34.02 and 34.03:~~
When in the performance of his or her duties, an employee is required by the Employer to travel, time necessarily spent in such travel shall be considered as time worked and compensated for as follows:

~~a. on a normal working day on which the employee travels but does not work, the employee shall receive his or her regular pay for the day.~~

~~b. a.~~ on a normal working ~~day on which the employee travels and works,~~ the employee shall be paid:

i. his or her regular pay for the day for a combined period of travel and/or work ~~not exceeding his or her regular scheduled working hours;~~

and

ii. at the applicable overtime rate for additional travel **and/or work** time in excess of his or her regular scheduled hours of work ~~and travel, with a maximum payment for such additional travel time not to exceed fifteen (15) hours pay at the straight time rate of pay;~~

~~c. b.~~ on a day of rest or on a designated paid holiday, the employee shall be paid at the applicable overtime rate for **all** hours travelled **and/or worked** ~~to a maximum of fifteen (15) hours pay at the straight time rate of pay.~~

34.09 Travel status leave

- a. An employee who is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, and is away from his or her permanent residence for twenty (20) nights during a fiscal year shall be granted seven decimal five (7.5) hours off with pay. The employee shall be credited with one (1) additional period of seven decimal five (7.5) hours for each additional twenty (20) nights that the employee is away from his or her permanent residence. ~~to a maximum of one hundred (100) additional nights.~~
- b. ~~The maximum number of hours off earned under this clause shall not exceed forty five (45) hours in a fiscal year and shall accumulate as compensatory leave with pay.~~
- c. This leave with pay is deemed to be compensatory leave and is subject to paragraphs 28.02(c) and (d).

Remarks:

The Bargaining Agent is proposing significant changes to how employees are compensated for travelling.

Currently, in accordance with clause 34.02,

“When an employee is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, the time of departure and the means of such travel shall be determined by the Employer and the employee will be compensated...”

In addition, clause 34.04 establishes how an employee will be compensated for such travel outside the employee's headquarters.

The Bargaining Agent's proposal to delete the reference to 34.02 and 34.03 in article 34.04 essentially removes the requirement of travelling outside of headquarters to be entitled to overtime. As a result, an employee travelling between work locations for meetings within their own headquarters would be subject to this travel clause. For example, employees working in Gatineau and travelling to Ottawa for work – both areas in the NCR, the employee's headquarters – would be entitled to overtime.

The Employer's position is that this was never the intent of the clause. The intent of Article 34 has always been to compensate employees for the inconvenience of being on government business at the request of the employer. The intent was never to provide additional benefits to employees for everyday travel in the performance of their duties. The travelling time during the regular performance of duties is already compensated for hours worked, including overtime hours where applicable.

There is no justification for the Bargaining Agent's proposal to eliminate the distinction between compensation on a normal working day on which the employee travels but does not work, and compensation on a normal working day on which an employee travels and works. The Employer insists this distinction must remain, compensation for a day of travel should not be improved where the employee is not performing any of their regular and/or normal duties.

There is also no justification to eliminate the caps for the maximum compensation allowed for travel outside the employee's headquarters. While the number of employees travelling in this group is relatively small, it would set a precedent and certainly accelerate the introduction of this benefit in other collective agreements.

Further, these maximums are already above the maximum allowed travel time in the National Joint Council Travel Directive. There is no need to change this language.

The Employer also wishes the Commission to note that the Employer made some movement on Article 34 last round of bargaining and agreed to the Bargaining Agent's demand last round of bargaining to increase the time spent by employees in stopovers. This is already more generous than what most other agreements in the CPA have. Therefore, the Employer believes it has already made sufficient movement in this area in the recent past and would prefer to focus negotiations on other matters during this round of bargaining.

The Employer therefore requests that the Commission not include the Bargaining Agent's proposed changes in its report.

Article 39 – Sick Leave with Pay

Union Proposal

The Union proposes the following, contingent on the employer accepting the language on 39.09 below:

Granting of sick leave

39.02 An employee shall be granted sick leave with pay when he or she is unable to perform his or her duties because of illness, or injury provided that:

- a. he or she satisfies the Employer of this condition in such manner and at such time as may be determined by the Employer,
- and
- b. he or she has the necessary sick leave credits.

39.03 Unless otherwise informed by the Employer, a statement signed by the employee stating that because of illness, or injury he or she was unable to perform his or her duties, shall, when delivered to the Employer, be considered as meeting the requirements of paragraph 39.02(a).

39.04 When an employee has insufficient or no credits to cover the granting of sick leave with pay under the provisions of clause 39.02, Sick leave with pay may, ~~at the discretion of the Employer~~, be granted to an employee for a period of up to ~~one two~~ hundred and ~~two eighty-seven~~ decimal five ~~(187.5)~~ **202.5** hours, subject to the deduction of such advanced leave from any sick leave credits subsequently earned. **Such a granting of leave will not be unreasonably denied.**

39.08 At the employee's request, the employer may grant additional advancement of sick leave with pay for instances other than those specified in 39.02.

39.09 When an employee is asked to provide a medical certificate by the Employer, the employee shall be reimbursed by the Employer for the cost associated with obtaining the certificate.

Remarks:

Advance of sick leave credits (clause 39.04)

The Employer submits that the parties agreed to 187.5 hours for a reason – and it is to put a reasonable ceiling on the number of hours that could be advanced. Without an evidence-based rationale, the Employer is not prepared to increase this amount.

The proposed increase is also a disservice to the employee as it allows the employee to create an even bigger debt, one which the employee may never be able to repay.

The proposed increase is also a disservice to the employee as it allows the employee to create an even bigger debt, one which the employee may never be able to repay.

The Bargaining Agent has failed to share any rationale or analysis that would demonstrate that there is a problem that needs to be addressed within this provision.

Removal of Employer discretion to advance sick leave (clause 39.04)

The Bargaining Agent tabled a proposal that:

- suggests that advancement of sick leave with pay may be granted
- removes the Employer's discretion to approve the advancement of sick leave with pay and
- specifies that the advancement of sick leave with leave will not be unreasonably denied.

It is not clear to the Employer what the Bargaining Agent is trying to achieve through its proposal. On one hand, the Bargaining Agent is suggesting the removal of the Employer's discretion to approve the leave, and on the other hand, the Bargaining Agent is suggesting that the leave should not be unreasonably denied.

The Employer submits that it is not interested in removing management's discretion. The Employer needs to maintain the ability to exercise discretion in advancing sick leave based on the merits of each case and given the potential liability created for both the employee and the manager. The Employer also submits that removing this discretion is inconsistent with the onus the parties have very clearly placed on the employee to satisfy the Employer of their need for sick leave per clause 39.02 of the agreement.

Additional advance of sick leave with pay (no limit) (new clause 39.08)

Providing for limitless sick leave and effectively removing the parameters regarding granting, the Bargaining Agent's proposed language nullifies clauses 39.01 to 39.04.

The Employer submits that the current sick leave regime, which the Employer believes is already generous for employees, is based on employees earning sick leave for each month where they worked at least 75 hours. Adding this new clause at 39.08 would change that foundation, which is not something the Employer is prepared to do.

Given potential significant costs and impacts on service to Canadians, it is important for the Employer to keep parameters around how much sick leave with pay can be advanced or granted.

Reimbursement of cost of medical certificate (new clause 39.09)

The Bargaining Agent proposes that the Employer reimburse employees for all costs associated with obtaining a medical certificate when such certificate is requested by the Employer.

In response to this demand, the Employer submits that it should not be held responsible for the cost of medical certificates and related expenses. The collective agreement is very clear: the onus is on the employee to satisfy the Employer that they are unable to perform their duties because of illness or injury.

The Bargaining Agent has not demonstrated that its proposed changes at Article 39 are warranted. Such provisions are not found in other CPA collective agreements and adding these changes to the TC agreement would also create a precedent that the Employer is not interested in creating across the public service.

For the reasons outlined above, the Employer respectfully requests that the Commission not include the Bargaining Agent's proposals in its report.

Article 40 – Medical Appointment for Pregnant Employees

Union Proposal

Amend as follows

Change title to “medical appointments for employees

40.01 Up to three decimal seven five (3.75) hours of **reasonable required** time off with pay **per week** will be granted to **pregnant** employees for the purpose of attending **routine** medical appointments **related to pregnancy or chronic medical conditions**.

40.02 ~~Where a series of continuing appointments is necessary for the treatment of a particular condition relating to the pregnancy, absences shall be charged to sick leave.~~

Remarks:

The Bargaining Agent is proposing to totally transform this leave.

The Employer opposes these changes for several reasons.

Expansion beyond routine medical appointments for pregnant employees

The Employer submits that pregnancy is not an illness. In recognition of this, this leave was negotiated so that pregnant employees do not have to use their sick leave credits to attend routine appointments related to pregnancy. The original intent of this leave is to assist pregnant employees with balancing work and pregnancy.

The Bargaining Agent proposes to change the nature of this leave. Chronic medical conditions are illnesses and should be treated as such.

Currently, the Employer provides time off work with pay for routine personal medical and dental appointments in accordance with the Directive on Leave and Special Working Arrangements (the Directive). *Section 2 - Management of specific leave with pay or time off work with pay situations* describes the Employer's current practice:

2.2.3 Time off for personal medical and dental appointments

(...) When a series of continuing medical or dental appointments are necessary for treatment of a particular condition, persons with the delegated authority ensure that absences are to be charged to the person's sick leave credits.

In the core public administration, it is the practice for the employer to grant paid time off, for up to half a day, for persons to attend their own personal medical and

dental appointments without charge to their leave credits in cases of routine, periodic check-ups. When a series of continuing medical or dental appointments are necessary for treatment of a particular condition, persons with the delegated authority ensure that absences are to be charged to the person's sick leave credits.

Although the Directive does not define what constitutes a routine or periodic check-up, it is in practice normally limited to appointments of a preventive nature such as appointments for annual physical, dental check-up and eye exam. As specified in the Directive, the employer may grant up to half a day of paid time off for such absences. This includes the time needed to travel to and from the appointment and is to be scheduled to cause as little disruption to services as possible. These types of appointments are normally scheduled in advance and the individual is not sick or injured.

As per the Directive, time off work with pay is not to be used for the treatment of a specific complaint or condition, such as doctor's appointments when the employee is feeling sick, any follow-up appointment(s) for treatment as a result of a diagnostic test or a condition, or a series of appointments to rectify or alleviate a condition such as, but not limited to, chiropractic needs, physiotherapy, psychologist, etc. These absences are to be charged to the employee's sick leave credits.

Employees who are ill or injured are entitled, under article 39.02 of the agreement, to be granted sick leave with pay when they are unable to perform their duties because of illness or injury, provided that they satisfy the Employer of their need for sick leave and have the necessary credits.

The Bargaining Agent proposes to change the Employer's long-standing practice of requiring all employees, including those who are pregnant, to use their sick leave credits when a series of continuing appointments are necessary for the treatment of a particular condition.

It also stands to reason that an employee who requires up to 3.75 hours of time off with pay per week for the purpose of attending medical appointments related to chronic medical conditions has already made arrangements for those appointments.

The Bargaining Agent has not provided any evidence to demonstrate why these changes are needed.

The Employer therefore recommends that the Commission not include these changes in its report.

Article 47 – Leave with Pay for Family-Related Responsibilities

Union Proposal

47.01 For the purpose of this article, family is defined as:

- a. spouse (or common-law partner resident with the employee);
- b. children (including foster children, step-children or children of spouse or common law partner, children for whom is the legal guardian, or grandchild;
- c. parents (including step-parents or foster parents);
- d. father-in-law, mother-in-law, brother, sister, step-brother, step-sister, **brother-in-law, sister-in-law, daughter-in-law, son-in-law, aunt, uncle, niece, nephew,** grandparents of the employee;
- e. any relative permanently residing in the employee's household or with whom the employee permanently resides; or
- f. any relative for whom the employee has a duty of care, irrespective of whether they reside with the employee.
- g. A person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such person and the employee.

47.02 The total leave with pay which may be granted under this article shall not exceed ~~thirty-seven decimal five (37.5)~~ **seventy-five (75)** hours in a fiscal year.

