

Labour Relations Agency

Annual Report 2005 - 06




Newfoundland
Labrador

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MESSAGE FROM THE MINISTER



In accordance with government's commitment to accountability, I hereby submit the 2005-06 Annual Report of the Labour Relations Agency.

The Labour Relations Agency is committed to fostering harmonious employer-employee relationships within workplaces throughout the Province.

In 2005-06, the Agency provided operational support to the Statutory Review Committee on the *Workplace Health, Safety and Compensation Act* to help it conduct the five year statutory review of the workers' compensation system in Newfoundland and Labrador. As well, significant legislative amendments were brought forward to the *Fishing Industry Collective Bargaining Act*.

Officials with the Labour Relations Agency remain focused on preventing and resolving work place disputes, and working cooperatively on matters that affect employment relations. I am pleased to note that during this fiscal year our staff had a very high success rate in helping parties reach or renew collective agreements.

I am confident that continued efforts by the Labour Relations Agency will help this Province maintain a positive labour relations climate throughout Newfoundland and Labrador.

A handwritten signature in black ink that reads "Shawn Skinner". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Shawn Skinner, M.H.A.
Minister

THE LABOUR RELATIONS AGENCY- OVERVIEW

MANDATE

The Labour Relations Agency promotes effective relationships between employers and employees through fostering a positive labour relations climate which is conducive to growth, competitiveness and prosperity.

The Agency's mandate includes the regulation of employment relations, terms and conditions of employment, labour standards, and provision of workplace dispute resolution services. These goals are pursued through the effective administration and enforcement of applicable legislation administered under the powers and duties of the Minister.

VISION

The Labour Relations Agency's vision is of an optimal labour relations climate contributing to economic growth, competitiveness and prosperity.

VALUES

The Labour Relations Agency's ability to promote effective employment relations requires that stakeholders have a high level of trust and confidence in the independence of the Agency's staff, and in the quality of its services. To this end, the Agency's organizational culture promotes three key values: professionalism, respect and partnership.

LEGISLATION

The legislation administered by the Labour Relations Agency establishes the rights and responsibilities of employers and employees in Newfoundland and Labrador. In addition, it provides context for the Agency's policy and administrative activities.

1. *Labour Relations Act and Regulations*
2. *Labour Standards Act and Regulations*
3. *Shops Closing Act*
4. *Public Service Collective Bargaining Act*
5. *Fishing Industry Collective Bargaining Act*
6. *Interns and Residents Collective Bargaining Act*
7. *Teachers' Collective Bargaining Act*

LINES OF BUSINESS

Labour Standards

The Agency, through its Labour Standards Division, is responsible for the administration of the Province's *Labour Standards Act*, which imposes certain minimum conditions on most employment contracts of service. Services to the public include:

- Ensuring compliance with Labour Standards and Shops Closing legislation through investigation and enforcement;
- Investigating and mediating disputes

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- between employees and employers;
- Offering education seminars and consultative programs to communities and organizations, educational institutions, and various business sectors;
 - Consulting with employees and employers on workplace matters.

Labour Relations

The Agency, through its Labour Relations Division, serves those employees and employers in the Province who operate within the framework of the collective bargaining system. Services include:

- Offering conciliation, mediation and alternative dispute resolution services;
- Providing assistance to both union and management groups with an emphasis on building constructive relationships;
- Facilitating the appointment of sole arbitrators or nominees to arbitration boards, when requested.

Policy and Planning

The Agency's Policy and Planning Division promotes effective employment relations directly through the provision of data and information to employers, employees and the public. This aim is also pursued indirectly through the effective administration of provincial labour legislation. Services of the Division include:

- Providing employers, employees and the public with statistical information relating to the Agency's core lines of business, objectives, programs and activities;
- Providing information and research services with respect to the Province's employment relations environment; and,
- Researching labour relations and labour standards issues and facilitating the review and enhancement of policies, programs and services.

