

**IN THE MATTER OF
THE *FEDERAL PUBLIC SECTOR LABOUR RELATIONS ACT*
and a Request for Arbitration affecting
the Federal Government Dockyard Trades and Labour Council (Esquimalt), as
Bargaining Agent,
and the Treasury Board, as Employer,
in respect of the bargaining unit composed of the Ship Repair West (SR-W) Group**

Before: William Kaplan, Chairperson,
J.D. Sharp, Treasury Board nominee,
Steven Barrett, Bargaining Agent nominee

For the Bargaining Agent: Ronald Pink

For the Employer: Marc Bernard

The matters in dispute proceeded to a hearing in Victoria, British Columbia, on July 10
& 11, 2025.

The Board met in Executive Session on July 14, 2025.

I. Introduction

[1] This interest arbitration was convened to set the wages and certain other terms and conditions of employment for 660 members of the Ship Repair-West bargaining unit employed by the Department of National Defence (DND) at the Fleet Maintenance Facility Cape Breton located in Esquimalt, British Columbia, the Canadian Forces Ammunitions Depot at Rocky Point, Metchosin, British Columbia and the Canadian Forces Maritime Experimental & Test Ranges in Nanoose Bay, British Columbia (collectively SR-W). SR-W employees – all tradespersons or apprentices represented by the Federal Government Dockyard Trades and Labour Council (Esquimalt) (Council) – are vital to the defence and security of Canada.

[2] To a person, SR-W employees hold high level NATO security clearances and are entrusted with the responsibility of keeping our Navy safely at sea. Highly skilled Council members – they either hold a provincial certificate as a journeyman in their trade or an interprovincial Red Seal Certificate – make an indispensable contribution to the defence of Canada by maintaining the Navy's operational readiness – both ships and submarines – and supporting it in its extremely important work. SR-W employees, who have specialized knowledge in the repair and maintenance of warships and weapons systems – not found in the private sector – work in the national interest for the benefit of the people of Canada and our allies.

[3] While the parties were, in collective bargaining able to agree on various outstanding items, they were unable to bridge the divide on the main matter in dispute: wages. The Council, on behalf of the SR-W employees not only sought parity with SR-E employees but further market adjustments reflecting applicable private sector comparators especially those prevailing at the Seaspan Shipyards (Victoria Shipyards, Vancouver Shipyards and Vancouver Drydock). For its part, the employer argued that there was a well-established wage settlement pattern across the federal sector in the core public administration which should equally apply to this bargaining unit.

[4] The previous collective agreement expired on January 30, 2023. The parties met for a total of nine days between August 2023 and February 2024. The Council declared impasse and filed for arbitration on April 8, 2024. The outstanding issues proceeded to interest arbitration on July 10 & 11, 2025 in Victoria. The Board met in Executive Session on July 14, 2025.

[5] Any Council or employer proposal not specifically addressed in this Award is deemed dismissed.

II. The Criteria

[6] Section 148 of the *Federal Public Sector Labour Relations Act* (FPSLRA) sets out the relevant criteria to be considered by the board in determining the outstanding issues in dispute:

- (a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;
- (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;
- (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
- (e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.

[7] In addition to these statutory criteria, the board has also considered the normative ones that generally apply including, and especially, the replication of free collective bargaining, but also demonstrated need, gradualism, and total compensation.

III. The Outstanding Issues

[8] As noted above, both parties referred issues to arbitration. It is fair to say, as noted above, that there was one major item in dispute: Wage Rates.

IV. Council Submissions

[9] From the Council's perspective the wages of its members were not competitive: they were not comparable to those received by its members at SR-E, members with the same qualifications, duties and responsibilities as those at SR-W, and they were not competitive with those offered in the private sector, including for example, by the Victoria Shipyard located immediately adjacent to the Cape Breton facility. The Council argued that parity with SR-E was only the first step in redressing a demonstrable wrong and had to be followed by further market adjustments to reflect wages and working

conditions received by trades persons at the Victoria Shipyard and other private sector comparators (and notably, in the Council's submission, the specialized work its members performed, required years of additional specialized training that far eclipsed anything found anywhere in the private sector making a compensation adjustment even more appropriate and imperative).