47.03 Subject to clause 47.02, the Employer shall grant leave with pay under the following circumstances:

- a. to take a family member for ~~medical or dental~~ appointments **of a professional nature, including but not limited to medical, dental, legal and financial appointments or appointments with school authorities or adoption agencies,** ~~or for appointments with school authorities or adoption agencies,~~ if the supervisor was notified of the appointment as far in advance as possible;
- b. to provide for the immediate and temporary care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration;
- c. to provide for the immediate and temporary care of ~~an elderly~~ member of the employee's family;
- d. for needs directly related to the birth or to the adoption of the employee's child;
- e. to attend school functions, if the supervisor was notified of the functions as far in advance as possible;
- f. to provide for the employee's child in the case of ~~an unforeseeable~~ closure of the school or daycare facility;
- g. **fifteen (15) hours out of seventy-five (75)** ~~seven decimal five (7.5) hours out of the thirty-seven decimal five (37.5)~~ hours stipulated in clause 47.02 above may be used to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.
- h. to visit a terminally ill family member**

Remarks:

The Bargaining Agent is proposing to amend Article 47 as follows:

Expansion of the definition of “family”

Despite the parties agreeing in the last round of collective bargaining to improve this provision by expanding the definition of family to include *“a person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such person and the employee”*, the Bargaining Agent is again proposing several amendments to Article 47.

For the most part, these proposals were tabled in the last round and the PIC seized of this matter did not include any of these proposals in its report.

Increasing the quantum of leave

The Bargaining Agent is seeking to double the quantum of family related leave, from thirty-seven decimal five (37.5) hours to seventy-five (75) hours. This request is significantly beyond what has been granted to other groups in the CPA, as all collective agreements provide a maximum of thirty-seven decimal five (37.5) hours for this purpose.

The Employer submits that the Bargaining Agent's proposal to increase the quantum is costly – close to \$12.9 million per year ongoing for the TC group only, or 1.22% of the TC wage base. The Employer is opposed to such an increase. This puts pressure on the parameters of what departmental budgets will allow and would impact the limits of their economic capabilities. This also puts pressure on departmental operations and service to Canadians.

Furthermore, the Employer sees no need to increase the quantum of the provision in the collective agreement and the Bargaining Agent has not demonstrated that the existing provisions are insufficient.

Expanding the circumstances for which leave can be granted***– Professional appointments (47.03 (a))***

The Bargaining Agent is proposing at 47.03 a) to significantly expand the nature of the appointments that would allow employees to request family-related responsibilities leave. They are proposing to replace “taking a family member for medical or dental appointments, or for appointments with school authorities or adoption agencies” with “taking a family member to appointments of a professional

nature, including but not limited to medical, dental, legal and financial appointments or appointments with school authorities or adoption agencies”.

The Employer submits that this proposal significantly departs from the original intent of the provision. Appointments of a “professional nature” is extremely broad and would be challenging to clearly define. “Professional” may have different meanings, one of which being “relating to or belonging to a profession”. Considering this, it is likely that this new terminology would attract many grievances on its meaning and application, whereas the current provision is clear and understood by the parties and serves a specific purpose.

The Bargaining Agent has failed to demonstrate the need and has not provided any examples to support the expansion of this paragraph to apply to other types of appointments of a professional nature. Accordingly, the Bargaining Agent’s demand has not been substantiated and would only create confusion with existing provisions and conflicts between managers and employees who would no doubt struggle to define “*appointments of a professional nature*”.

– ***Provide care of any member of the employee’s family (47.03 (c))***

The Bargaining Agent is proposing at 47.03 (c) that the leave should be granted to provide care of any member of the employee’s family, as opposed to just “elderly” members. The Employer submits that such a change would unreasonably broaden the scope of the article and negate the purpose and meaning of this paragraph.

– ***School or daycare facility closures (47.03 (f))***

The Bargaining Agent is proposing at 47.03(f) that the leave should be granted for school or daycare facility closures, irrespective of whether the closure was foreseeable.

The Employer submits that while an employee is currently entitled to request leave with pay for family-related responsibilities in the event that something sudden/unexpected occurs to impact the availability of the day care or school (i.e., closure due to bad weather), it is reasonable to expect that an employee will make efforts to meet their childcare obligations through alternative solutions when the closure is predictable and/or scheduled.

Removing the qualifier “unforeseeable” would substantially change the original intent and scope of the circumstances covered under these provisions whereby any type of closure including ones that are scheduled would meet the criteria of this clause.

The Bargaining Agent has failed to provide any evidence to justify their demand to expand the provisions for this paragraph, which would result in a significant departure from the original intent of the language.

– ***Remove cap for employee appointments (47.03 (g))***

The Bargaining Agent is proposing at 47.03(g) to eliminate the cap on the leave to attend an appointment with a legal, paralegal, financial or other professional representative. It is the Employer's position that the 7.5-hour cap should remain since the leave is for family-related responsibilities and not to attend to personal matters. The original intent of the clause is to assist an employee with balancing work and family life.

– ***Visit a terminally ill family member" (new 47.03 (h))***

The Bargaining Agent is proposing to add "*to visit a terminally ill family member*" to the list of circumstances for which the leave shall be granted. The Bargaining Agent's proposal at 47.03(h) is already adequately addressed under paragraphs 47.03(b) and (c). The Employer submits that there is no justification why the provisions for this article should be expanded. The leave entitlements currently provided for in the collective agreement could find application for this specific circumstance. The Bargaining Agent's proposal is not found in any CPA collective agreement.

In closing, the Bargaining Agent has failed to share any rationale or analysis that would support their proposals on this Article, all of which represent significant costs and impacts on operations, as well as service to Canadians.

Considering all of the above, the Employer requests that the Commission not include any of the Bargaining Agent's proposals to expand the circumstances for which leave can be granted under this Article in its report and requests that the article be renewed without changes.

Article 51 – Bereavement Leave

Union Proposal

51.01 For the purpose of this article, “family” is defined per Article 2 and in addition:

- a. sister-in-law, brother-in-law;**
- b. any relative for whom the employee has a duty of care, irrespective of whether they reside with the employee;**
- ~~c. a person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such person and the employee. An employee shall be entitled to bereavement leave with pay for a family member as defined in 51.01(a) only once during the employee's total period of employment in the public service.~~

51.02 When a member of the employee's family dies, an employee shall be entitled to bereavement leave with pay. Such bereavement leave, as determined by the employee, must include the day of the memorial commemorating the deceased, or must begin within two (2) days following the death. During such period, the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to **five (5) three (3)** days' leave with pay for the purpose of travel related to the death.

- a. At the request of the employee, such bereavement leave with pay may be taken in a single period of seven (7) consecutive calendar days or may be taken in two (2) periods to a maximum of five (5) working days.
 - i. Notwithstanding the above, in the event of the death of a spouse or child, the options above shall remain the same, although leave shall be taken as a single period of fourteen (14) consecutive calendar days, or two (2) periods to a maximum of ten (10) working days.**
- b. When requested to be taken in two (2) periods:
 - i. The first period must include the day of the memorial commemorating the deceased or must begin within two (2) days following the death, and
 - ii. The second period must be taken no later than twelve (12) months from the date of death for the purpose of attending a ceremony.
 - iii. The employee may be granted no more than **five (5) three (3)** days' leave with pay, in total, for the purposes of travel, for these two (2) periods.

51.03 An employee is entitled to one (1) day's bereavement leave with pay for a purpose related to the death of his or her **aunt, uncle, niece or nephew** ~~brother-in-law or sister-in-law~~ and grandparents of spouse.

51.04 An employee shall be entitled to bereavement leave under 51.02 when they, the person with whom they intend to have a child, or their surrogate suffer from a miscarriage. For the purpose of this article, “miscarriage” means a termination of

pregnancy before the 20th week.

51.05 An employee is entitled to bereavement leave with pay in the event of the death of a family member in respect of whom the employee is, at the time of the death, on leave under 46.01. Such bereavement leave, as determined by the employee, may be taken during the period that begins on the day on which the death occurs and ends six weeks after the day on which the memorial commemorating the deceased person occurs. At the request of the employee, such bereavement leave with pay may be taken in a single period of fourteen (14) consecutive calendar days or may be taken in two (2) periods to a maximum of ten (10) working days.

51.06 If, during a period of paid leave, an employee is bereaved in circumstances under which he or she would have been eligible for bereavement leave with pay under clauses 51.01 and 51.02, the employee shall be granted bereavement leave with pay and his or her paid leave credits shall be restored to the extent of any concurrent bereavement leave with pay granted.

51.07 It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the deputy head of a department may, after considering the particular circumstances involved, grant leave with pay for a period greater than and/or in a manner different than that provided for in clauses 51.01 and 51.02.

Employer Counter Proposal

(...)

51.04 An employee is entitled to three (3) consecutive working days of bereavement leave with pay in the event of a stillbirth experienced by them or their spouse or common-law partner or where they would have been a parent of the child born as a result of the pregnancy. For greater certainty, stillbirth is defined as an unborn child on or after twenty (20) weeks of pregnancy. The leave may be taken during the period that begins on the day on which the stillbirth occurs and ends no later than twelve (12) weeks after the latest of the days on which any funeral, burial or memorial service in respect of the stillbirth occurs.

51.045 If, during a period of paid leave, an employee is bereaved in circumstances under which he or she would have been eligible for bereavement leave with pay under clauses ~~51.01 and~~ 51.02, **51.03 and 51.04** the employee shall be granted bereavement leave with pay and his or her paid leave credits shall be restored to the extent of any concurrent bereavement leave with pay granted.

51.056 It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the deputy head of a department may, after considering the particular circumstances involved, grant leave with pay for a period greater than and/or in a manner different than that provided for in clauses ~~51.01 and~~ 51.02, **51.03 and 51.04**.

Employer Proposal

51.01 For the purpose of this article, “family” is defined per Article 2 and in addition: a. a person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such person and the employee. An employee shall be entitled to bereavement leave with pay **under 51.01(a)** ~~under 51.02(a)~~ only once during the employee’s total period of employment in the public service.

Remarks**Expansion of definition of family**

Despite the parties agreeing in the last round of collective bargaining to improve this provision by expanding the definition of family to include “*a person who stands in the place of a relative for the employee whether or not there is any degree of consanguinity between such a person and the employee*”, the Bargaining Agent is again proposing to expand the definition of family to include brother-in-law and sister-in-law, and any relative for whom the employee has a duty of care, irrespective of whether they reside with the employee as it relates to the eligibility for bereavement leave.

The expansion of the definition would broaden the scope far beyond what is found in all other collective agreements in the core public administration.

In addition, the Bargaining Agent is proposing to delete the notion that employees are entitled to bereavement leave only once in an employee’s career in the public service as it relates to a person who stands in the place of a relative. This element is part of the new provision that was introduced in the collective agreement in the last round of collective agreement.

Again, the Employer is of the view that no sufficient justification supporting these proposed expansions to the definition of family was provided by the Bargaining Agent.

Travel

The Bargaining Agent is also seeking to increase the amount of paid leave to be granted to employees for the purpose of travel related to the death from three (3) to five (5) days and that this expansion would broaden the scope far beyond what is found in all other collective agreements in the core public administration

Again, the Employer is of the view that no sufficient justification supporting this proposal was provided by the Bargaining Agent.

Death of broader family members

The Bargaining Agent is seeking to broaden the application of the leave provision that provides for one (1) day of bereavement leave with pay for the passing of broader family members to include aunt, uncle, niece or nephew. Once again, this expansion would broaden the scope far beyond what is found in all other collective agreements in the core public administration. No sufficient justification supporting this proposal was provided by the Bargaining Agent.

Employees on caregiving leave

The parties successfully negotiated caregiving leave in the most recent round of collective bargaining. No sufficient justification supporting this proposal was provided by the Bargaining Agent.

Expansion of bereavement leave

In response to the Bargaining Agent's demand to expand the provisions of Article 51, the Employer has tabled a new clause (51.04) which would provide bereavement leave with pay for employees who have experienced stillbirth or whose spouse or common-law partner experienced the loss, or where an employee would have been a parent (including adoption and surrogacy) of the child born.

This change aligns with upcoming changes to the Canada Labour Code (CLC), Part III which were part of Bill C-3, An Act to Amend the Criminal Code and the Canada Labour Code that received Royal Assent on December 17, 2021).

Under the proposed new language, Employees would be entitled to three (3) consecutive working days of bereavement leave with pay, which may be taken during the period that begins on the day on which the death or stillbirth occurs and ends 12 weeks after the latest of the day on which any funeral, burial or memorial service in respect of the stillbirth, occurs.