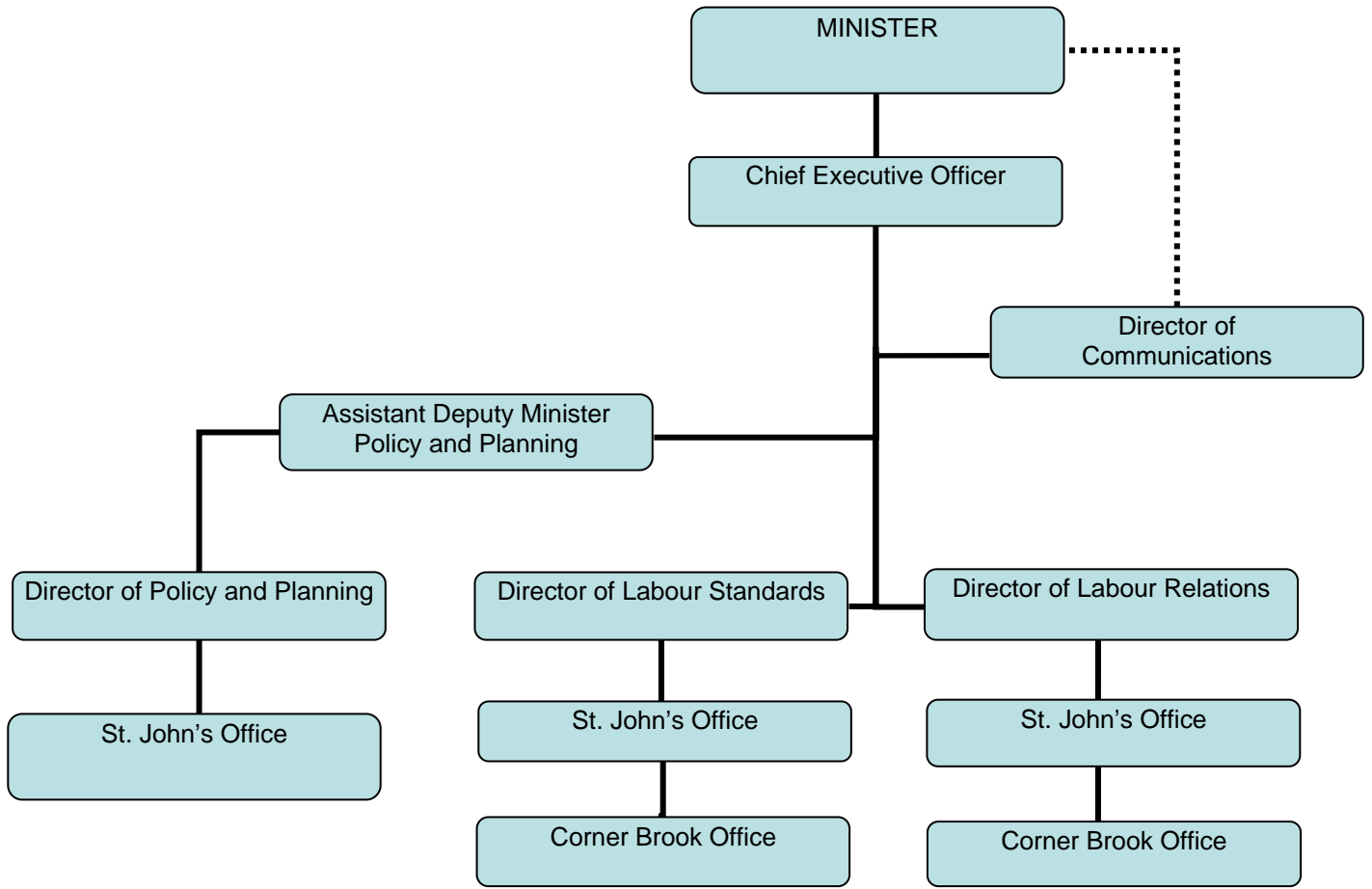
STAFF

The Labour Relations Agency employs 27 employees in its various divisions and locations (15 female, 12 male). (See the Agency's organizational structure, page 6)

OFFICES

The Labour Relations Agency has offices located in St. John's and Corner Brook.

Labour Relations Agency



SHARED COMMITMENTS

The Labour Relations Agency supports Government in reaching its overall strategic goals and objectives. In particular, the Agency works to facilitate growth of the economy and increased job creation. This is accomplished primarily on two fronts: through participation as an active partner in the labour-business-government Strategic Partnership Initiative, and secondly, through partnership with several internal government departments like the Departments of Innovation, Trade and Rural Development (INTRD), Natural Resources, Business, and Finance.