[10] Wage adjustments, the Council argued, were completely justified by the application of the section 148 criteria, together with the normative ones. They were needed, as discussed for comparability with SR-E, and for recruitment and retention – the number of vacancies illustrated that. The employer could not attract tradespersons; it could not attract apprentices. There was a national shortage in the skilled trades and the way below market rates for tradespersons and apprentices prevailing at SR-W was making it impossible for the employer to hire the skilled tradespersons and apprentices it needed to perform its vital mission. Above pattern wage increases were also needed for comparability purposes given market realities. They were fair and reasonable and would protect against existing and embedded inflation. There was no valid ability to pay argument; in fact, there was ability to pay in the Council's assessment of the federal government's fiscal situation. In the Council's view, its wage proposal was further justified because a 5.2% pay adjustment, awarded in 2009, was never implemented because of wage restraint legislation. The bottom line, the Council argued, was that its wage proposal was the one that would have been achieved had free collective bargaining taken its natural course. What should not be applied in isolation, the Council submitted, was the core public administration pattern (which, in any event, as outlined in the Council's submissions, provided for market adjustments as appropriate which was exactly what was necessary in this case).

V. Employer Submissions

[11] In the employer's submission, having regard to the statutory and normative criteria applied in resolving cases of this kind, there was no justification for any settlement with the SR-W group that deviated from the pattern established in this round of collective bargaining that prevailed across the federal public service in the core public administration. During the current round, the employer had tentative or signed agreements that applied to 99.4% of the employee population. There was an established and now ubiquitous wage settlement accompanied by a \$2500 one-time allowance and a pay line adjustment. In a few cases, there were targeted measures to address specific group pressures (which were not applicable or necessary here). Non-monetary terms and conditions were also standard.

[12] The employer disagreed about the nature and extent of recruitment and retention challenges and took the position that the prevailing rates – as augmented by the application of the core public administration wage settlement pattern – would satisfactorily address current and ongoing needs. Notably, there was a very low non-retirement separation rate. In the employer's view, SR-W rates were competitive with market. There were aspects of employment in the federal public service such as absence of layoffs and the Government of Canada pension plan that surpassed the market. There were fiscal challenges ahead for the federal government, and the obvious pressures on the Canadian economy had to be considered, both external – tariffs – and internal – public debt. The Government was on record that future measures would be introduced to curb public spending. In these circumstances, and for these reasons and others, the Council's wage proposals – substantially above the pattern – could not be justified and should not, the employer argued, be awarded.

VI. Discussion and Award

[13] Having carefully considered the written submissions of the parties, and those made at the hearing, we have concluded that a case has been made for parity with SR-E based on both the statutory and normative factors applied in adjudicating cases of this kind. The fact of the matter is that SR-W employees have the exact same qualifications and perform the exact same work for the exact same employer but are paid substantially less than those at SR-E. Obviously, the outcome differs from that in our SR-E award dated April 8, 2025 (where the core public administration pattern was applied). But to be clear, the application of the section 148 factors in this case leads to a different result. There is an unjustifiable pay delta between two otherwise identical groups of employees with identical qualifications performing identical work for a common employer: DND. Application of the section 148 criteria to the facts at hand – which is the basis for our decision – leads to a different outcome at SR-W than that at SR-E.

[14] Comparability, recruitment and retention have figured prominently in our analysis. While there is not currently a retention problem, there is a clearly a recruitment one. As of January 2025, there were approximately 100 vacancies in the SR-W bargaining unit (of only 660 employees). Given the demography of the workforce, unless recruitment is addressed, the number of vacancies will grow impairing the ability of the employer to provide services in the national interest. At the hearing we were provided with details about the employer's efforts to recruit apprentices and trades – particularly in areas of highest need – and its singular lack of success in doing

so. Accordingly, our award is not just informed by the need for SR-E parity, but by targeted adjustments to improve recruitment and retention for groups with high and immediate need. Related to this, we have added a new Letter of Understanding establishing a joint committee so that the parties can meet to discuss recruitment and retention, a matter of shared importance to them (and to the people of Canada).

[15] The Council made further submissions in support of its request for above SR-E parity based on rates prevailing at private sector comparators, especially Seaspan the owner of three shipyards including the one that is immediately adjacent to the Cape Breton Facility. The employer opposed this submission. We are making no determination about the validity, or not, of these submissions having formed the view that this award should not just reflect comparability and recruitment and retention but gradualism and, therefore, be limited to achieving parity with SR-E and, when doing so, address the urgent need to focus on recruitment with an emphasis on targeted areas. It is our considered view that the outcome provided in this award reflects the appropriate application of the statutory and normative criteria and is fair and reasonable, as is statutorily required, but also best replicates a free collective bargaining outcome. In terms of the other provisions of the award, they either replicate the outcome in SR-E, or reflect the core public administration pattern more generally.

VII. Term

[16] As agreed, four years expiring on January 30, 2027.