The Employer is also proposing subsequent changes at new 51.05 and 51.06 to align with current provisions in the article.

The Employer's counterproposal would ensure a consistent application of this entitlement across departments in situations of stillbirth.

This improvement to Article 51 would be made **in the context of a negotiated settlement.**

Clause 51.01

The Employer is proposing to correct an incorrect reference in this clause 51.01.

The Employer is of the view that this is a mere housekeeping change.

For all the reasons explained above, the Employer requests that the Commission only include its proposal and counter proposal in its report.

Article 62 – Dangerous Goods

Union Proposal

62.01 An employee certified pursuant to the *Transportation of Dangerous Goods Act* and who is assigned the responsibility for packaging, ~~and~~ labelling, **inspecting, handling or the transportation** of dangerous goods ~~for shipping~~ in accordance with the above Act, shall receive a monthly allowance of **seventy five dollars (\$75) during any month in which** he or she is required to package, ~~and~~ label, **inspect, handle or transport** dangerous goods ~~for shipping, and~~ where the employee maintains such certification.

*****The Employer notes that the Union's proposal is based on old collective agreement language. The parties already negotiated a \$75 monthly allowance in the 2018 round of bargaining *****

Remarks:

The Bargaining Agent is proposing to expand the scope of the allowance to include employees assigned the responsibility for inspecting, handling or transporting dangerous goods. The Employer is opposed to this expansion.

The provision provides for the payment of a Dangerous Goods Allowance to employees certified pursuant to the *Transportation of Dangerous Goods Act*, who are assigned the responsibility for packaging and labelling of dangerous goods for shipping in accordance with the aforementioned Act. These employees currently receive seventy-five dollars (\$75) for each month where the employee maintains such certification.

The Employer wishes the Commission to note that the Employer made some movement on Article 62 last round of bargaining and agreed to the Bargaining Agent's demand to increase the allowance to \$75 per month, without requiring employees to work ten (10) days in a month to be entitled to the allowance for that month. Therefore, the Employer believes it has already made sufficient movement in this area in the recent past and would prefer to focus negotiations on other matters during this round of bargaining.

Moreover, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees.

The Employer therefore recommends that the Commission not include the Bargaining Agent's proposal in its report.

Article 65 – Pay Administration

Union Proposal

65.07 Acting pay

- a. When an employee is required by the Employer to substantially perform the duties of a higher classification level in an acting capacity ~~and performs those duties for at least three (3) consecutive working days or shifts~~, the employee shall be paid acting pay calculated from the date on which he or she commenced to act as if he or she had been appointed to that higher classification level for the period in which he or she acts.
- b. When a day designated as a paid holiday occurs during the qualifying period, the holiday shall be considered as a day worked for purposes of the qualifying period.

65.08

- a. An employee who is required to act at a higher level shall receive an increment at the higher level after having reached fifty-two (52) weeks of cumulative service at the same level.
- b. For the purpose of defining when employee will be entitled to go to the next salary increment of the acting position, “cumulative” means all periods of acting at the same level.

(subsequent renumbering)

Remarks

Acting Pay – paragraph 65.07 (a) and new clause 65.08

The Bargaining Agent is seeking various changes to the current administration of acting pay. Paragraph 65.07 (a) deals with the elimination of the 3 consecutive day qualifying period for acting pay, and new clause 65.08, proposes cumulative acting periods determine the next increment for acting pay.

The Employer submits the current provisions are consistent with the majority of other collective agreements in the CPA. Changes of this nature (the elimination of the qualifying period and the tracking of cumulative periods of acting) would introduce a significant strain on the administration of pay across departments and would complicate the payroll system at a time when the Employer is seeking opportunities to simplify the administration of pay.

The Bargaining agent proposed similar changes during the last round at the PSAC Common Issues Table but has not provided sufficient information to justify reintroduction of its proposal in this round.

For these reasons, the Employer requests that the Commission not include the Bargaining Agent's proposals in its report.

New Flight Pay Article

Union proposal
Flight pay shall be payable at a rate of thirty dollars (\$30) per hour while flying for any employee whose duties must be conducted in an aircraft.

Remarks:

The Bargaining Agent is proposing to introduce a new flight pay article which would require the Employer to generously compensate all employees in the TC group whose duties must be conducted in an aircraft.

The Employer submits that it does not support this proposal. For certain employees within the Aircraft Services Directorate (ASD) at Transport Canada, their current primary role is to conduct all of their duties in an aircraft (for example, mission system operators within the National Aerial Surveillance Program (NASP)). The Union's demand would have significant and repercussions on the hourly rate of pay of those employees.

The Employer believes that flight pay should continue to be restricted to certain Aircraft Maintenance Engineers (AMEs) at Transport Canada. Flight Pay for these employees is already governed by Appendix R of the TC agreement.

Furthermore, while flight pay is provided to employees in other groups in the CPA, it is limited to very specific circumstances and/or types of duties. For example, in the RE agreement, eligibility is limited to "experimental" aircrafts and in EL, it is limited to employees who perform maintenance on flight equipment. In both cases, compensation is set at \$100/month and only for months in which an employee completes at least 15 hours of flight time.

As such, the Employer requests that the Commission not include this proposal in its report.

New Article XX – Occupational Group Structure Review

Union Proposal
<p>Public Service Alliance of Canada in respect of employees in the Technical Services bargaining unit.</p> <p>The Employer is committed to complete and finalize the review and redesign of the TC occupational group structure (OGS), including the development of job evaluation standards for the TC Occupational Group.</p> <p>The parties agree that the job evaluation standards are to be consistent with the application of gender-neutral job evaluation principles and practices and will follow the requirements under the Canadian Human Rights Act, or subsequent pay equity legislation applicable to employees in the federal public service.</p> <p>The Employer is committed to engaging in meaningful consultation with the Alliance. Meaningful consultation on Classification Reform will include consultation with the Alliance on the development of job evaluation standards which reflect and evaluate, in a gender-neutral manner, the work performed by employees in the TC Occupational Group.</p> <p>The Employer agrees to pay to all employees in the bargaining unit, a pensionable lump sum payment of two hundred and fifty dollars (\$250) per month for all months from April 2022 onwards until the completion of the new job evaluation standards and the negotiation of new wage rates as set out below.</p> <p>Upon completion of the new job evaluation standards, the Alliance agrees to meet with the Employer to negotiate the new pay rates and rules affecting the pay of employees on their movement to the new pay lines.</p>

Remarks:

The Bargaining Agent is proposing to replace the current Memorandum of Understanding between the parties that deals with the occupational group structure (OGS) review and classification reform for the TC bargaining unit (Appendix GG) with a new collective agreement provision on OGS review.

The Employer submits that it remains committed to completing and finalizing the review and redesign of the TC Occupational Group.

In 2009, the Employer signed a Memorandum of Understanding (MOU) with the Public Service Alliance of Canada (PSAC) committing to review the occupational groups which it represents to ensure that the classification tools for these occupational groups reflect current work in the CPA and that the review would involve meaningful consultation with the Bargaining Agent. Work on the Program and Administrative Services (PA) Occupational Group was completed in 2017 freeing up resources to start reviewing the TC Occupational Group.

The commitment to review the TC Occupational Group was renewed in the current collective agreement with a new MOU specifying that new job evaluation standards shall be *“completed no later than March 31, 2022, toward the objective of negotiating new pay lines for these job evaluation standards in a subsequent collective agreement”*.

The Employer is currently seeking approval from the Treasury Board of the new job evaluation standards to enable discussions to start with the Union on the implementation of the proposed TC occupational group structure.

Should Treasury Board approve the submission, the classification conversion process can begin. A classification conversion occurs where there is a change made in the method of establishing the relative value of work for an occupational group (for example, the replacement of a job evaluation standard by another job evaluation standard). The classification conversion process takes approximately three to seven years for departments to implement and is dependent on a number of factors. The methodology and anticipated timelines employed for the TC Occupational Group mirrors those employed by TBS in previous conversion exercises such as the Economic and Social Science Services (EC), Law Management (LC), Law Practitioner (LP), and Information Technology (IT) Occupational Groups.

The key steps in the conversion process are anticipated to occur over the next five years. For planning and costing purposes, the targeted implementation date is expected to be in 2027.

The Employer submits that the PSAC has been consulted in a meaningful capacity throughout the process and has provided input on the new occupational group and subgroup definitions and job evaluation standard which describe the work performed by their members more accurately. It is anticipated that the bargaining agent will continue to represent TC work with no expected changes to their membership. The PSAC has not identified any issues with the change to the education requirements for the TC Occupational Group and the retention of the Employer-approved alternatives.

Penalty Payment

The Employer is not prepared to agree to a penalty payment. Classification is the purview of the Employer and is a means for the Employer to organize work to meet objectives.

The Employer submits that given that the Employer has met its commitment under the current MOU, regarding the completion of job evaluation standard, that the Bargaining Agent's proposal for a \$250 penalty payment must therefore be linked

to the negotiation of new wage rates and pay rules. However, as this is a process that is subject to reaching agreement with the Bargaining Agent, it is very difficult to have predictable timelines.

The Employer sees an inherent conflict of interest for the Bargaining Agent to seek a monetary penalty based on progress related to negotiations (i.e., the negotiation of new wage rates).

The Employer has included in this brief its proposal on new pay lines for the new five (5) sub-groups for the PA group (see Part IV, Appendix A-1) and is ready to negotiate the new pay rates and rules affecting the pay of employees on their movement to the new pay lines.

Based on the above, the Employer requests that the Commission recommend the status quo and reject the Bargaining Agent's proposal for a new article on OGS or any penalty clause.

New Article XX – Whistleblowing

Union Proposal

No employee shall be disciplined or otherwise penalized, including but not limited to, demotion, suspension, dismissal, financial penalty, loss of accumulated service, advancement or opportunity in the public service, as a result of disclosing any wrongful act or omission, such as: an offence against an Act of Parliament, an Act of a legislature of any province or any instrument issued under any such Act; an act or omission likely to cause a significant waste of public money; an act or omission likely to endanger public health or safety or the environment.

Remarks:

The Bargaining Agent is proposing to include a whistleblower protection clause in the Agreement.

The Employer submits that Canadian law already includes protection for whistleblowers. Under Section 425.1 of the Criminal Code, it is an offence for employers to threaten to or to take disciplinary action, demote, terminate or otherwise adversely affect employment with the intent to force the employee to refrain from providing information to law enforcement about an offence or to retaliate against an employee who has already provided such information.

In addition, federal public sector employees are protected from whistleblowing retaliations under federal whistleblower legislation. The *Public Servants Disclosure Protection Act* (PSDPA) prohibits employers from taking retributive action against a public servant who has made a protected disclosure or has, in good faith, cooperated in an investigation into a disclosure or an investigation commenced under the Act.

In June 2017, the House of Commons Government Operations and Estimates Committee released a report recommending changes to the PSDPA to enhance whistleblower protection and the government is currently considering the committee's recommendations, including expanding the definition of the terms "wrongdoing" and "reprisal," and modifying the definition of the term "protected disclosure" under the Act and amending the legislation to protect and support the whistleblowers and to prevent retaliation against them.

The Employer submits that the integrity of the federal public service continues to be a priority for the government and that when it comes to whistleblower protection laws, improvement through review and auditing of the PSDPA as opposed to creating a different framework in the collective agreement is the appropriate mechanism to ensure that it does what it is intended to do: offer appropriate protection to whistleblowers.

The Employer does not support creating a different framework from the existing legislative framework.

As such, the Employer requests that the Commission not include this proposal in its report.

Appendix A – Rates of Pay – EG: Engineering and Scientific Support Group annual rates of pay (in dollars)

Arbitral Award
<p>Restructure of the Engineering and Scientific Support Group (EG) pay scales (as per the Arbitral Award of M.G. Mitchnick dated January 6, 2022)</p> <p>Effective June 22, 2022, add one new step to the top of the EG pay scale that is 1.5% higher than the existing maximum. All employees who have been at the existing maximum rate for at least twelve months as of that date shall move to this new rate on that date.</p> <p>Effective June 22, 2023, add 1.8% to that new top step of the scale.</p> <p>Both of these adjustments are to take place prior to the application of any general wage increase for that year.</p>

Remark

Under the Technical Services (TC) collective agreement which expired on June 21, 2018, the PSAC and the Employer had agreed to create a Joint Committee to undertake a comparison of the value of work and compensation of employees in the EG group in the CPA with their comparators working at the CFIA.

