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Flight attendants wage offer rejection suggest problems ahead, analyst says

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Carleton University business analyst Ian Lee discusses the implications of union members voting against a wage deal negotiated by their union.

The rejection of a new wage offer for Air Canada flight attendants suggests trouble ahead in the labour dispute, an industry analyst says.

Announced Saturday by the Air Canada component of the Canadian Union of Public Employees (CUPE), flight attendants voted 99.1 per cent against the employer's offer.

The union said voter turnout was 94.6 per cent.

Ian Lee, a business analyst and associate professor at Carleton University, says that kind of rebuke represents an "unusual" situation.

"Typically, when a union negotiating team negotiates a deal, they have a good sense of what the membership wants, because the membership has to vote for it (...) normally (members) do support the agreement," he told CTV News Channel on Sunday.

"I can't remember the last time that 99 per cent of the members voted overturned or voted down the deal negotiated by their own leadership."

Lee added that the outcome suggests that members are "very, very upset" and that there will be "problems ahead."

The vote follows months of negotiations on a new contract between the airline and the union, which represents over 10,000 flight attendants at Air Canada and Air Canada Rouge.

The [proposed wage increase](#) was 12 per cent for Rouge flight attendants and Air Canada flight attendants with five years service or less and eight per cent for Air Canada flight attendants with six years of service or more.

Air Canada offered annual increases of three per cent, 2.5 per cent and 2.75 per cent in the remaining years of the proposed four-year contract.

CUPE stated in a press release that Air Canada "never bargained in good faith on wages," noting that Air Canada flight attendants would still earn less than federal minimum wage with the proposed increase.

[At the beginning of August](#), members voted 99.7 per cent in favour of strike action, if necessary, after a monthslong impasse in negotiating a new contract.

One of the key issues was unpaid work. The union says flight attendants are only paid their regular hourly wage once a flight has taken off. On ground duties, including boarding, safety checks and time spent dealing with delays, are not compensated.

Wages were another point of contention. The union says entry-level Air Canada flight attendants' pay has increased by only 10 per cent, or \$3 per hour, over the past 25 years.

Following a 72-hour strike [notice](#) period, the strike began on August 16, grounding all flights operated by Air Canada and Air Canada Rouge and causing massive disruptions.

The airline estimated that 500,000 customers' flights had been cancelled as a result.

While the union [urged](#) the federal government to not intervene, federal Jobs Minister Patty Hajdu [invoked](#) section 107 of the Canada Labour Code and ordered the leadership of CUPE to direct its members to return to work.

The union defied the order, and on August 19, [announced](#) a tentative agreement was reached with Air Canada, ending the work stoppage.

However, the union's latest release highlights what it calls the "corrosive role" the federal government played in negotiations.

"Rather than maintaining their neutrality, the federal government kept their thumb on the scale throughout the bargaining process and gave Air Canada the leverage they needed to suppress flight attendants' wages," the notice reads.

[According to Air Canada](#), if the tentative agreement was not approved, the topic of wages would be referred to mediation and possibly to arbitration.

The company also noted that both parties agreed that no labour disruption could be initiated, strike or lock-out, and flights will continue to operate.

While Air Canada notes negotiations has been challenging, they remain "fully committed to the mediation and arbitration process."

For Toronto employment lawyer Keith Burkhardt, this rejection was expected.

"The fact that it was rejected by over 99 per cent is a bit of a surprise, however, the union was not happy, and its members were not happy with how this process has played out," he [told CTV News Channel after the announcement on Saturday](#).

"I think there's a number of union members who would feel like there was no downside to actually rejecting the offer and hoping they can do better at arbitration."

"It's still a bit of catch up from the COVID years and from inflation that we saw during that period of time. I think that we are seeing a number of situations as well where employers are returning to profitability and unions are saying we need to be able to have our members participate in the profitability of these companies," he added.

Burkhardt notes this rejection also represents a larger trend.

"The world is more expensive today, and unions are trying to keep up with that and we're also seeing a real pushback towards some corporate authority that we've seen in the past," he said.

With the issue of wages now proceeding to mediation, and potentially arbitration, Lee says the two parties seem "very far apart" on the current wage demands.

"It's a very uneven industry," he said. "Some years, they make record profits. In other years, as we saw with COVID, but not only in COVID years, in any recession, they tend to lose billions and billions."

Lee says the business constraints on air travel are numerous.

"Wages are about 25 per cent of total operating expenses in the airline industry, fuel is 30 per cent (...) you've got landing fees, you've got corporate taxes (...) This is not an industry that is, as some allege, that is largely a highly profitable industry."