VIII. Wages

MARKET ADJUSTMENT - ALIGNMENT WITH SHIP REPAIR EAST (SR-E) RATES OF PAY

Effective January 31, 2023					
Pay group	SR (West)	Pay group	SR (East)	SR-W wage alignment - increase Year 1	
0	\$16.31	N/A	N/A	N/A	
1	\$29.00	1	\$32.60	12.41%	
2	\$33.65	2	\$34.21	1.66%	
3	\$34.60	3	\$36.17	4.54%	
4	\$39.18	4	\$40.23	2.68%	
5	\$39.42	5	\$41.36	4.92%	
6	\$40.57	6	\$42.55	4.88%	
7	\$42.40	7	\$43.00	1.42%	

8	\$44.07	8	\$43.58	-1.11%	
Lead Hand	\$1.94	Lead Hand	\$1.97	1.55%	
11	\$45.35	12	\$46.16		Note: for clarity pay group 11 is adjusted to the SR-E's pay group 12 wage of 46.16 effective Jan 31, 2023

MGT-1 PRODUCTION SUPERVISOR

Effective January 31, 2023, Step 1, 2 and 3 rates of pay of the MGT-1 sub-group are matched to Step 2, 3, and 4 rates of pay of the Ship Repair Chargehands and Production Supervisors. The maximum wage includes the \$0.25 cents per hour at the maximum wage which was included in the SCR arbitral award dated April 22, 2025.

RESTRUCTURE:

Effective on the date of the arbitral award			
Classification	Title	New Pay Group	Comments
EEW-11	Electronics/Electrical Technician	11	
MAN-7	Welder	8	
PIP-8	Pipefitter	8	
MAC-9	Machinist	8	
EME-9	Fitter	11	
MAC-11	Tool and Die	11	
INM-11	Instrument Repairman	11	
MAC-10	Bailey Meter	11	
BOB-9	Boilermaker	8	
MAN-8	Welder (High Pressure)	11	*MAN-8 exists in SR-E, but not in SR-W. Add Classification to Pay Grid - Group 11

Revised salaries as per Appendix A (attached)

Existing Pay Notes on page 61 to be remitted to the parties to be revised as part of housekeeping consistent with pay grade and changes to rates, with board remaining seized.

APPRENTICES:

APC - Apprentices 4 years

Effective on the date of the arbitral award, rates of pay for Apprentices (APC) are as follows:

Sub-group and level	% Increments
APC-1	60% of the pay of Pay Group 6
APC-2	65% of the pay of Pay Group 6
APC-3	70% of the pay of Pay Group 6
APC-4	75% of the pay of Pay Group 6
APC-5	80% of the pay of Pay Group 6
APC-6	85% of the pay of Pay Group 6
APC-7	90% of the pay of Pay Group 6
APC-8	95% of the pay of Pay Group 6

APD - Apprentices 5 years

Effective on the date of the arbitral award, rates of pay for Apprentices (APD) are as follows:

Sub-group and level	% Increments
APD-1	60% of the pay of Pay Group 6
APD-2	64% of the pay of Pay Group 6
APD-3	68% of the pay of Pay Group 6
APD-4	72% of the pay of Pay Group 6
APD-5	76% of the pay of Pay Group 6
APD-6	79% of the pay of Pay Group 6
APD-7	83% of the pay of Pay Group 6
APD-8	87% of the pay of Pay Group 6
APD-9	91% of the pay of Pay Group 6
APD-10	95% of the pay of Pay Group 6

GENERAL ECONOMIC INCREASES:

Effective January 31, 2023 – 3.50% economic increase.
 Effective January 31, 2024 – 3.00% economic increase.
 Effective January 31, 2025 – 2.00% economic increase.
 Effective January 31, 2026 – 2.00% economic increase.

WAGE ADJUSTMENTS:

Effective January 31, 2023 – 1.25% wage adjustment.
 Effective January 31, 2025 – 0.25% wage adjustment.

PAY LINE ADJUSTMENT:

Effective January 31, 2024 - 0.5% pay line adjustment.

**ONE-TIME ALLOWANCE RELATED TO THE PERFORMANCE OF REGULAR DUTIES
(AND RESPONSIBILITIES): \$2500**

This one-time allowance is pensionable and will be paid to incumbents of positions within the SR-W group at the date of the issue of the arbitration award for the performance of regular duties and responsibilities associated with their positions.

ARTICLE 9: LEAVE, GENERAL

Add: incapacity and layoff

9.02 When the employment of an employee who has been granted more vacation or sick leave with pay than the employee has earned is terminated by **incapacity**, death or **layoff**, the employee is considered to have earned the amount of leave with pay granted to him or her.