Subsequently, the settlement with the TC group in the context of the following (2018) round included a second MOU outlining a process for resolving the work of this Joint Committee and to resolve a potential dispute regarding the need for a wage adjustment for the EG group resulting from the joint comparability study.

Specifically, the parties agreed that:

“Following notice to bargain being served for the next round, the parties will consider a specific wage adjustment proposal for the EG group. In the event that the parties are unable to reach agreement on an appropriate wage adjustment, following the expiry of the current agreement either party may refer this matter to binding determination, as permitted under section 182 of the Federal Public Sector Labour Relations Act, for final and binding determination. The collective agreement will be adjusted according to the decision issued as a result of this process. For further clarity, this referral to binding determination may occur before the parties have concluded a negotiated renewal to the collective agreement.

If the parties go to binding determination, they agree to use Mort Mitchnick as the chairperson of the process or of the board if the parties agree to form a three-person panel. If Mr. Mitchnick is not available and a mutually

acceptable alternative cannot be identified, the chairperson shall be appointed by the Federal Public Sector Labour Relations and Employment Board.”

As per the terms of the MOU, the Union filed for arbitration on June 21st, 2021, the day the existing collective agreement expired. A hearing was held on October 19, 2021, and on January 6th, 2022, the Arbitrator issued an award as follows:

Effective June 22, 2022, add one new step to the top of the EG pay scale that is 1.5% higher than the existing maximum. All employees who have been at the existing maximum rate for at least twelve months as of that date shall move to this new rate on that date.

Effective June 22, 2023, add 1.8% to that new top step of the scale.

Both of these adjustments are to take place prior to the application of any general wage increase for that year.

On September 15, 2022, the Arbitrator, who had remained seized (in the usual way until the parties are in agreement that the award has been properly implemented) issued a supplementary award to address implementation:

- 3) Implementation of the two awarded “equity” adjustments will not take place until the terms of the new collective agreement, and in particular the wage increase settled upon by the parties for the year commencing June 22nd, 2021, have been ultimately determined.
- 4)
 - a) This award must be implemented within 180 days of the signing of the new collective agreement.
 - b) Employees so affected and for whom the award is not implemented within one hundred and eighty-one (181) days after signature will be entitled to a fifty-dollar (\$50) non-pensionable amount; these employees will be entitled to an additional fifty-dollar (\$50) non-pensionable amount for every subsequent complete period of ninety (90) days that this award is not implemented. These amounts will be included in their final retroactive payment.

While the Arbitral Award stems from a commitment by the parties made during the 2018 round of bargaining and a process conducted in parallel to ongoing

negotiations, the Employer nonetheless considers implementation of the Arbitral Award to form part of the current round of bargaining.

The Employer therefore requests that the Arbitral Award be included in the Commission's report.

Appendix A – Rates of Pay – PI: Primary Products Inspection

Group annual rates of pay (in dollars)

Union Proposal
<ul style="list-style-type: none"> Roll-in pay note #4 (\$2,000 annual allowance) to all PI scales, and apply this new rate to all PIs, regardless of location. Delete steps 1 and 2 of the PI-CGC-01 pay scale
Employer Counter Proposal
<p>The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.</p> <p>Sub-Group: Grain Inspection PI-1-CGC Delete Step 1.</p>

Remarks:

The Bargaining Agent has proposed to delete steps 1 and 2 of the PI-CGC-01 pay scale.

The Employer agrees to delete Step 1 of the PI-1-CGC pay scale only.

The Canadian Grain Commission (CGC) has confirmed that they have not hired any new recruits into Step 1 of the PI-1-CGC pay scale as this is simply not competitive enough. Employees are typically hired into Step 2.

The PI-1-GCG is the group and level for the CGC's developmental program which, on average only lasts for 24 months, at which point employees are promoted to Step 1 of the PI-2-CGC scale.

New hires into the program are subject to a four-year probationary period.

Therefore, while technically, a new hire has four years to complete the program, no employee ever stays until Step 8 and so doing away with the first step would not impact how the program is administered.

Furthermore, the progression from the current Step 3 of the PI-1-CGC pay scale is a more natural progression into the PI-2-CGC scale – \$52,597 to \$54,267.

This approach would simply formalize what is already happening in practice and would be cost neutral to the Employer.

The Employer therefore recommends that the Commission only include the change proposed by the Employer in its report.

Appendix A-1 – Technical Inspection Group Pay Notes

Union Proposal

Appendix A-1 shall be increased and expanded to provide allowances to more members.

- **TI – Aviation (including CASI-OSH, Aerodromes, and Aviation Security):** 20.24% increase to the A-1 rates for TI-05 to TI-08.
- **TI – Marine (including Marine Security):** 20.24% for TI-05 to TI-08.
- **TI – Rail (including Rail Security):** 20.24% for TI-06 to TI-08.
- **TI-TDG, and any other discipline not covered above at Transport Canada or the Transportation Safety Board:** Incorporate into the Rail portion of Appendix A
- Include DND in the list of departments for which TIs meeting the qualifications are eligible for appendix A-1
- Amend the railway safety portion qualifications as per below:

Railway safety

Rail investigators, **scientists, technologists, professional engineers, supervisors, foremen** and inspectors **holding a university degree, college certificate and/or** with qualifications in at least one of the following disciplines: locomotive engineer, conductor, brake person, track/**geotechnical** specialist, rail traffic controller/dispatcher, equipment/car/locomotive inspector, mechanical officer, signal maintainer and operations officer, and with extensive operational experience in the railway industry or CANAC/FRA certification.

Remarks:

Expansion of A-1

The proposed expansions from the Bargaining Agent would make Appendix A-1 applicable to employees in the Technical Inspection (TI) Group based on duties and would cost over \$2M ongoing (or 0.22% of the TC wage base). However, Appendix A-1 was introduced to recognize that certain TI employees hold specific qualifications and certifications that certain TI employees bring with them when they are recruited, not to recognize duties.

All the departments currently covered by Appendix A-1 have a regulatory mandate vis-à-vis private sector organizations that operate in various modes of transportation – aviation, marine or rail.

The Bargaining Agent's proposal would significantly expand the list of employees who would benefit from these rates of pay, without holding the same level of qualifications or certifications as the TIs currently covered by this Appendix. This would increase cost with no sound justification.

Increase in rates of pay

The Bargaining Agent is also seeking considerable increases to the rates of pay for TI employees subject to Appendix A-1, representing an ongoing cost of more than \$21M or almost 2% of the TC wage base.

However, the Bargaining Agent has not made a clear and compelling case for why these rates of pay should be increased over and above the general economic increases.

Rail Safety – Qualifications – Pay Note 5

The Union's proposal changes significantly the purpose of that pay note, which is currently restricted to Rail Investigators and Rail Inspectors that hold certain qualifications. Again, the Bargaining Agent wishes to expand the eligibility with no clear justification or rationale.

Moreover, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees.

For all the reasons noted above, the Employer requests that the Commission not include the Bargaining Agent's proposals at Appendix A-1 as it would move away from its original intent to recognize the specific qualifications and certifications that certain TI employees bring with them when they are recruited.

Appendix C – Memorandum of Agreement concerning Fishery Officers in the General Technical Group, working on off-shore surveillance on the Department of Fisheries and Oceans

Union Proposal
<ul style="list-style-type: none"> Change the hours of work from 9.5 to 11.5 while in surveillance mode and remove the exclusion related to travel status leave (clause 34.09) under Appendix C

Remark

During the 2018 round of bargaining, the Employer and the Alliance agreed to a Memorandum of Understanding (MOU) (Appendix KK) that committed representatives of the Department of Fisheries and Oceans and the Alliance to work together to review Appendix C as a whole, and more specifically will discuss:

- the average number of hours of work for Fishery Officers working offshore surveillance to ensure proper reflection of the actual work done in surveillance and in arrest mode;
- and
- the applicability of travel status leave to this group of employees

to make proposals to the parties to inform the next round of bargaining.

The Alliance is proposing to change the hours of work from 9.5 to 11.5 for those periods of time Fishery Officers are in surveillance mode and to remove the exclusion related to travel status leave (clause 34.09).

Hours of work

The Employer submits that while it is not in agreement with the Alliance's demand to change the hours of work from 9.5 to 11.5 hours it wishes to pursue negotiations on this matter.

Given the current structure of the Appendix and the activities to which it applies, agreeing to change the hours from 9.5 to 11.5, without making more significant changes to the Appendix, would create a situation of overcompensation for many employees.

Travel Status leave exclusion

The Bargaining Agent is proposing to remove the exclusion of for travel status leave.

The Employer is opposed to this change. The original intent of travel status leave was to compensate employees who were on travel outside his or her headquarters

area on government business and were away from her or his permanent residence. This article was to compensate employees for the inconvenience of being on government business.

Travel status is when an employee is on government travel is all travel authorized by the Employer and is used in reference to the circumstances under which the expenses prescribed in the NJC Travel Directive may be paid or reimbursed using public funds. For employees falling under Appendix C, this is not the case, the offshore surveillance is part of the employee's normal functions therefore the employees are not in travel status.

For all the reasons noted above, the Employer requests that the Commission not include the Bargaining Agent's proposal in its report.

Appendix I – Memorandum of Agreement Concerning Employees in the Engineering and Scientific Support Group in the Sea Lamprey Control Unit

Union Proposal
The Union proposes the deletion of this appendix in its entirety and declaring that all such employees are day workers.

Remarks:

The Bargaining Agent is proposing to delete Appendix I and convert all employees covered by it to day workers, as per the main body of the Collective Agreement.

The Employer submits that while it is not in agreement with the Alliance's demand to entirely delete the Appendix, it wishes to pursue negotiations on this matter.

The Employer also wishes the Commission to note that the Employer made some movement on Appendix I last round of bargaining and agreed to the Bargaining Agent's demand for a new overtime rate of time and three-quarters (1 3/4) for all overtime worked by employees covered by this Appendix I.

Based on the above, the Employer requests that the Commission not include this change in its report.

Appendix K – Special Provisions for Employees Concerning Diving Duty Allowance, Vacation Leave With Pay, National Consultation Committee and Transfer at Sea

Employer Proposal
<p>K-3: Transfer at Sea Allowance</p> <p>Exclusion: K-3.01 does not apply to Fishery Officers who enter ships in the normal course of their duties for the purpose of verification.</p> <p>K-3.01 When an employee is required to transfer to a ship, submarine or barge (not berthed) from a helicopter, ship's boat, yardcraft or auxiliary vessel, the employee shall be paid a transfer allowance of ten dollars (\$10) except when transferring between vessels and/or work platforms which are in a secured state to each other for the purpose of performing a specific task such as de-perming. If the employee leaves the ship, submarine or barge by a similar transfer, the employee shall be paid an additional ten dollars (\$10).</p>

Remarks:

The Employer proposes to clarify that the performance of “normal duties” does not entitle an employee to this allowance (allowances are for special or additional duties only; not duties described at lengths in the work description).

Additionally, the Employer proposes to further clarify that Fishery Officers “boarding” ships for the purposes of verification are excluded from the application of K-3.01. Boarding ships is a core responsibility for Fishery Officers and already taken into consideration in the work descriptions and captured in the compensation of Fishery Officers.

The Employer submits that during the 2014 round of bargaining, Appendix K was expanded with the removal of the limitation that it applied only to employees in the EG group. This broadened the scope of the Appendix, namely all employees governed by the TC agreement are now entitled to the provisions of Appendix K, if the requirements stated in the provision are met.

The expansion of the allowance to all TC employees, without the proposed clarification, during the 2014 round of bargaining has resulted in an interpretation issue when it comes to Fishery Officers (GT employees). While the TBS has provided an interpretation to the departments that clarifies that they had the discretion to determine what constitutes a “transfer”, the PSAC does not agree with the interpretation and therefore, clarifying the language would bring the clause in line with the original intent of the allowance.

The Employer proposes that the Commission include this change in its report.

Appendix L – Memorandum of Agreement Concerning Employees in the Engineering and Scientific Support Group, Employed by the Department of National Defence Engaged in Sea Trials

Union Proposal

Amend appendix so that this applies to all bargaining unit members with the following additional changes:

1.