In addition, the Agency continues to work closely with employer and labour groups through ongoing consultation, which inspires collaborative work on the promotion of good labour relations and sound employment standards. The Agency relies on its partners to help define and, subsequently, deliver the right messages around labour relations and employment standards, and how labour policy and law should progress in the future.

The Labour Relations Agency is a member of the Provincial Coordinating Committee for Government's Violence Prevention Initiative (VPI). The VPI was launched during the Spring 2006 and is a new six-year, \$7.5 million initiative, which will serve as an integral part of Government's commitment to building safe and secure communities.

Likewise, the Agency is also represented on

the Deputy Ministers' Committee and the Interdepartmental Working Group associated with the Province's new Poverty Reduction Strategy. The Labour Relations Agency is an integral partner with this initiative and is providing valuable insight regarding the challenges and opportunities available to assist individuals entering into and staying in the workforce.

HIGHLIGHTS AND ACCOMPLISHMENTS

The Agency provides a wide range of programs and services that assist employers and employees in creating harmonious and productive workplaces. These are the highlights of the activities in 2005-06:

MINIMUM WAGE INCREASE

In January 2006, the minimum wage in Newfoundland and Labrador was \$6.50 per hour. Two additional \$0.25 increases will occur over the next year bringing the minimum wage to \$7 per hour effective January 1, 2007.

Amendment to the *Fishing Industry Collective Bargaining Act* (FICBA)

In response to the report entitled *Report of the Chairman – Raw Material Sharing (RMS) Review Committee*, amendments to the *Fishing Industry Collective Bargaining Act* (FICBA) were brought forward in

February 2006, to bring greater stability and a balanced regime to collective bargaining and the setting of fish prices in the province.

A three person Special Standing Fish Price Setting Panel was established to assist in the implementation of the change. The Panel's primary mandate is to act as an arbitration panel for fish processors and harvesters in situations where they have been unable to reach a collective agreement. This includes the establishment of fish prices to promote the timely start to the fishery.

Red Tape Reduction Plan

In August 2005, the Province announced its goal of reducing red tape throughout Government by 25 per cent over three years, in an effort to provide business and citizens with more efficient access to Government services and programs.

As a result, the Labour Relations Agency has completed a full analysis of regulatory requirements under all legislation, policy and procedures, and has developed a three-year plan for red tape reduction.

The first stage of the Red Tape Reduction Initiative resulted in a regulatory requirement count of 2,708 – 82 per cent of which came from legislation and regulations. As a follow-up, the Agency has developed a three-year plan to reduce red tape, based on Government's objectives.

EMPLOYMENT RELATIONS

Contract Negotiations

The Labour Relations Division provides Conciliation and Mediation services when employers and employees need assistance in concluding collective agreements. In the event of a labour dispute, the Division's involvement continues until a settlement is achieved.

The Province currently has 540 collective agreements and approximately 69,700 unionized employees.

During the 2005-06 fiscal year, there were 59 requests for conciliation, and 31 cases were carried over from the previous year. Of these 59 requests, 47 were resolved in that fiscal year.

In 2005-06, 47 new collective agreements were concluded with the assistance of staff from the Labour Relations Division. Forty-four cases (94 per cent) were concluded without work stoppages. This settlement rate is consistent with 2004-05 when 72 new collective agreements were concluded, 63 (88 per cent) of which were achieved without work stoppages. The five-year average for collective agreements being reached without a strike or lockout was 90 per cent.

Work Stoppages & Person Days Lost

During 2005-06, there were 3 legal work stoppages and one continued stoppage from the previous year. In addition, there were 4 illegal work stoppages. Of these, there were 2,331 employees involved and the stoppages lasted a total of 302 days. The end result of these work stoppages was 12,572 person days lost.

Preventive Mediation

Preventive Mediation is a cornerstone in promoting a positive labour relations climate in the Province. The Labour Relations Division's **Preventive Mediation Program** (PMP) assists employers and employees, with the aid of a mediator, to work together to improve communications, increase cooperation and resolve workplace issues through joint problem-solving. The PMP encourages a shift to a more positive labour relations environment and promotes responsible collective bargaining in the Province.