ARTICLE 12: SICK LEAVE WITH PAY

Add:

New - Medical Certificate

Where a medical certificate is requested by the employer, the employee will be reimbursed for the cost of the certificate, with a \$35 limit, upon provision of acceptable proof, for periods of absence of three consecutive days or less.

ARTICLE 13: OTHER TYPES OF LEAVE WITH OR WITHOUT PAY

13.02 Bereavement Leave with Pay

Add: Three days paid leave in event of still birth.

Add: One day paid leave for aunts and uncles

13.16 Leave with pay for family-related responsibilities

Add: Extension to visit a family member near end of life.

Add: Increase from 8 to 16 hours to attend an appointment with a legal or paralegal or a financial or other professional.

New: Leave for traditional indigenous practices

New: Two (2) days leave with pay for traditional Indigenous practices.

New: Three (3) days leave without pay for traditional Indigenous practices.

ARTICLE 16: HOURS OF WORK AND OVERTIME

16.02 The hours of work shall be scheduled as follows:

the first (night) shift shall be from 0000 hours to **0830** ~~0800~~ hours with an unpaid meal period from 0400 hours to 0430 hours;

the second (day) shift shall be from 0800 hours to 1630 hours with an unpaid meal period from 1200 hours to 1230 hours;

the third (evening) shift shall be from **1530** ~~1600~~ hours to 2400 hours with an unpaid meal period from 2000 hours to 2030 hours.

DELETE:

Letter of Understanding 15-04 Re: Employees on the first (night) shift and the third (evening) shift at FMF CB in the Ship Repair Group (All Employees Located on the West Coast)

16.15 Overtime Meal Allowances

Add:

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.

ARTICLE 18: TRAVELLING

Council proposal remitted to the parties. Board seized.

ARTICLE 25: SHIFT PREMIUM

25.01 An employee who is regularly scheduled to work third (evening) or first (night) shift shall be paid a shift premium of:

- a. one seventh (1/7) of the employee's basic hourly rate of pay for each hour worked on third (evening) shift, and
- b. one seventh (1/7) of the employee's basic hourly rate of pay for each half-hour worked on the first (night) shift.**

APPENDIX D: MEMORANDUM OF IMPLEMENTATION OF THE COLLECTIVE AGREEMENT

Employer proposal awarded.

REMOVE:

Letter of Understanding (15-06): In Respect to Hours of Work at FMF CB in the Ship Repair Group (All Employees Located on the West Coast)

ADD:

Letter of Agreement between the Treasury Board of Canada (hereafter the Employer) and the Federal Government Dockyard Trades and Labour Council (Esquimalt)

This letter of agreement is to give effect to the understanding reached between the Employer and the Federal Government Dockyard Trades and Labour Council (Esquimalt) in respect of employees in the Ship Repair (West) bargaining unit.

The parties agree to establish a joint committee to discuss recruitment and retention. The parties agree to establish said committee within one hundred and twenty (120) days of the award and to meet quarterly, or as otherwise mutually agreed to. This timeline may be extended by mutual agreement between the parties.

This letter of understanding expires on January 30, 2027, or at a date mutually agreed upon by the parties, whichever comes first.

IX. Conclusion

[17] The collective agreement settled by this award shall include all provisions of the predecessor collective agreement unless amended by this award, the terms of this award, and the items agreed upon in collective bargaining. At the request of the parties, we remain seized with the implementation of this award.

August 6, 2025.

“William Kaplan”

William Kaplan, Chair of the arbitration board

“J.D. Sharp”

J.D. Sharp, Treasury Board Nominee

“Steven Barrett”

