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There's a need to control excesses in public-sector wage contracts

By Philip Hochstein

Does it make sense for taxpayers to pay ferry workers an hour's pay if they put in a minute of overtime?

Is it efficient for ICBC staff to take every other Friday off on top of their four-week vacation time? Let's be reasonable.

B.C.'s small business owners — fighting to make ends meet — look with dismay at the unaffordable labour deals their taxes support. Small businesses have to pay for rich public sector wages, benefits, pensions and perks they cannot afford for themselves or employees.

It's time to turn a new leaf; close the chapter on unrealistic settlements and confrontational tactics.

Contract settlements should focus on bringing public-sector agreements in line with those in the private sector including more labour flexibility, competitive services and productivity gains.

B.C.'s unions must get with the times and drop the 1970s bargaining approach for a co-operative, realistic labour strategy.

Pulling stunts like the recent wildcat strike by the coastal for-

OPINION

est workers only engenders mistrust and suspicion.

Looking ahead to upcoming talks with doctors, nurses, teachers, ferry workers and auto-insur-

ance workers, union leaders should dash hopes of enriching already generous labour agreements.

Instead, they need to negotiate deals fair to taxpayers, help put B.C. on a firm fiscal footing and place members' long-term interests in the forefront.

For starters, a fair settlement should be measured by taxpayers' ability to pay. Excessive public sector wages and benefits ramp up over-all government spending at a time when B.C. taxpayers can least afford it.

"Have not" B.C. will post a \$2.3 billion deficit this year on top of a \$39 billion provincial debt. In other words, the well has run dry.

B.C.'s small business community needs affordable agreements consistent with private sector wages and benefits. Public sector employees now have a 9.3 per cent wage advantage over private

sector counterparts, according to research by the Canadian Federation of Independent Business. The wage gap takes its toll not only on taxpayers but on B.C.'s economic competitiveness.

Citizens need sustainable agreements that moderate the excesses of the current deals. In the last round of contract talks, 8,000 doctors settled for an additional \$392 million in fees for two years. Taxpayers financed this settlement with a .5 per cent sales-tax hike.

MSP premiums were increased to fund the nurses 23.5 per cent wage hike. Teachers also did better than the private sector, walking away with a 7.5 per cent increase over three years.

Without having to drive back hourly wages, the government and public-sector unions should agree to make contracts more flexible, so taxpayers get value for their money.

The challenge is to cut costs from those benefits and entitlements that add no value to the services provided.

This year's public-sector negotiations should foster a modern and temperate labour environment. B.C. taxpayers and small businesses are banking on it.

Philip Hochstein chairs the Coalition of B.C. Businesses, representing more than 50,000 companies.

inbrief

Excessive public-sector wages ramp up over-all government spending. "Have not" B.C. will post a \$2.3 billion deficit this year on top of a \$39 billion provincial debt. The well has run dry.