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## Olympic Games in 2010 represent big bargaining chip for B.C. unions

By DIRK MEISSNER

VICTORIA (CP) - British Columbia's wage-hungry public sector unions are poised to become huge supporters of the 2010 Winter Olympics. The Games, set for Vancouver and Whistler, are a gold-plated bargaining chip for the almost 300,000 B.C. union members looking for raises this spring, labour experts say.

Premier Gordon Campbell's Liberal government knows it, and as much as admitted it in November, when it put \$6 billion on the table to settle contracts.

The government package included promises of bonuses for early deals and dividend payouts to unions that sign long-term agreements that expire in March 2010.

Contract talks will be a dominant political issue in 2006 as the government attempts to court the unions after years of zero-per-cent increases, back-to-work-laws, imposed contracts, pay cuts, court fines and strikes.

Unions representing teachers, nurses, doctors, government workers and support staff have yet to officially use the word "payback." But that's what they're looking for, observers say, especially after B.C. politicians tried, but failed, to hand themselves a 15 per cent raise in November.

"We've got some very difficult negotiations ahead," says John Fryer, a labour relations professor at the University of Victoria.

Fryer led the B.C. Government and Service Employees Union in the early 1980s when the province came close to a general strike in a dispute that pitted the labour movement against the restraint-minded government of former B.C. Social Credit premier Bill Bennett.

It's 20 years later, and relations between Campbell's government and labour unions haven't been any more harmonious.

An illegal strike in the fall by B.C. teachers saw the union fined, but public sentiment resided with the teachers even as they shut down schools for two weeks. Hospital workers staged an illegal strike a year earlier after the government imposed a contract that included 15 per cent wage cuts. The Hospital Employees Union was fined by the courts.

"The climate is still not a positive one between the unions and the government," said Fryer.

But there are signs the government may be taking a gentler tack in 2006. Finance Minister



B.C. Premier Gordon Campbell. After deep budget and program cuts by Premier Gordon Campbell's Liberals, unions are looking for pay back, especially after British Columbia's politicians tried, but failed, to hand themselves a 15 per cent raise in November, 2005. (CP images/Chuck Stoady)

Carole Taylor has said the \$6 billion package shows the government is prepared to reward innovation at the bargaining table.

Gone is the government's previous hard-line one-size-fits-all approach to bargaining that resulted in public-sector unions being forced to accept zero-per-cent increases as part of the government's restraint agenda, she said.

The financial package, available for settlements through 2009-10, includes a \$1-billion bonus for signing before April 1 and a dividend payout worth up to \$300 million for signing long-term deals, she said.

Taylor suggested the \$1-billion bonus is worth about \$3,300 to each government worker, but she also said unions don't have to take the money as up-front cash, opting instead for pension or benefit improvements.

The \$4.7 billion on the table, which does not include the \$1 billion bonus, adds up to a raise of more than 2.5 per cent a year for workers, or almost 11 per cent over four years, she said.

The \$300 million dividend, based on the government achieving a budget surplus of more than \$150 million in 2009-10, could pay each government worker more than \$1,000.

Taylor said the government's budget surplus must hit \$450 million for workers to achieve the full \$300 million dividend payout. But the dividend eligibility does not go higher than \$300 million.

"The possibility of big surpluses at Olympic time, I think, are not that probable," said Fryer. "So why would these union leaders then give up their possibility of putting significant pressure on the government at the time of the Olympics?"

The government, despite built-in contingency reserves to beat back rising Olympic costs, is already hearing about labour shortages and rising costs. These factors could cut into the government's finances, and the unions will likely prefer to seek new contracts in the same year British Columbia is hosting the world, Fryer said.

"It was a bold move on the government's part to put its position out there and to have the public understand it," he said. "That's to be applauded. But I don't think that it tells us or signals to us that we're out of the woods for public sector negotiations next year."

Timing is working in the unions' favour this spring, says Ken Thornicroft, a former labour arbitrator and a business professor at the University of Victoria.

"You are going to see a significant amount of co-ordination with the public-sector unions," he said. "There is the potential for a very significant shutdown, lawfully as opposed to unlawfully. The government is under maybe more of the gun this time around, because they are obviously looking towards 2010."

Campbell's Liberals will also be seeking a third term in 2009.

Thornicroft says the government's decision to announce its \$6-billion offer may be part of a strategy to warn the public that tough bargaining is ahead.

"There is this view in the labour community that because they weathered the storm over the last several years of zero, zero and zero, it's time for a significant loosening of the purse

strings," he said.

A pay raise of 2.5 per cent a year might not be enough to satisfy unions who claim their members lost at least four per cent over that last three years, said Thornicroft.

Labour leaders say they'll head into negotiations with the government pleased that they have the opportunity to bargain a contract as opposed to having one imposed on their members. But they added it's too soon to talk numbers - or the Olympics.

"What I do know is people who had their pockets picked by the Liberals in their first term, through cuts in benefits and through cuts in wages, expect to have that made up," said George Heyman, president of the 40,000-member B.C. Government and Service Employees Union.

"Other people, justifiably, want to keep up with the cost of living," he said. "Just as MLAs, before they rescinded the bill that gave themselves a wage increase, tied that wage increase to the inflation factor in years to come."

Heyman says his union always tries to reach a contract before the current deal expires, but the members are looking for respect, security and money - and "are more than prepared to go on strike to get that."

Some facts and figures on B.C. labour picture in the coming year:

**Issue:** The contracts for up to 90 per cent of B.C.'s 300,000 public sector workers expire in 2006, with most ending on March 31.

**Offer:** The B.C. government has put \$6 billion on the table. Its offer includes a \$1 billion bonus for unions that settle before their contracts expire. There's also a chance at a \$300 million dividend for unions that sign four-year deals.

**Strategy:** The government opens its purse after years of wage freezes, hoping to court unions into signing long-term contracts that prevent labour problems in B.C.'s 2010 Olympic year.

**Unions:** Unions say they're happy to negotiate after years of imposed contracts, illegal strikes, court fines and layoffs.

**Speculation:** Labour experts conclude unions have the upper hand this time. Unions are in line for more money and may use the 2010 Olympics as a weapon to squeeze more money from Premier Gordon Campbell's Liberals.

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