I. Terms of Reference:

On March 26, 2009, I was appointed by the Minister of Labour and Citizens’ Services to inquire into the collective bargaining dispute between the Emergency and Health Services Commission (which operates the B.C. Ambulance Service) and the Canadian Union of Public Employees, Local 873. The Minister asked me to meet with the parties and write a report in which I am to provide my assessment of the likelihood of a voluntary settlement between these two parties prior to April 14, 2009.

In order to fulfill my mandate, I met with the parties separately and asked them to identify the issues that they consider critical to being able to reach a negotiated settlement of the dispute. The purpose of this request was to identify the extent of the gap between them on each issue and what it might take to address that gap prior to April 14, 2009.
II. Background:

The Union represents 3,500 (1,400 full-time and 2,100 part-time) ambulance paramedics and dispatchers across British Columbia. The Employer operates a provincial service to B.C.’s 4.3 million people through 187 ambulance stations and almost 500 ambulances located across the province. In 2007/2008, the Union and the Employer worked together to respond to 526,015 calls for ambulance services on the ground and 8,673 calls for air services. There is no question that the employees covered by the Collective Agreement provide a critically important role in the delivery of safe, effective, and timely health care to the residents of British Columbia.

The current Collective Agreement was effective on April 1, 2005 and expires on March 31, 2009. The parties began collective bargaining on December 10, 2008 and began working with a B.C. Labour Relations Board (BCLRB) mediator on March 4, 2009. In late February 2009, the Union announced that it had received a strike mandate (96% in support) from its membership.

On March 27, 2009, the Union served the Employer with notice of a strike in accordance with Section 60 of the Labour Relations Code. Essential services levels have been established (with the assistance of the BCLRB) in accordance with Section 72 of the Code. The Union plans to exercise its right to strike at 00:01 hours on April 1, 2009.

III. Collective Bargaining Between the Parties:

The Employer’s Position:

The Employer tabled its last contract proposal to the Union on March 25, 2009. The one-year proposal contains the following elements: a general wage increase of 3.0% across-the-board; and a lump-sum signing bonus of up to $4,100 for full-time and $2,600 for part-time employees. The Union has rejected this proposal notwithstanding the clarification from the Employer that the lump-sum signing bonus will no longer be available after midnight March 31, 2009 if there is no settlement on or before that time.

From the Employer’s perspective, it is critical that any negotiated settlement be within the total compensation mandate, including the term of the renewal Collective Agreement, established by the Public Sector Employers’ Council (PSEC) Secretariat.

In addition, the Employer advised me that it is critical that any negotiated settlement maintain its ability to provide an effective, flexible, and responsive ambulance service.
The Union’s Position:

The Union tabled its last contract proposal to the Employer on March 25, 2009. Its proposal calls for a three-year renewal Collective Agreement that provides wage increases of 7% in each year for all employees. Additional cost items include:

increases to shift premiums; the move to a “Universal Hourly Rate”; and increases targeted to part-time employees, including conversion of standby positions to full-time and increased health care benefits. In its proposal, the Union accepts the signing bonus offered in the Employer’s last contract proposal. The Union’s proposal also includes a provision to update the language of the new Collective Agreement during its term, subject to interest arbitration.

The Employer has rejected the Union’s proposal.

From the Union’s perspective, it is critical that any negotiated settlement address the following issues: compensation adjustments that significantly narrow the gap with other safety professionals over the course of the renewal Collective Agreement; provisions that increase health care benefits for part-time employees; the establishment of equality of pay for employees on standby shifts; and pay for all employees based on hours worked.

IV: Prospects for a Voluntary Settlement Prior to April 14, 2009:

Regrettably, it is my view that there is virtually no chance for a voluntary settlement between the parties prior to April 14, 2009. Both parties agree with this assessment.

I have reached this conclusion for the following reasons:

Significant Disparity in Positions:

The most significant issue at the bargaining table for both parties is compensation including the term over which compensation increases are paid out. The disparity between the parties on this issue is significant.