- a. When an employee is scheduled to proceed to sea beyond the harbour limits aboard a naval vessel, submarine, auxiliary vessel or yardcraft for the purpose of conducting trials, repairing defects or dumping ammunition, the employee shall be **paid according to Appendix L 1a i to v for all hours aboard to a maximum of fifteen (15) hours at the straight-time rate per day.**
 - i. **He or she shall be paid at the employee's straight-time rate for all hours during his or her regularly scheduled hours of work and for all unworked hours aboard the vessel or at the shore-based work site.**
 - i. **He or she shall be paid overtime at double (2) the employee's straight-time hourly rate for all hours worked in excess of the regularly scheduled hours of work up to sixteen (16) hours.**
 - iii. **After this period of work, the employee shall be paid three (3) times his or her straight-time hourly rate for all hours worked in excess of sixteen (16) hours.**
 - iv. **Where an employee is entitled to triple (3) time in accordance with paragraph (d) above, the employee shall continue to be compensated for all hours worked at triple (3) time until he or she is given a period of rest of at least ten (10) consecutive hours.**
 - v. **Upon return from the sea trial, an employee who qualified under paragraph 32.03(d) shall not be required to report for work on his or her regularly scheduled shift until a period of ten (10) hours has elapsed from the end of the period of work that exceeded fifteen (15) hours.**
- b. In addition, an employee shall receive a submarine trials allowance equal to twenty-five per cent (25%) of his or her basic hourly rate for each completed one half (1/2) hour the employee is required to be in a submarine.

Remarks:

The Bargaining Agent is proposing to modify the working conditions for EG employees at the DND engaged in Sea Trials to more closely align with the provision in the Electronics (EL) agreement that deal with Sea Trials (Article 32).

While the Employer submits that the framework being proposed by the Alliance and which largely mirrors the conditions in the EL agreement, is very ambiguous and has caused and continues to cause multiple, significant labour relations issues

for departments, specifically the DND. Article 32 of EL Collective Agreement has been subject to various grievances at the DND for almost 10 years including 2 adjudications that have yet to be resolved.

It is not surprising therefore that the Employer is not interested in entertaining the Alliance's proposal in its current form. More elaborate details and clarity around the elements of this proposal would be required from the Union in order for the Employer to consider this proposal further.

The Employer would also like to note for the Commission that other groups in the CPA also have provisions that deal specifically with employees engaging in sea trials (i.e. Architecture, Engineering & Land Survey (NR), Ship Repair (East) (SR(E)), and Ship Repair (West) (SR(W))).

The manner in which employees are compensated under the terms of the NR agreement mirrors the current TC agreement provisions, i.e. employees are remunerated at the applicable rate of pay, that is, at straight time for the employee's daily hours of work and at the appropriate overtime rate for additional hours, or for all hours aboard, up to a maximum of fifteen (15), at straight time, whichever is greater.

The provisions in the ship repair agreements are different as a function of the hours of work provisions for those groups – employees are compensated, from the time he/she reports aboard until one (1) hour after reaching the harbour limits on the final return, as follows:

- a) for the first twelve (12) hours aboard or less, at the applicable rate of pay;
- b) for all hours aboard in excess of twelve (12) hours, at the applicable rate of pay for all hours worked and at the regular rate of pay for all unworked hours.

For these reasons, the Employer requests that this proposal not be included in the Commission's report.

Appendix O – Memorandum of Agreement Between the Treasury Board (Hereinafter Called the Employer) and the Public Service Alliance of Canada (Hereinafter Called the Alliance) in Respect of an Off Pay Supplemental Unemployment Benefit (SUB) Plan Applicable to Employees in the Primary Product Inspection (PI) Group at the Canadian Grain Commission

Union Proposal
The Union proposes to delete this Appendix. Any layoffs shall be deal with though Appendix T – Workforce Adjustment.

Remarks:

The Bargaining Agent is seeking to delete Appendix O and require the Canadian Grain Commission to deal with any layoff through Appendix T (Workforce Adjustment).

The Employer submits that Appendix O deals with temporary (seasonal) lay-offs, not permanent ones. It applies to employees in the PI sub-group on off-pay status as a result of a temporary stoppage of work and must have a recall date

WFA Directive/Appendix deals with permanent layoffs.

The Employer submits that Appendix O continues to be required and must be preserved going forward.

For these reasons, the Employer requests that the Union's proposal to delete Appendix O not be included in the Commission's report.

Appendix R – Special Conditions Applicable to Certain Aircraft Maintenance Engineers

Union Proposal
<p>1.a) ii) Notwithstanding the above, Travel Status Leave, clause 34.09 of this agreement, shall apply to employees covered under this appendix. the Special Assignment Allowance in clause (c) below.</p> <ul style="list-style-type: none"> • Improve flight pay <ul style="list-style-type: none"> ○ Improve 2a) test flight premium, and 2b) flight duties other than test flights: ○ 2. a) Aircraft maintenance engineers who are required to perform flight duties other than test flights shall be paid an allowance of one hundred dollars thirty (\$30) per hour of month, provided such employees complete not less than fifteen (15) hours' flying time in the performance of such duties each calendar quarter. hour of month, provided such employees complete not less than fifteen (15) hours' flying time in the performance of such duties each calendar quarter. ○ b) Aircraft maintenance engineers shall be paid a flying time premium of fifteen (\$15) forty-five (\$45) dollars per hour or part thereof, while performing flight tests authorized by the appropriate responsible manager or the team leader in Ottawa, or by the Regional Manager Aircraft Maintenance, the team leader or the senior aircraft maintenance engineer in the regions. • Increase shipboard or special assignment allowance <ul style="list-style-type: none"> ○ 1 b) They shall receive a weekly shipboard or special assignment allowance of forty thirty (40) forty thirty (40) hours compensation at double time the rate of time and one half (1 1/2) double time the rate of time and one half (1 1/2) for each period of seven (7) days in which he or she is required to undertake shipboard or special assignment duties. Periods of less than seven (7) days will be pro-rated. • Special assignment allowance <ul style="list-style-type: none"> ○ 1c The special assignment allowance applies to all helicopter operations north of fifty-five (55) degrees latitude north.

Remarks:

Increase in the amount of flight pay

The Bargaining Agent is proposing to increase the flight pay for Aircraft Maintenance Engineers (AMEs) from \$100/month to \$30/hour for all flight duties expect flight tests and from \$15/hour to \$45/hour for flight tests.

The Employer submits that the Alliance has not brought forward a sufficient case for the Employer to consider making these changes.

Increase in the shipboard or special assignment allowance

The Bargaining Agent is proposing to increase the allowance paid to Aircraft Maintenance Engineers (AMEs) in both flight tests and non-flight test situations.

The Employer submits that the Bargaining Agent has not provided sufficient justification that these changes are required.

Moreover, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

Eligibility for special assignment allowance

The Bargaining Agent is proposing to expand the eligibility to the special assignment allowance to all helicopter operations. Currently, only operations north of fifty-five (55°) degrees latitude north are eligible.

The Employer submits that the Bargaining Agent has not provided sufficient justification that this change is required.

Furthermore, any changes to Appendix R would create a disparity between AMEs covered by Appendix R and employees covered by the Aircraft Operations (AO) agreement. Currently, under paragraph 44.01 (c) of the AO agreement only helicopter operations north of fifty-five (55o) degrees latitude north are eligible for a shipboard or special assignment duties allowance.

For these reasons, the Employer requests that these proposals not be included in the Commission's report.

Appendix W – Memorandum of Understanding in respect of Employees in the Engineering and Scientific Support (EG) and General Technical (GT) Groups Working Shore-Based Positions at Canadian Coast Guard (CCG)

Union Proposal

- Roll in current allowances paid under this appendix; and
- Confirm eligibility for this allowance for employees holding masters and/or mates' certificates of competency
- Introduce additional allowance in the following amounts as part of salary:

	Existing allowance	Existing annual salary including rolled-in allowance	Additional new monthly allowance	Annual salary including new allowance
EG-06	483	99,595	635	107,219
EG-07	370	107,621	765	116,802
EG-08	-	113,499	1,239	128,372
GT-06	570	101,339	490	107,219
GT-07	529	114,738	172	116,802
GT-08	353	126,693	140	128,372

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

4. The parties agree that incumbents of above listed positions shall be eligible to receive a terminable allowance in the following amounts and subject to the following conditions:

- i. An allowance to be paid in accordance with the following table:

Positions	Monthly Payments
EG-06	\$483 \$516
EG-07	\$370 \$396
GT-06	\$570 \$609
GT-07	\$529 \$566
GT-08	\$353 \$377

- ii. The terminable allowance specified above does not form part of an employee's salary.

(...)

6. This memorandum of understanding expires on June 21, ~~2024~~ **2025**.

Employer Proposal

(...)

2. Employees at Fisheries and Oceans Canada, Canadian Coast Guard who are incumbents of EG-6 and EG-7 and GT-6 through GT-8 levels in the following positions and who **meet the conditions listed under point 3 i) below** shall be entitled to a terminable allowance as listed below.
3.
 - i. Employees working at Canadian Coast Guard for the Integrated Technical Services and Vessel Procurement who are required in the performance of their duties to have knowledge of **one of the following:** design, construction, ~~operation~~ or maintenance of vessels as demonstrated by possession of a marine certificate of competency or post-secondary degree/**diploma in a technical discipline applicable to their duties (e.g. electrical, mechanical, naval architecture, etc.) and extensive marine field experience**, or Transport Canada Marine Safety ~~Engineering~~ or Canadian Coast Guard Marine Electrical certificates of competency, ~~combined with extensive experience in the field.~~
 - ii. **The conditions listed under point 3i) will apply only to employees employed after (Month/Day, 2022), the signing date of this agreement. Employees currently in receipt of this allowance are grand parented.**

Remarks:

Increasing the allowance

The Bargaining Agent is proposing a significant increase to the allowance included in Appendix W.

The Employer is already proposing an increase to the base salary of all TC employees, as well as aligning the salaries of EG sub-group employees with the CFIA EG equivalent to address group-specific measures. The Employer notes for the Commission that EG employees make up approximately 60% of the TC group.

Eligibility to the allowance

The Employer has a proposal to clarify the eligibility criteria for this allowance. Over the last two rounds of collective bargaining the entitlement to this allowance has expanded beyond what was originally intended by the CCG. Coast Guard would now like to revisit the language to limit the entitlement for this allowance and

bring it in line with the original intent – which was to compensate EG and GT employees who has a certain set of skills, education and experience.

The proposed language ensures that only those employees with a very specific certification or who have post-secondary education in the field of Naval Architecture as opposed to just any university degree/diploma are captured. The proposal tightens and clarifies the eligibility criteria.

Additionally, the Employer proposes to add a provision to grandfather any current GT's/EG's receiving the allowance may need to be considered so that the current application is maintained for them until they leave their current position.

The Employer submits that the expansion sought by the Bargaining Agent however, is overly broad and the Bargaining Agent has not provided any justification to support expanding the applicability of the allowance in such a manner.

The Employer also wishes to note for the Commission that this allowance was both increased (for GT-06 and 07 employees) and expanded to additional GT and EG employees possessing certain certifications, during the last round of bargaining.

Therefore, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

While the Employer would prefer the status quo, in the context of a comprehensive settlement, and in order to achieve parity in compensation with marine engineering certified personnel in other occupational groups, the Employer is proposing to increase the allowance, along those allowances at Appendix X, Z, AA, BB, CC, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common Table in March 2022.

Increase Allowance by the Applicable General Economic Increase

The Bargaining Agent also has a proposal to increase the allowance by the applicable general economic increase in each year of the collective agreement.

The Employer is not in agreement with this change as it is not substantiated.

The Employer submits that introducing the notion of an automatic increase would impact the opportunity for the parties to reassess the need and the appropriate

value for the allowance in each round. It would also place the TC group ahead when comparing with all other groups in the CPA and the Employer is not interested in creating such a precedent.

It should be noted that the Bargaining Agent has made a similar proposal for each of the allowances provided under Appendices X, Z, AA, BB, CC, DD and EE as well as any new proposed allowances. The Employer requests that the Commission not include this proposal in its report for all of these requests.

Allowance shall form part of salary

The Bargaining Agent is also proposing that the allowance form part of an employee's salary.

The Employer submits that the PSAC has historically raised questions in relation to the "pensionability" of new or modified allowances that are paid as forms of compensation in addition to (or separately from) basic pay.

