## New Westminster Office

 $326 - 12^{th}$  Street,  $2^{nd}$  Floor

New Westminster, British Columbia

DANIEL CLOUTIER

Quebec Director

Directeur québécois

V3M 4H6



## Bureau de New Westminster

V3M 4H6

326 – 12e rue, 2e étage New Westminster (Colombie-Britannique)

LANA PAYNE LEN POIRIER

National President National Secretary-Treasurer

Présidente nationale Secrétaire-trésorière nationale

March 1, 2023

Glen MacInnes

**BC Container Trucking Commissioner** 

Office of the British Columbia Container Trucking Commissioner

1085 Cambie St.

Vancouver, BC V6B 5L7

Delivered by E-Mail: <a href="mailto:registrar@obcctc.ca">registrar@obcctc.ca</a>

Dear Mr. MacInnes,

## Re: <u>Unifor's Response to 2023 Rate Review</u>

As you are aware, Unifor represents the largest number of unionized container truckers operating in the lower mainland with certifications under both the BC Labour Relations Code and the Canada Labour Code.

Unifor welcomes the opportunity to submit our views in response to the February 2, 2023 call by your office for submissions relating to the Rate Review Recommendation Report. Our responses are listed below.

 Proposal 1 inflation adjustment and wage gap correction to the hourly rate for company drivers and indirectly employed operators (IEO's).

Using data from Statistics Canada, we find that average hourly wage rates for full time workers in the Transportation and Warehousing sectors in British Columbia saw a cumulative annual increase of 20% between 2015 and 2022 (fig 1.)

Fig. 1 Average hourly wage, transportation and warehousing, full-time workers, British Columbia, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022	
Avg									Total
hourly	28.64	28.63	29.69	30.29	29.8	32.49	33.35	33.49	cumulative
wage									increase
Annual									
%	3.8%	0.0%	3.7%	2.0%	1.6%	9.0%	2.6%	0.4%	20.0%
increase									

Source: Table: 14-10-0064-01 (formerly CANSIM 282-0072)

Figure 1 also reveals that the average hourly wage of full-time workers in 2022 in BC working in Transportation and Warehousing was \$33.49. This is much higher than OBCCTC's proposed 2023 rate of \$30.30 and \$31.67 in the 'company drivers and indirectly employed operators' category.

In addition, negotiated wage settlement data compiled by Employment and Social Development Canada reveals a similar trend. The average first year wage adjustment in major collective agreements nationally in the transportation sector (private sector) between 2015 and 2022, totaled an average of 18.2% (fig 2.).

Fig 2. Avg. First year bargained wage adjustments, transportation sector (private), national, major agreements 2015-22

	1st year percentage wage adjustment (avg)
2022	3.9%
2021	1.7%
2020	2.7%
2019	2.3%
2018	2.9%
2017	1.6%
2016	1%
2015	2.1%
Total cumulative increase	18.2%

Source: <u>Employment and Social Development Canada</u>, Major wage settlements by sector and industry

Furthermore, we are unclear as to the CPI inflation figures that have been compile in the report – particularly in Appendix A. The report mentions rate increases based on the previous year's annual average BC Consumer Price Index. However, annual BC CPI figures from Statistics Canada do not match those in the report. The report figures suggest that total cumulative annual inflation between 2015 and 2022 was 9.6%. In reality, however, the cumulative total for BC between these years is 20.5% (fig 3.). Meanwhile, wages for company drivers and indirectly employed operators rose from \$25.13 in 2015, to \$27.62 in

2022 – representing an increase of only 9.9%, suggesting that wage rates have not been keeping up with overall rates of inflation over the last several years.

Fig 3. CPI, Annual percentage change, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022	Total Cumulative
B.C.	1.1	1.8	2.1	2.7	2.3	0.8	2.8	6.9	20.5%
Canada	1.1	1.4	1.6	2.3	1.9	0.7	3.4	6.8	19.2%
OBCCTC Report Appendix A	n/a	0.0	0.0	2.6	2.0	0.0	0.0	5.0	9.6%

Source: Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted; OBCCTC Rate Review Recommendation Report, 2023

The OBCCTC report also references the 2021 Living Wage rate for Metro Vancouver calculated by the Canadian Centre for Policy Alternatives (CCPA) at \$20.52. However, for 2022, CCPA revised this figure to factor in the rising cost of living in the city. As a result, the 2022 Living Wage rate was calculated to be \$24.08 – an increase of \$3.56 or 17.3%.

In light of this, Unifor strongly recommends that OBCCTC's proposed 6.2% wage adjustment for 2023 be increased to a rate between 17% and 20%, so that worker wages appropriately correspond to the average inflationary and collective bargained increases at the national and provincial level. This will help wages that have lagged between 2015 and 2022 to catch up, while also reflecting the increasing cost of living that workers are being confronted with.

- 2. Proposal 2 overtime rates based on Employment Standards' Act short haul driver rate for company and Indirectly Employed Operators (IEO's) who work more than nine (9) hours a day or forty-five (45) hours a week
  - Unifor welcomes the change and we have seen numerous issues and schemes come up in the industry around overtime rates
  - We believe that having your office enforce and mandate an overtime this provision will eliminate a lot of issue in the industry around overtime and overtime schemes.
- 3. Proposal 3 introduces an inflation adjustment on July 1, 2023 to Independent Operator hourly rates, trip rates, and minimum call out rates.
- 4. Proposal 4 introduces an annual minimum rate increases for trip rates, hourly rates, and minimum call out rates on July 1 of each year based on the previous year's annual average BC Consumer Price Index with a mandatory comprehensive rate review every four (4) years.

Overall, Unifor supports the use of BC's Consumer Price Index (CPI) to be used for annual minimum rate increases for trip rates, hourly rates and minimum call out rates – however, with a few caveats. First, we must ensure that a commonly accepted (and agreed upon) CPI measurement is being used in calculating these rates (i.e. using CPI All-items). We also encourage using a simple formula in calculating wage increases. Ontario's annual

minimum wage adjustment formula can be used as an example of an easy to use and understand formula that can be applied. Once the previous year's CPI has been determined, we recommend that wage adjustments are immediately implemented, rather than unnecessarily drawn out (i.e. if the previous year CPI figure is released in January or February, the wage increase should be applied relatively soon after). Finally, we recommend that the comprehensive rate review take place every three years, rather than the current suggested four years, to ensure that worker wages do not fall behind and threaten employment retention and the overall stability of the sector.

We look forward to continuing our discussion during this consultation process and ultimately resolving the many serious issues facing container truckers.

Please contact us if you require any further information or have any questions or concerns.

Sincerely,

Mario Santos BC Area Director

Office: 604 516 8011 Mobile: 604 349 9058 Mario.Santos@unifor.org

cc: Paul Nagra - VCTA President, Unifor paulnagra@vcta.ca

Gavin McGarrigle - Western Regional Director, Unifor <a href="mailto:gavin.mcgarrigle@unifor.org">gavin.mcgarrigle@unifor.org</a> Scott Bateman - Road Transportation Director, Unifor, <a href="mailto:Scott.Bateman@unifor.org">Scott.Bateman@unifor.org</a>

MS:sc-cope343