The Union requires that a deal include a significant move toward closing the compensation gap between ambulance paramedics and other safety professionals (firefighters and police) in British Columbia. According to the Union, the existing gap is in the range of 23% to 30% and is widening as the comparator group is experiencing wage increases in the 4% to 5% range this year.

The Employer’s position is that the deal must fall within the financial mandate provided by PSEC which applies (albeit in a differentiated fashion) to all B.C. Public Sector Employers. For a one year deal, the maximum general wage increase is 3% which could be further increased through gain-sharing initiatives.

Process to address the disparity:

While the size of the compensation gap between the positions of the parties represents a considerable challenge, parties to collective bargaining are often able to bridge such gaps over a short period, especially when confronted with a significant deadline such as a strike. In this case, I find that very unlikely for the following reasons:
1. Negotiations have reached an impasse:

Each party advises me that it is only prepared to continue collective bargaining if its own last offer is considered the framework for continuing negotiations by the other party. No meetings have been scheduled between the parties or with the mediator assigned to the dispute. In effect, each party is waiting for the telephone to ring, and neither is prepared to make the call.

2. Influence of a strike:

The Union has reached the conclusion that additional pressure must be exerted to influence the Employer to change its position in the dispute. As a result, the Union has served a 72 hour strike notice and advises that a strike will commence at 00:01 hours on April 1, 2009. Essential service levels have been determined and both parties have made significant preparations for continuing operations in an essential services environment.

While a strike in and of itself is not a barrier to continued negotiations, it has the effect of hardening the position of the Union, especially in its early days. In this case, the Union expects that the effect of the strike, as a result of increased costs of operations and political pressure in the media, will cause the Government to reconsider its position. The Union advises that it expects, and is prepared for, a long strike.

3. Lump sum signing bonus:

The Employer has advised the Union unequivocally that it will withdraw its lump sum signing bonus of $4,100 for full-time and $2,600 for part-time employees if the parties do not reach agreement prior to midnight March 31, 2009. After that, the gap between the parties’ positions becomes even wider and more difficult to address. The Union indicates that the signing bonus does not interest its members given the size of the wage gap it intends to bridge in this round of negotiations. However, it still represents the removal of monies that could contribute to the achievement of a voluntary settlement, and was of significant assistance in the conclusion of all public sector negotiations in 2006.

I wish to acknowledge that the parties were enormously respectful of my mandate and the time frame for completing my report. They were most helpful at making themselves available and providing me with their time and perspectives on this difficult round of collective bargaining. I also want to thank Brent Mullin and his staff at the BCLRB who were able to provide meeting space for me and the parties on short notice.
Thank you for appointing me to prepare this report to you.
Respectfully submitted,

Paul Straszak
Associate Deputy Minister
Ministry of Labour and Citizens’ Services

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VICTORIA – Deputy labour minister Paul Straszak has delivered his report on the collective bargaining dispute between paramedics and the BC Ambulance Service, announced Labour and Citizens’ Services Minister Iain Black. The current contract expires on March 31, 2009, and the union has served the employer with notice to commence a strike on April 1.

Straszak reports that there is virtually no chance for a voluntary settlement between the parties prior to the issuance of the writs of election April 14.

“I am very concerned to learn that there is almost no chance for the two sides to reach a successful agreement before the election is called,” said Black. “During an election period, government is limited in its ability to deal with matters of public interest which may arise in the event of a strike by paramedics. However the public should be aware that the Labour Relations Board has set very high essential service levels should there be a strike, and we expect that patient care will not be affected.”

The union has confirmed that it will maintain essential service levels.

On March 26, the deputy labour minister was instructed to inquire into the collective bargaining dispute. Straszak met separately with the employer and the union to identify the critical outstanding issues in order to determine the likelihood of a negotiated settlement before the election period.

Government has now received the deputy’s report and is considering its next steps.

The report is attached as a backgrounder.

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1 backgrounder(s) attached.

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