The basis for determining whether an allowance is pensionable derives from the definition of "salary" in subsection 3(1) of the *Public Service Superannuation Act* (PSSA).

salary means

(a) as applied to the public service, the basic pay received by the person in respect of whom the expression is being applied for the performance of the regular duties of a position or office **exclusive of any amount received as allowances**, special remuneration, payment for overtime or other compensation or as a gratuity unless that amount is deemed to be or to have been included in that person's basic pay pursuant to any regulation made under paragraph 42(1)(e)

Therefore, any language within a collective agreement to suggest that an allowance forms part of salary and is pensionable is inconsequential and of no legal bearing to the determination for the purpose of the PSSA.

The Employer respectfully submits that the Commission does not have the jurisdiction to deal with the Bargaining Agent's proposals to include the allowance in an employee's salary pursuant to subparagraphs 177(1)(a) and 177(1)(b) of the Federal Public Sector Labour Relations Act:

(a) the alteration, elimination or establishment would require the enactment or amendment of any legislation by Parliament, except for the purpose of appropriating money required for implementation;

- (b) the term or condition is one that has been or may be established under the *Public Service Employment Act*, the *Public Service Superannuation Act* or the *Government Employees Compensation Act*;
- (c) the term or condition relates to standards, procedures or processes governing the appointment, appraisal, promotion, deployment, rejection on probation or lay-off of employees; or
- (d) in the case of a separate agency, the term or condition relates to termination of employment, other than termination of employment for a breach of discipline or misconduct.

It should be noted that the Bargaining Agent has made a similar proposal for each of the allowances provided under Appendices X, Z, AA, BB, CC, DD and EE. The Employer requests that the Commission not include this proposal in its report for all of these requests.

Based on all the above, the Employer requests that only the Employer counter proposal be included in the Commission's report.

Appendix X – Memorandum of Understanding in Respect of the Employees in the Engineering and Scientific Support (EG) Group Working at Health Canada at the Norway House and Percy E. Moore Hospitals

Union Proposal

The Bargaining Agent is proposing to roll into salary the existing allowance and to introduce an additional allowance that shall form part of salary:

Annual allowance: Engineering and Scientific Support (EG)	
Positions	Annual allowance
Laboratory Technologist	\$5,000 \$15,000
X-Ray Technologist	\$5,000 \$15,000

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. Employees working for Health Canada at the Norway House and Percy E. Moore Hospitals who are incumbents of EG positions and perform the duties of positions of Laboratory and X-Ray Technologists, shall be entitled to the annual allowance in the following amount and subject to the following conditions:
 - a. Commencing on June 22, 2013, EG employees who perform the duties of the positions identified above shall be eligible to receive the annual allowance, to be paid biweekly;
 - b. The allowance shall be paid in accordance with the following table:

Annual allowance: Engineering and Scientific Support (EG)

Positions	Annual allowance
Laboratory Technologist	\$5,000 \$5,346
X-Ray Technologist	\$5,000 \$5,346

- c. The annual allowance specified above does not form part of an employee's salary.

(...)

Remark

Increasing the allowance

The Bargaining Agent is proposing to triple the current allowance (from \$5,000 to \$15,000) included in Appendix X at an ongoing cost of \$183,758 of 0.02% of the TC wage base.

As noted above, the Employer is already proposing an increase to the base salary of all TC employees, as well as aligning the salaries of EG sub-group employees with the CFIA EG equivalent to address group-specific measures.

In addition, based on the wage study conducted by Mercer in 2021, EG group salaries are competitive with the market. As such, the Employer sees no justification to increase the allowance to EG employees covered by this Appendix.

Furthermore, the Bargaining Agent has not made clear and compelling case for why this allowance should be increased.

Therefore, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have and recommends the Board renew the current entitlement.

While the Employer would prefer the status quo, in the context of a comprehensive settlement, the Employer would be prepared to consider increasing the allowance, along with allowances at Appendix W, Z, AA, BB, CC, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common Table in later March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

The Employer therefore requests that only the Employer counter proposal be included in the Commission's report

Appendix Z – Memorandum of Understanding in Respect of Employees in the General Technical (GT) Group Working as Fishery Officers

Union Proposal

The Bargaining Agent is proposing to roll into salary the existing allowance and to introduce an additional allowance that shall form part of salary:

Annual allowance: General Technical (GT)	
Positions	Annual allowance
GT-02	17.7% of salary
GT-03	17.7% of salary
GT-04	17.7% of salary
GT-05	14.4% of salary
GT-06	14.4% of salary
GT-07	14.4% of salary

- Acting pay of a minimum of one level above the employee's substantive position shall be provided to all Fishery Officers for any time that they perform officer-in-charge duties.

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. The parties agree that GT employees shall be eligible to receive the annual allowance in the following amounts and subject to the following conditions:
 - a. GT employees who perform duties of positions identified above, shall be eligible to receive an annual allowance to be paid biweekly.
 - b. The allowance shall be paid in accordance with the following table:

Annual allowance: General Technical (GT)

Positions	Annual allowance
GT-02	\$3,534 \$3,779
GT-03	\$3,534 \$3,779
GT-04	\$3,534 \$3,779
GT-05	\$3,534 \$3,779

- c. The annual allowance specified above does not form part of an employee's salary.

(...)

5. This memorandum of understanding expires on June 21, ~~2021~~ **2025**.

Remarks:

Increasing the allowance

The Bargaining Agent is proposing a significant increase of the allowance being paid to employees covered by the Appendix, with a higher increase for the lower levels, at an ongoing cost of \$6,319,076 or 0.6% of the TC wage base.

The Employer wishes to note for the Commission that this allowance was increased for all eligible employees during the last round of bargaining. Furthermore, no recruitment or retention issues have been identified by the Department of Fisheries and Oceans for employees in these positions.

Finally, the Bargaining Agent has not made clear and compelling case for why this allowance should be increased again this round.

Acting Pay

The Bargaining Agent is asking that acting pay of a minimum of one level above the employee's substantive position be provided to all Fishery Officers for any time that they perform officer-in-charge duties.

The Employer submits that the Union has not made a clear and compelling case as to why this particular group of employees, Fishery Officer-in-charge, should receive additional compensation. The Employer would like to note for the Commission that taking leadership is part of the GT Group Definition and as such is already taken into account in their basic salary.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, in the context of a comprehensive settlement, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, AA, BB, CC, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

The Employer therefore requests that only the Employer counterproposal be included in the Commission's report.

Appendix AA – Memorandum of Understanding in respect of Employees in the General Technical (GT) Group Working as Enforcement Officers at Environment Canada

Union Proposal

The Bargaining Agent is proposing to roll into salary the existing allowance and to introduce an additional allowance that shall form part of salary:

Annual allowance: General Technical (GT)	
Positions	Annual allowance
GT-02	17.7% of salary
GT-03	17.7% of salary
GT-04	17.7% of salary
GT-05	14.4% of salary
GT-06	14.4% of salary
GT-07	14.4% of salary

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

1. The parties agree that GT employees shall be eligible to receive the annual allowance in the following amounts and subject to the following conditions:
 - a. GT employees who perform duties of Enforcement Officers at Environment Canada and who are fully designated with Peace Officer powers shall be eligible to receive an annual allowance to be paid biweekly.
 - b. The allowance shall be paid in accordance with the following table:

Annual allowance: General Technical (GT)

Positions	Annual allowance
GT-02	\$3,534 \$3,779
GT-03	\$3,534 \$3,779
GT-04	\$3,534 \$3,779
GT-05	\$3,534 \$3,779
GT-06	\$3,534 \$3,779
GT-07	\$3,534 \$3,779

- c. The allowance specified above does not form part of an employee's salary.

(...)

This memorandum of understanding expires on June 21, ~~2024~~ 2025.

Remarks:

Increasing the allowance

The Bargaining Agent is seeking an increase to the allowance for GT employees at all levels, with a higher increase for the lower levels, at an ongoing cost of \$2,615,443 or 0.25% of the TC wage base.

The Employer wishes to note for the Commission that this allowance was expanded to GT-06 and GT-07 and increased for all eligible employees during the last round of bargaining. Furthermore, no recruitment or retention issues have been identified by Environment Canada for employees in these positions.

Finally, the Bargaining Agent has not made clear and compelling case for why this allowance should be increased again this round.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, in the context of a comprehensive settlement, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, Z, BB, CC, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

The Employer therefore requests that the Commission recommend to only include the Employer counterproposal in its report.

Appendix BB – Memorandum of Understanding in respect of Employees Working at Fleet Maintenance Facilities, Formation Technical Authority of 202 Workshop Depot at the Department of National Defense

Union Proposal

- Include employees employed by the Department of National Defense in contractor's ship repair yards, **National Defence Quality Assurance Regions, or Quality Assurance Works Centres** in the existing allowance of \$2,500.
- Include Life Cycle Materiel Managers (LCMM) at the Department of National Defense who are part of General Aerospace Equipment Program Management, General Land Equipment Program Management, or General Maritime Equipment Program Management.
- **A new annual allowance for employees at Fleet Maintenance Facilities (in Victoria, BC and Halifax, NS), Operations Project Management Department shall be introduced as part of salary:**
 - **Project Management Managers (GT-07): 7.2%**
 - **Senior Managers (GT-08): 10.4%**

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. The parties agree that employees shall be eligible to receive the annual allowance in the following amount and subject to the following condition:
 - a. Employees who perform duties either at a Fleet Maintenance Facility, Formation Technical Authority or 202 Workshop Depot at the Department of National Defence shall be eligible to receive an annual allowance to be paid biweekly, and
 - b. The allowance shall be paid in accordance with the following table:

Positions	Annual allowance
All groups	\$2,500 \$2,673

3. The allowance specified above does not form part of an employee's salary.

(...)

6. This memorandum of understanding expires on June 21, **2024 2025**.

Remarks:**Increase and expansion**

The Bargaining Agent proposes to increase and expand the allowance currently paid to certain employees working at the Department of National Defence at an ongoing cost of \$1,141,410 or 0.11% of the TC wage base.

The parties already negotiated a substantial expansion during the 2018 round of bargaining. The Bargaining Agent has not made clear and compelling case for why this allowance should be increased and further expanded again this round.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend expansions and/or increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, **in the context of a comprehensive settlement**, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, Z, AA, CC, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

For this reason, the Employer requests that only the Employer counterproposal be included in the Commission's report.

Appendix CC – Memorandum of Understanding in respect of Employees Working in a Joint Rescue Coordination Centre (JRCC) or Marine Rescue Sub-Centre (MRSC) or Air-Cushioned Vehicle (ACV)

Union Proposal

- After existing allowance rolled into salary of all members, including the newly added ones, an additional occupational allowance in the following amounts shall be introduced as a part of salary:
 - 10% for GT-05 at (JRCC)
 - All levels of the GT and EG groups
- Introduce new occupational allowance equivalent to the existing allowance under Appendix CC plus the increases listed above to all employees who possess Transport Canada or Canadian Coast Guard Marine certificates of competency in the following jobs:
 - GT-05 Icebreaking Program Officers
 - Emergency Operations Centre Officers (GT-05) who work in Regional Operations Centre, as well as the deputy superintendents (GT-06)

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. The parties agree that GT employees working as SMC qualified Search and Rescue (SAR) Coordinators and/or supervisors at the Canadian Coast Guard in a Joint Rescue Coordination Centre or Marine Rescue Sub-Centre shall be eligible to receive the annual allowance to be paid biweekly and subject to the following conditions:
 - a. who are required in the performance of their duties to have knowledge of and extensive experience in maritime navigation, ship operations, ship stability, meteorology, ship construction and search and rescue planning and coordination, and
 - b. who possess Transport Canada or Canadian Coast Guard Marine certificates of competency.
3. The parties agree that GT employees working on an air-cushioned vehicle (ACV) shall be eligible to receive an annual allowance to be paid biweekly and subject to the following conditions:

- a. who are ACV qualified;
and
 - b. who possess Transport Canada or Canadian Coast Guard Marine certificates of competency.
4. The parties agree that EG employees working on an ACV shall be eligible to receive an annual allowance to be paid biweekly and subject to the following conditions:
- a. who possess an ACV Engineer Class 1 Certification;
and
 - b. who possess Transport Canada or Canadian Coast Guard Marine certificates of competency.
5. The annual allowance shall be received in accordance with the following table
- | Positions | Annual amount |
|------------------------------------|----------------------------|
| All levels of the GT and EG groups | \$5,354 \$5,725 |
6. The allowance specified above does not form part of an employee's salary.
- (...)
9. This memorandum of understanding expires on June 21, ~~2024~~ 2025.