Steven Barrett, Bargaining Agent Nominee

Appendix A

Annex A - Rates of Pay

Pay Group	Pre-Rate	January 31 2023			January 31 2024		January 31 2025		January 31 2026
		Parity	1.035	1.0125	1.03	1.005	1.02	1.0025	1.02
0	\$16.31	\$16.31	\$16.88	\$17.09	\$17.60	\$17.69	\$18.04	\$18.09	\$ 18.45
1	\$29.00	\$32.60	\$33.74	\$34.16	\$35.18	\$35.36	\$36.07	\$36.16	\$ 36.88
2	\$33.65	\$34.21	\$35.41	\$35.85	\$36.93	\$37.11	\$37.85	\$37.94	\$ 38.70
3	\$34.60	\$36.17	\$37.44	\$37.91	\$39.05	\$39.25	\$40.04	\$40.14	\$ 40.94
4	\$39.18	\$40.23	\$41.64	\$42.16	\$43.42	\$43.64	\$44.51	\$44.62	\$ 45.51
5	\$39.42	\$41.36	\$42.81	\$43.35	\$44.65	\$44.87	\$45.77	\$45.88	\$ 46.80
6 (30 cents added at parity)	\$40.57	\$42.85	\$44.35	\$44.90	\$46.25	\$46.48	\$47.41	\$47.53	\$ 48.48
7 (30 cents added at parity)	\$42.40	\$43.30	\$44.82	\$45.38	\$46.74	\$46.97	\$47.91	\$48.03	\$ 48.99
8	\$44.07	\$43.58	\$45.11	\$45.67	\$47.04	\$47.28	\$48.23	\$48.35	\$ 49.32
Lead Hand	\$1.94	\$1.97	\$2.04	\$2.07	\$2.13	\$2.14	\$2.18	\$2.19	\$ 2.23
11 (Matched to SR(E) 12)	\$45.35	\$46.16	\$47.78	\$48.38	\$49.83	\$50.08	\$51.08	\$51.21	\$ 52.23
MGT-01 Step 1	\$47.10	\$47.34	\$49.00	\$49.61	\$51.10	\$51.36	\$52.39	\$52.52	\$ 53.57
MGT-01 Step 2	\$48.78	\$49.69	\$51.43	\$52.07	\$53.63	\$53.90	\$54.98	\$55.12	\$ 56.22
MGT-01 Step 3	\$50.72	\$52.16	\$53.99	\$54.66	\$56.30	\$56.58	\$57.71	\$57.85	\$ 59.01
Apprentice Level	% Group 6	Parity	1.035	1.0125	1.03	1.005	1.02	1.0025	1.02
APC-01	60%	\$25.71	\$26.61	\$26.94	\$27.75	\$27.89	\$28.45	\$28.52	\$ 29.09
APC-02	65%	\$27.85	\$28.83	\$29.19	\$30.07	\$30.22	\$30.82	\$30.90	\$ 31.52
APC-03	70%	\$30.00	\$31.04	\$31.43	\$32.37	\$32.53	\$33.18	\$33.26	\$ 33.93
APC-04	75%	\$32.14	\$33.26	\$33.68	\$34.69	\$34.86	\$35.56	\$35.65	\$ 36.36
APC-05	80%	\$34.28	\$35.48	\$35.92	\$37.00	\$37.19	\$37.93	\$38.02	\$ 38.78
APC-06	85%	\$36.42	\$37.70	\$38.17	\$39.32	\$39.52	\$40.31	\$40.41	\$ 41.22
APC-07	90%	\$38.57	\$39.91	\$40.41	\$41.62	\$41.83	\$42.67	\$42.78	\$ 43.64
APC-08	95%	\$40.71	\$42.13	\$42.66	\$43.94	\$44.16	\$45.04	\$45.15	\$ 46.05
Apprentice Level	% Group 6	Parity	1.035	1.0125	1.03	1.005	1.02	1.0025	1.02
APD-01	60%	\$25.71	\$26.61	\$26.94	\$27.75	\$27.89	\$28.45	\$28.52	\$ 29.09
APD-02	64%	\$27.42	\$28.38	\$28.73	\$29.59	\$29.74	\$30.33	\$30.41	\$ 31.02
APD-03	68%	\$29.14	\$30.16	\$30.54	\$31.46	\$31.62	\$32.25	\$32.33	\$ 32.98
APD-04	72%	\$30.85	\$31.93	\$32.33	\$33.30	\$33.47	\$34.14	\$34.23	\$ 34.91
APD-05	76%	\$32.57	\$33.71	\$34.13	\$35.15	\$35.33	\$36.04	\$36.13	\$ 36.85
APD-06	79%	\$33.85	\$35.04	\$35.48	\$36.54	\$36.72	\$37.45	\$37.54	\$ 38.29
APD-07	83%	\$35.57	\$36.81	\$37.27	\$38.39	\$38.58	\$39.35	\$39.45	\$ 40.24
APD-08	87%	\$37.28	\$38.58	\$39.06	\$40.23	\$40.43	\$41.24	\$41.34	\$ 42.17
APD-09	91%	\$38.99	\$40.36	\$40.86	\$42.09	\$42.30	\$43.15	\$43.26	\$ 44.13
APD-10	95%	\$40.71	\$42.13	\$42.66	\$43.94	\$44.16	\$45.04	\$45.15	\$ 46.05

Note:
Matching to SRC Steps 2,3,4

Yearly Hours Based on 52.176 weeks a year and 40 hours a week	2087.04
SRC 2021 rate (Pre-Increase)	
98,271	47.09
103,182	49.44
108,343	51.91