



Newsletter

BC budget: Finance minister digs in on bargaining framework despite generous budget cushion

THE BC GOVERNMENT FOCUSED on children and skills training in its 2006 budget, while holding the line on its restrictive negotiating framework for public sector workers. In a pre-budget statement in Victoria Tuesday, finance minister Carole Taylor held firm on “the billion-dollar dangle” – the money disappears at midnight on March 31.

The government has indicated that the \$1 billion is strictly for one-time payouts such as signing bonuses and cannot be used to increase base wage rates.

At the bargaining table Tuesday, the union proposed a \$4,700 signing bonus for hospital and long-term care workers, based on the disproportionately deep wage cuts imposed by government two years ago. Health employers have offered \$3,700.

Victoria’s five-year, \$6 billion framework includes the \$1 billion early-settlement incentive, \$4.7 billion for wage/benefit increases and another \$300 million – conditional on government exceeding 2010 surplus forecasts – as a dividend for four-year contracts.

And while it sounds like a lot, it amounts to just 2.7 per cent annually across the public sector for both general wage increases and other measures. It’s unlikely to allow for workers’ wages to keep pace with inflation, much less recover lost ground.

Meanwhile, Taylor has budgeted generous forecast “cushions” of \$1.8 billion over three years on top of surpluses totaling \$2.6 billion. Revenue projections are also conservative.

Also in the budget:

- A modest three-year boost of \$301 million to health care but no mention of the “transformation” promised in last week’s Throne Speech. Part of the new funding will go to reduce surgery wait lists by handing over some procedures to private clinics. And much of the allocation towards the government’s long-overdue commitment to seniors’ care will underwrite public-private partnership deals that enjoy leaving unionized health care workers out in the cold.
- \$400 million over four years will go towards skills and training with no increase in the number of funded seats in the public post-secondary system. And the proposed employer tax credit program for training is a subsidy for business that does nothing to address critical recruitment and retention issues in health care.
- Government restored some funding to child protection services it had previously cut. But child protection advocates say more is required including the immediate re-instatement of the independent children’s commissioner.

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