Remarks:

The Bargaining Agent has proposed a 10% increase and an expansion of the allowance, this despite the parties having already negotiated a substantial expansion and increase to this allowance during the 2018 round of bargaining. This represents an ongoing cost of \$885,898 or 0.08% of the TC wage base.

The Employer sees no justification to further increase the allowance of employees covered by this Appendix.

Furthermore, no recruitment or retention issues have been identified by the CGC for employees in these positions. The Bargaining Agent has not made clear and compelling case for why this allowance should be increased and extended again this round.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend expansions and/or increases and/or expansions to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the

Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, **in the context of a comprehensive settlement**, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, Z, AA, BB, DD, and EE, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

For this reason, the Employer requests that only the Employer counterproposal be included in the Commission's report.

Appendix DD – Memorandum of Understanding in respect of Employees in the Technical Inspector (TI) Group Working as Labour Affairs Officers at Employment and Social Development Canada

Union Proposal

- After existing allowance rolled into salary, an additional occupational allowance in the following amounts shall be introduced as a part of salary:
 - TI-05 and TI-06: 6.3%

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. The parties agree that TI employees in ESDC positions shall be eligible to receive the annual allowance in the following amounts and subject to the following conditions:
 - a. TI employees who perform duties of positions identified above, shall be eligible to receive an annual allowance to be paid biweekly.
 - b. The annual allowance shall be received in accordance with the following table:

Annual allowance: Technical Inspector (TI)

Positions	Annual allowance
TI-05	\$3,534 \$3,779
TI-06	\$3,534 \$3,779

- c. The allowance specified above does not form part of an employee's salary.

(...)

5. This memorandum of understanding expires on June 21, **2024 2025**.

Remarks:

The Bargaining Agent is proposing to increase this allowance by 6.3% at an ongoing cost of \$960,349 or 0.09% of the TC wage base.

The Employer submits that based on the wage study conducted by Mercer in 2022, TI sub-group salaries are competitive with the market. As such, the Employer sees no justification to increase the allowance to TI employees covered by this Appendix.

The Employer also wishes to note for the Commission that this allowance was both expanded to TI-06 employees and increased for both TI-05 and TI-06 employees during the last round of bargaining. Furthermore, no recruitment or retention issues have been identified by ESDC for eligible TI employees.

Finally, the Bargaining Agent has not made clear and compelling case for why this allowance should be increased again this round.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, **in the context of a comprehensive settlement**, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, Z, AA, BB, CC, and EE, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

For this reason, the Employer requests that only the Employer counterproposal be included in the Commission's report.

Appendix EE – Memorandum of Understanding in Respect of Employees in the Technical Inspector (TI) Group Working at Measurement Canada and the Canadian Grain Commission

Union Proposal

- After existing allowance rolled into salary, an additional occupational allowance in the following amounts shall be introduced as a part of salary:
 - TI-03 to TI-07: 15.44%

Employer Counter Proposal

The parties agree that these changes will not result in any retroactive payment or adjustment. They will form part of the implementation, on a prospective basis, of the new collective agreement once signed. For greater certainty, these changes will become effective as per the collective agreement implementation timelines negotiated at the PSAC Common Issues table.

(...)

2. The parties agree that TI employees in Measurement Canada and the Canadian Grain Commission positions shall be eligible to receive the annual allowance in the following amounts and subject to the following conditions:
 - a. TI employees who perform duties of positions identified above, shall be eligible to receive an annual allowance, to be paid biweekly.
 - b. The annual allowance shall be received in accordance with the following tables:

Annual allowance: Technical Inspector (TI)

Positions	Annual allowance
TI-03	\$3,534 \$3,779
TI-04	\$3,534 \$3,779
TI-05	\$3,534 \$3,779
TI-06	\$3,534 \$3,779
TI-07	\$3,534 \$3,779

- c. The allowance specified above does not form part of an employee's salary.

(...)

5. This memorandum of understanding expires on June 21, ~~2024~~ 2025.

Remarks:

The Bargaining Agent is proposing to increase this allowance by 15.44% at an ongoing cost of \$2,953,569 or 0.28% of the TC wage base.

The Employer submits that based on the wage study conducted by Mercer in 2022, TI sub-group salaries are competitive with the market. As such, the Employer sees no justification to increase the allowance to TI employees covered by this Appendix.

The Employer also wishes to note for the Commission that this allowance was both expanded to TI employees at the Canadian Grain Commission and increased for all eligible TI employees at CGC and Measurement Canada during the last round of bargaining. Furthermore, no recruitment or retention issues have been identified for eligible TI employees.

Finally, the Bargaining Agent has not made clear and compelling case for why this allowance should be increased again this round.

As such, the Employer respectfully asks that this Commission recognize the limited economic capabilities of the Employer when deciding to recommend increases to already healthy allowances, which will increase the total compensation package of its employees. The Employer submits there ought to be restraint on any additional cost increases recommended by the Commission. The Union's proposal does not reflect what the parties would have bargained and recommends the Board renew the current entitlement.

That being said, in the context of a comprehensive settlement, the Employer is proposing to increase the allowance, along with the allowances at Appendix W, X, Z, AA, BB, CC, and DD, by the general economic increases tabled by the Employer at the PSAC Common table in March 2022.

Increase allowance by the applicable general economic increase

See Employer remarks above at Appendix W.

Allowance shall form part of salary

See Employer remarks above at Appendix W.

For this reason, the Employer requests that only the Employer counterproposal be included in the Commission's report.

Appendix KK – Memorandum of Understanding with respect to the Joint Review of Appendix C Applicable to Fishery Officers in the General Technical (GT) Group Working Offshore Surveillance at the Department of Fisheries and Oceans (DFO)

Employer Proposal
Delete Appendix KK.

Remarks:

The Employer submits that the parties signed an MOU last round to discuss the hours of work of Fishery Officers working offshore surveillance and to consider the joint proposals of DFO and PSAC this round of bargaining.

Leading up to this current round of bargaining, the joint working group met regularly over the last few years to discuss Appendix C.

This commitment has been fulfilled by the parties and as such, this Appendix is no longer needed.

For this reason, the Employer requests that the Employer's proposal be included in the Commission's report.

**Appendix LL – Memorandum of Understanding Between the
Treasury Board of Canada and the Public Service Alliance of
Canada with Respect to a Joint Study on Support Mechanisms for
Employees**

Union Proposal
Continue discussion on mental health measures.
Employer Proposal
The Employer proposes that this Appendix be deleted upon completion of the joint study.

Remarks:

The Employer proposes that the current Appendix be deleted upon completion of the joint study. While the work of the joint committee is advancing, the parties have not yet finalized their study.

New Appendix “X-1”

Allowance for Salmonid Enhancement Program Workers

Union Proposal
<p>A new annual allowance of \$3,000 shall be introduced as part of salary for Fish Hatchery, Aquaculture, and Stock Assessment workers as part of the Salmonid Enhancement Program (SEP) at the Department of Fisheries and Oceans:</p> <ul style="list-style-type: none">○ GT-02 to GT-06○ EG-02 to EG-05

Remarks:

The Bargaining Agent is proposing to introduce a new allowance for Fish Hatchery, Aquaculture, and Stock Assessment workers as part of the Salmonid Enhancement Program (SEP) at the Department of Fisheries and Oceans.

However, the Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of an allowance is reasonably justified.

The DFO has not identified any recruitment issues for GT and EG employees working in the Salmonid Enhancement Program and the Union has not provided any information to suggest that the duties being performed by these employees are not covered by the basic rate of pay of GT and EG employees.

Based on the reasons above, the Employer therefore sees no justification to introduce a new allowance.

Given the limited financial capacity and that the salaries for the GT and EG sub-group are competitive and no recruitment and retention issues were advanced to support the proposal, the Employer respectfully requests that the Commission not include this proposal in its report.

For those reasons, the Employer requests that this proposal not be included in the Commission's report.

New Appendix “X-2” Ammunition Technicians

Union Proposal
A new annual allowance of \$3,000 shall be introduced for all ammunition technicians.

Remarks

The Bargaining Agent is proposing to introduce a new allowance for all Ammunition Technicians in the GT classification.

However, the Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of an allowance is reasonably justified.

The DND has not identified any recruitment issues for ammunition technicians and the Union has not provided any information to suggest that the duties being performed by these employees are not covered by the basic rate of pay of GT employees.

Additionally, the Employer submits that such an allowance would create inequities between employees in the same units at the same group and level as well with employees in other groups governed by other collective agreements that also work daily with the ordinance that would need to get the allowance in order to not create inequities in the same shops. (For example, SRCPS01, SREEW11, SRINM11, STS). Other relevant collective agreements – SR and SV were reviewed and there is presently no similar allowance. Management has indicated they would foresee friction due to inequity if it is granted.

The DND has indicated that its experience dealing with a similar risk-based allowance, i.e. the Dangerous Goods allowance (Article 62) has created more problems than what it is worth at the unit level.

Based on the reasons above, the Employer therefore sees no justification to introduce a new allowance.

Given the limited financial capacity and that no recruitment and retention issues were advanced to support the proposal, the Employer respectfully requests that the Commission not include this proposal in its report.

For those reasons, the Employer requests that this proposal not be included in the Commission's report.

New Appendix “X-3”
Allowance for EGs at Directorate of Technical Airworthiness and Engineering Support (DTAES) EGS at DND

Union Proposal
<p>A new annual allowance shall be introduced as part of salary for EG-06 and EG07 level employees working as Airworthiness Auditors under the Aeronautics Act at the Directorate of Technical Airworthiness and Engineering Support (DTAES) for the DND:</p> <ul style="list-style-type: none">○ EG-06: 12.2%○ EG-07: 15.3%

Remarks:

The Bargaining Agent is proposing to introduce a new allowance for employees in the Engineering and Scientific Support (EG) Group at the EG-06 and EG-07 levels who work within the Directorate of Technical Airworthiness and at the Engineering Support (DTAES) at the Department of National Defense (DND).

However, the Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of an allowance is reasonably justified.

The DND has not identified any recruitment issues for these positions and the Union has not provided any information to suggest that the duties being performed by these inspectors and officers are not covered by the basic rate of pay of EG employees at the EG-06 and EG-07 levels.

The Employer also wishes to note that wage studies performed by Mercer in 2021 indicated that EG sub-group salaries are competitive with the market.

In addition, the Employer is already proposing an increase to the base salary of all TC employees, as well as aligning the salaries of EG sub-group employees with the CFIA EG equivalent to address group-specific measures.

Based on the reasons above, the Employer therefore sees no justification to introduce a new allowance and requests that this proposal not be included in the Commission's report.

New Appendix “X-4” Single AME Base Allowance

Union Proposal
Introduce annual allowance of \$6,000 for AMEs who are the only AME working at the base

Remarks:

The Bargaining Agent is seeking to introduce a new allowance for Aircraft Maintenance Engineers (AME) who work alone are the only AME working at the base.

However, the Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of an allowance is reasonably justified.

The DND has not identified any recruitment issues for these positions and the Union has not provided any information to suggest that the duties being performed by these inspectors and officers are not covered by the basic rate of pay of EG employees.

The Employer also wishes to note that the wage study performed by Mercer in 2021 indicated that EG sub-group salaries are competitive with the market.

In addition, the Employer is already proposing an increase to the base salary of all TC employees, as well as aligning the salaries of EG sub-group employees with the CFIA EG equivalent to address group-specific measures.

Based on the reasons above, the Employer therefore sees no justification to introduce a new allowance.

Given the limited financial capacity and that the salaries for the EG sub-group are competitive and no recruitment and retention issues were advanced to support the proposal, the Employer respectfully requests that the Commission not include this proposal in its report.

New Appendix “X-5”

Employees in Environmental Response and SAR at the CCG

Union Proposal

Provisions related to time worked while on field interventions:

- a. The maximum duration of time worked on a field intervention be fifteen (15) consecutive days.
- b. Pay shall be at double (2) time for all hours worked in excess of (15) days until the employee can be relieved.
- c. An employee shall accumulate one (1) day's leave with pay for every five consecutive days working on field interventions.
- d. Employees must be granted a minimum of three (3) days' rest at home following an intervention period of at least five (5) days before deployment for another intervention period.