In 2005-06, the Agency received 75 requests for mediation (composed of 63 grievance mediation requests, 2 interest-based negotiations, and 10 other preventive mediation requests). 48 requests were also received in relation to the appointment of an Arbitrator.

Early Resolution

The Labour Standards Division's **Early Resolution Program** provides assistance in resolving workplace disputes in a timely and efficient manner, to the satisfaction of both parties, without requiring complex and protracted investigations. In fiscal year 2005-06, 427 workplace disputes were resolved and over 80% were resolved within four weeks of notification. Through the resolution of these types of disputes, the Agency was able to assist workplace parties to resolve disputes and recover over \$100,000 in wages and other benefits.

The Division also administers a **Preventive Intervention Program** which is designed to enhance overall compliance and ensure that employers and employees are aware of the functions and services provided by the Agency. In this program, Labour Standards Officers visit workplaces to informally meet with employers and employees to discuss their rights and responsibilities pursuant to provincial legislation.

In addition, the Division also provides an **Educational Awareness Program** where labour standards information is communicated to students, employers and employees via awareness seminars and presentations.

POLICY, PLANNING AND LEGISLATIVE DEVELOPMENT

International Labour Issues

The Agency is responsible for preparing the Province's position on international labour issues as requested from the federal government by the International Labour Organization (ILO).

In 2005-06, the Agency completed 7 requests from the ILO. As part of the Agency's participation in Canadian Association of Administrators of Labour Legislation, it assisted the International Labour Affairs Committee with the development of a survey to examine how provinces/territories complete requests from the ILO. The Agency also assisted with analysis of response to the survey.

When negotiating international trade agreements, it has been a policy of the Government of Canada to negotiate companion, or side, agreements on labour and environmental issues. In 2005-06, the Agency participated in consultations with the federal government and provinces/territories regarding new and existing International Labour Cooperation Agreements (ILCA).

OPPORTUNITIES AND CHALLENGES AHEAD

The Labour Relations Agency is consulting

with stakeholders to explore options to enhance the arbitration system. This is in response to the recognition between stakeholders and the Agency of a need for changes to remain current with the best arbitration practices.

In 2006-07, the Agency will also be undertaking a comprehensive analysis of the Report of the 2006 Statutory Review Committee on the *Workplace Health, Safety and Compensation Act*. This review will include an analysis of the Report's recommendations and involve the assessment of public feedback on the Report.

Another upcoming challenge for the Labour Relations Agency will be to meet goals, objectives and requirements outlined under the *Transparency and Accountability Act*. The Agency has considered key strategic directions aimed at promoting a positive labour relations environment and enhancing provincial competitiveness. The Agency looks forward to finalizing its strategic plan in the coming months and making progress in achieving its vision.

STATISTICAL OVERVIEW

See the following Labour Relations Agency statistics sheet for data regarding the Agency's activities.

Labour Relations Agency Statistics Sheet
Fiscal Year (April 1 - March 31)
2003-04, 2004-05 and 2005-06

Labour Relations Division

	2003-04	2004-05	2005-06
Conciliation Requests	190*	56	59
Conciliation Settlements	71	72	47
Grievance Mediation Requests	203	106	63
Appointment of Arbitrator Requests	109	56	48
Interest-Based Negotiations	8	1	2
PMP Requests	25	13	10
Mediator Appointments	5	10	2
Special Projects	12	10	1

*In March 2004, the Labour Relations Division received 87 requests for conciliation services between the FFAW and the various fish processing plants operating in the Province.