Remarks:

The Bargaining Agent is seeking to introduce different conditions of work for employees in Environmental Response and Maritime Search and Rescue (SAR) at the Canadian Coast Guard (CCG) when these employees are required to work on a field intervention.

The Employer submits that the Bargaining Agent's proposal would place an enormous burden on the SAR program.

The Union has not provided a reasoned justification or sufficient information that would suggest that the applicable provisions in the current body of the TC agreement are inadequate to deal with for periods of time when these employees perform work in a field intervention. More elaborate details and clarity around the elements of this proposal would be required from the Union in order for the Employer to consider this proposal further.

As such, the Employer requests that the Commission not include this proposal in its report.

New Appendix “X-6”

Environmental Response Officers at Transport Canada

Union Proposal
<p>A new annual allowance shall be introduced for environmental response regulatory inspectors and officers at Transport Canada in the following amounts:</p> <ul style="list-style-type: none">○ GT-05: 7.5% of salary○ GT-07: 7.8% of salary

Remarks:

The Bargaining Agent is seeking to introduce a new allowance to compensate employees in the General Technical (GT) Group at the GT-05 and GT-07 levels who occupy “environmental response regulatory inspector and officer” positions at Transport Canada.

However, the Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of an allowance is reasonably justified.

The Employer submits that allowances are meant to compensate employees for the performance of special or additional duties or to incentivize employees who occupy positions for which recruitment and retention issues have been identified.

Transport Canada has not identified any recruitment issues for environmental response regulatory inspectors and officers and the Union has not provided any information to suggest that the duties being performed by these inspectors and officers are not covered by the basic rate of pay of GT employees at the GT-05 and GT-07 levels.

Based on the reasons above, the Employer therefore sees no justification to introduce a new allowance.

Given the limited financial capacity and that no recruitment and retention issues were advanced to support the proposal, the Employer respectfully requests that the Commission not include this proposal in its report.

Various articles – Enforcement Workers

Union Proposal

The Union wishes to discuss the following items related to Fishery Officers, Wildlife Officers and Environmental Enforcement Officers and reserves the right to make proposals following such discussions:

- **Paid meal breaks for Enforcement Workers**
 - Notwithstanding any other provisions related to hours of work, employees who are in Enforcement Positions, exceptionally, may be required to eat his or her meal at their work post when the nature of the duties makes it necessary.
 - In the event that the Employer is unable to grant an employee a meal break, in lieu thereof the employee shall receive an additional one half (1/2) hour of compensation at overtime rates.
- **The Union proposes to implement a Use of Force Allowance for employees who are Use of Force Specialists, instructing other employees in either Basic Firearms training or in Defensive Tactics. The Union proposes that this allowance be for \$3,000 per year.**

Remarks:

The Bargaining Agent is proposing to implement paid meal breaks for enforcement workers, as well as a new annual use of force allowance in the amount of \$3,000 for employees who are use of force specialists, instructing other employees.

Paid Meal Breaks

The Employer submits that the existing provisions of the collective agreement give managers the flexibility they need to compensate officers for time worked. If an officer works more than his or her scheduled hours (whether or not they took a meal break) they would be compensated accordingly. Rarely, if ever, would an officer not be able to break for a meal during operations, so it seems unnecessary to create more administration to address a situation that is already covered.

The Bargaining Agent has not provided any evidence that the Employer has systematically refused officers meal breaks in the past nor have they provided any substantial argument to support the need for paid meal breaks for these officers.

Use of Force Allowance

“Use of force” is a concept that is intrinsically linked to the enforcement duties being performed by employees covered by appendices Appendix Z and AA, which are applicable to Fishery Officers and Environmental Officers respectively.

The Employer recognizes that these employees need to be trained to be able to perform their duties and deliver the government's mandate. The Employer has various means to achieve this, including peer training and partnering with the RCMP, who has a skilled workforce that can offer such training.

However, the Employer does not believe the introduction of another allowance is required. As stated above, the allowances at Appendix Z and AA already recognize the performance of duties of enforcement officers. The Union has not provided a convincing or compelling argument for why providing additional salary to these employees in the form of another allowance is reasonably justified.

Moreover, the Employer respectfully asks that this Commission prioritize the improvements sought by the Bargaining Agent and recognize the limited economic capabilities of the Employer when deciding to recommend such items, which will increase the total compensation package of its employees.

As such, the Employer requests that the Commission not include these proposals in its report.

Part V – Technical Services (TC) Group Definition

Technical Services (TC) Group

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

1. the planning, design and making of maps, charts, drawings, illustrations and art work;
2. the design of three-dimensional exhibits or displays within a predetermined budget and pre-selected theme;
3. the conduct of analytical, experimental or investigative activities in the natural, physical and applied sciences; the preparation, inspection, measurement and analysis of biological, chemical and physical substances and materials; the design, construction, modification and assessment of technical systems and equipment or the calibration, maintenance and operation of instruments and apparatus used for these purposes; and the observation, calculation, recording and the interpretation, presentation and reporting of results of tests or analyses, including:
 - a. the performance of activities involving the application of the principles, methods, and techniques of engineering technology and a practical knowledge of the construction, application, properties, operation and limitations of engineering or surveying systems, processes, structures, buildings or materials, and machines or devices;
 - b. the planning of approaches, the development or selection and application of methods and techniques, including computer software, to conduct analytical, experimental or investigative activities; the evaluation and interpretation of results; and the preparation of technical reports;
 - c. the observation and recording of events and the analysis of information relating to such fields as meteorology, hydrography, or oceanography and the presentation of the results of such studies; and the provision of data and information relating to meteorology;

- d. the monitoring and investigating of environmental hazards or the provision of advice on those issues impacting upon compliance with public health legislation; and
 - e. the design, development or application of tests, procedures and techniques in support of the diagnosis, treatment and prevention of human and animal diseases and physical conditions;
- 4. the application of statutes, regulations and standards affecting agricultural, fishery and forestry products;
- 5. the capture and development of images involving the operation and use of cameras, accessories and photographic processing and reproduction equipment;
- 6. the operation of television cameras and video recording systems and equipment;
- 7. the inspection and evaluation of quality assurance systems, processes, equipment, products, materials and associated components including electronic equipment used in trade measurement; the development, recommendation or enforcement of statutes, regulations, standards, specifications or quality assurance policies, procedures and techniques; and the investigation of accidents, defects and/or disputes;
- 8. the construction and repair of prostheses and orthoses;
- 9. the writing of standards, specifications, procedures or manuals related to the above activities;
- 10. the performance of other technical functions not included above; and
- 11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

- 1. the planning, conduct or evaluation of control, mapping or charting surveys, and the planning or conduct of legal surveys of real property;

2. the planning, design, construction or maintenance of physical or chemical processes, systems, structures or equipment; and the development or application of engineering standards or procedures;
3. the performance of manual tasks such as cleaning laboratory equipment, assisting in morgue and autopsy tasks, and the care and feeding of laboratory animals;
4. the performance of administrative activities such as program, human resources or financial management and planning that do not require the application of principles outlined in the inclusions; and the administrative management of buildings, grounds and associated facilities;
5. the conduct of experimental, investigative or research and development work in the field of electronics;
6. the leadership of activities related to maintenance and repair functions not requiring knowledge identified in the inclusions;
7. the operation of duplicating or reproduction machines, motion picture projection machines and accessories and process cameras in support of an offset printing or duplicating process;
8. the planning, development, installation and maintenance of information technology and processing systems to manage, administer or support government programs and activities; and
9. the application of electronics technology to the design, construction, installation, inspection, maintenance and repair of electronic and associated equipment, systems and facilities and the development and enforcement of regulations and standards governing the use of such equipment.

Also excluded are positions in which experience as an aircraft pilot and a valid pilot's licence are mandatory.

Drafting and Illustration (DD)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

1. the planning, design and making of maps, charts, drawings, illustrations and art work; and
11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

1. the planning, conduct or evaluation of control, mapping or charting surveys, and the planning or conduct of legal surveys of real property

Engineering and Scientific Support (EG)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

3. the conduct of analytical, experimental or investigative activities in the natural, physical and applied sciences; the preparation, inspection, measurement and analysis of biological, chemical and physical substances and materials; the design, construction, modification and assessment of technical systems and equipment or the calibration, maintenance and operation of instruments and apparatus used for these purposes; and the observation, calculation, recording and the interpretation, presentation and reporting of results of tests or analyses, including:
 - a. the performance of activities involving the application of the principles, methods, and techniques of engineering technology and a practical knowledge of the construction, application, properties, operation and limitations of engineering or surveying systems, processes, structures, buildings or materials, and machines or devices;
 - b. the planning of approaches, the development or selection and application of methods and techniques, including computer software, to conduct analytical, experimental or investigative activities; the evaluation and interpretation of results; and the preparation of technical reports;
 - c. the observation and recording of events and the analysis of information relating to such fields as meteorology, hydrography, or oceanography and the presentation of the results of such studies; and the provision of data and information relating to meteorology;
 - d. the monitoring and investigating of environmental hazards or the provision of advice on those issues impacting upon compliance with public health legislation; and
 - e. the design, development or application of tests, procedures and techniques in support of the diagnosis, treatment and prevention of human and animal diseases and physical conditions;

11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

2. the planning, design, construction or maintenance of physical or chemical processes, systems, structures or equipment; and the development or application of engineering standards or procedures;
3. the performance of manual tasks such as cleaning laboratory equipment, assisting in morgue and autopsy tasks, and the care and feeding of laboratory animals;
4. the performance of administrative activities such as program, human resources or financial management and planning that do not require the application of principles outlined in the inclusions; and the administrative management of buildings, grounds and associated facilities;
5. the conduct of experimental, investigative or research and development work in the field of electronics;
6. the leadership of activities related to maintenance and repair functions not requiring knowledge identified in the inclusions;
8. the planning, development, installation and maintenance of information technology and processing systems to manage, administer or support government programs and activities; and
9. the application of electronics technology to the design, construction, installation, inspection, maintenance and repair of electronic and associated equipment, systems and facilities and the development and enforcement of regulations and standards governing the use of such equipment.

General Technical (GT)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

2. the design of three-dimensional exhibits or displays within a predetermined budget and pre-selected theme;
6. the operation of television cameras and video recording systems and equipment;
8. the construction and repair of prostheses and orthoses;
10. the performance of other technical functions not included above; and
11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group.

Primary Products Inspection (PI)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

4. the application of statutes, regulations and standards affecting agricultural, fishery and forestry products; and
11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group.

PI-CGC

Primary Products Inspection – Grain Inspection (PI-CGC) Sub-group Definition

Included in this sub-group are those positions in the Primary Products Inspection Group for which the primary responsibility under the Canada Grain Act and Canada Grain Regulations is:

- the official inspection and grading of cereal grains, oilseeds and pulses and their by-products; and
- the inspection of the condition and sanitation of the storage, treatment and transportation facilities for those products, and the identification and eradication of grain pests.

Also included are related supervisory, trainee and trainer positions.

Exclusions

Positions that do not require the performance of inspection duties under the Canada Grain Act and Canada Grain Regulations are excluded from this sub-group. Also excluded are management positions in the Canadian Grain Commission.

Photography (PY)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

5. the capture and development of images involving the operation and use of cameras, accessories and photographic processing and reproduction equipment; and
11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

7. the operation of duplicating or reproduction machines, motion picture projection machines and accessories and process cameras in support of an offset printing or duplicating process;

Technical Inspection (TI)

The Technical Services Group comprises positions that are primarily involved in the performance, inspection and leadership of skilled technical activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

7. the inspection and evaluation of quality assurance systems, processes, equipment, products, materials and associated components including electronic equipment used in trade measurement; the development, recommendation or enforcement of statutes, regulations, standards, specifications or quality assurance policies, procedures and techniques; and the investigation of accidents, defects and/or disputes;
9. the writing of standards, specifications, procedures or manuals related to the above activities;
11. the planning, development and conduct of training in, or the leadership of, any of the above activities.

Exclusions

Positions excluded from the Technical Services Group are those whose primary purpose is included in the definition of any other group.

Also excluded are positions in which experience as an aircraft pilot and a valid pilot's licence are mandatory.

Exhibits