Labour Standards Division

	2003-04	2004-05	2005-06
**Cases Assigned	83	75	110
Cases Concluded	73	78	39
Early Resolutions	357	293	427
Certificates of Clearance Issued	2,349	2,558	2,466
Preventive Interventions	154 (completed) 3,992 (participants)	176 (completed) 4,009 (participants)	169 (completed) 4,091 (participants)
Speaking Engagements	64 (completed) 1,182 (participants)	33 (completed) 608 (participants)	40 (completed) 817 (participants)

**This represents the total number of formal requests received by the Labour Standards Division.

Work Stoppage Statistics

	2003-04	2004-05	2005-06
Number of Work Stoppages	5	9	8***
Number of Employees Involved	1,805	20,791	2,331
Number of Person-Days Lost	23,358	456,039	12,572

*** 4 of the 8 stoppages in 2005-06 were illegal stoppages.

Labour Force Statistics (Unadjusted)

	2003-04	2004-05	2005-06
Population(15+)(000's)	429.2	429.9	429.4
Labour Force(000's)	254.5	254.2	252.5
Employment(000's)	213.5	215.1	213.6
Unemployment Rate	16.2%	15.4%	15.5%
Participation Rate	59.3%	59.1%	58.8%

ADDITIONAL INFORMATION

For additional statistical information about the Agency's programs and services, contact the Labour Relations Agency **at:**

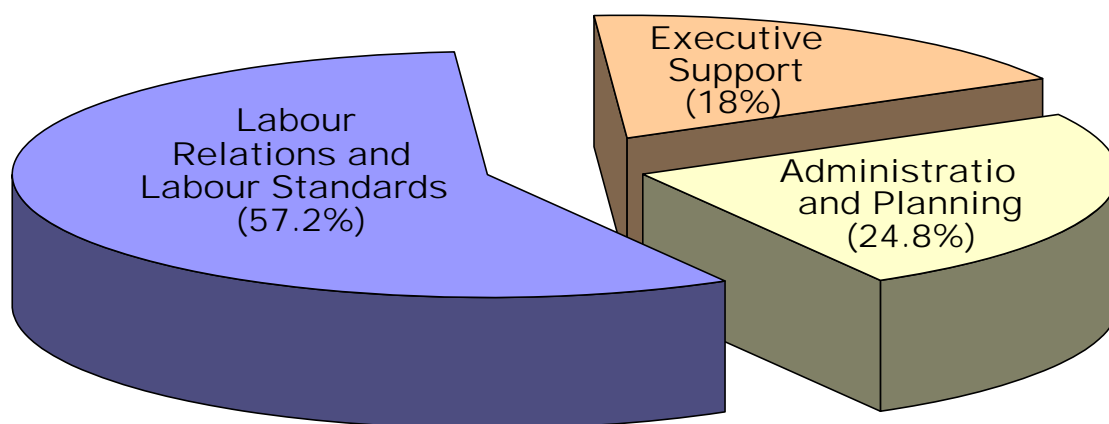
Phone: (709) 729-2711
Fax: (709) 729-5905
E-Mail: labour@gov.nl.ca
Website: <http://www.hrle.gov.nl.ca/lra/>

Contact the Labour Standards/ Labour Relations/ Policy and Planning Divisions toll-free at:
1-877-563-1063

Expenditure 2005-06

The following is a presentation of the program funding summary for fiscal year 2005-06.

Labour Relations Agency
Actual Expenditures 2005 - 06



FINANCIAL INFORMATION

Labour Relations Agency

Summary of Expenditure and Related Revenue
For the Year Ended March 31, 2006

Summary of Expenditure and Related Revenue For the Year Ended March 31, 2006				
Activity		Actual Expenditure \$	Amended Budget \$	Original Budget \$
6.1.01	Executive Support	305,782	324,300	356,800
6.1.02	Administration and Planning	421,873	441,600	486,600
	Less: Revenue - Provincial	-	(78,000)	(78,000)
		421,873	363,600	408,600
6.1.03	Labour Relations/Labour Standards	1,029,571	1,042,600	1,206,100
	Less: Revenue - Provincial	(56,912)	(70,000)	(70,000)
		972,659	972,600	1,136,100
	Total	1,700,314	1,660,500	1,901,500

Expenditure and Revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund Fiscal Year Ended March 31, 2006.

CONTACT THE AGENCY

Labour Relations Agency

Phone: (709) 729-2711
Fax: (709) 729-5905
E-Mail: labour@gov.nl.ca
Website: <http://www.hrle.gov.nl.ca/lra/>

Labour Standards/Labour Relations/Policy and Planning toll-free number:
1-877-563-1063