

Severance cheques handed out without pink slips



STEPHEN MAHER

Every weekday morning, fleets of buses carry federal government workers from Gatineau, Que., across the river to their jobs in Ottawa.

This summer, the bus shelters on the Gatineau side had an advertisement from Caisse Desjardins, a credit union. It featured an attractive young woman with a knowing smile and the headline, in French: Advice for Federal Bureaucrats.

"Severance pay: now or later? Consult our experts to discuss the best strategies to reach your financial objectives. Make an appointment."

The Royal Bank ran similar ads in Ottawa.

What the bankers know, but most Canadians don't, is that the federal government is in the process of paying an estimated \$1.3 billion in severance payments to public servants.

What's unusual is that none of them are losing their jobs. They are getting this cash to compensate them for giving up a clause in their contracts that provided for payments if they voluntarily gave up their jobs.

Since the late 1960s, when the Public Service Alliance of Canada negotiated the first collective agreements, public servants have received severance when they quit their jobs or retire.

In the real world, only the fattest fat cats on Bay Street get that kind of deal, so the government demanded that the Public Service Alliance give it up — and the union reluctantly agreed — in exchange for upfront payments to their members: one week for every year worked, up to a maximum of 26 weeks ... half a year's pay.

There are going to be some nice TVs under Christmas trees in the National Capital Region this year.

Many public servants work very hard in difficult

circumstances, and they ought to be treated fairly, but I think the government did the right thing by taking this voluntary severance away.

Unions warn against the "race to the bottom," where governments impoverish public sector workers, bringing down living standards across the board, but this isn't what's happening.

It's not reasonable to ask Canadians who don't get voluntary payouts to pay for them for others.

And the fact that the government has to pay so much — \$1.3 billion! — to get out of this is hard to swallow, as is the fact that there has been zero public discussion.

Twice, Treasury Board president Tony Clement was politely asked about this at committee, but nobody kicked up a fuss.

All our opposition parties like unions better than the Conservatives do, and the right-leaning groups that are supposed to advocate on these issues — the National Citizens Coalition and the Canadian Taxpayers Federation — are close to the Tories.

And MPs are not doing their jobs — can't do their jobs — to exercise the power of the purse by going over federal spending estimates line by line. Both the auditor general and the parliamentary budget officer have called for urgently needed reforms to the system, and Clement has promised improvements.

"It's designed basically to be confusing," says Kevin Page, the parliamentary budget officer.

"We have no expenditure control mechanism in Canada," says Gregory Thomas, federal director of the Canadian Taxpayers Federation.

"You've been to the committees. Nobody has the estimates open in front of them. It's almost an empty ritual."

We select our MPs for their judgment, and then the parties treat them like sheep. They deliver talking

points written by staffers and vote as directed, a retail sales force at the beck and call of backroom image-makers.

We should give them more useful work by asking them to find out what's going on in the enormous public service. Bring in the officials, make them explain departmental spending to committees made up of grey-haired former mayors of prairie farm towns and tattooed Montreal social activists.

Let our representatives find the waste before the money goes out the door, instead of waiting for the auditor general to find it after it's gone.

If the MPs had the vaguest idea of what the public service does — and they do not — maybe we could avoid the expansion and contraction of the workforce, which is wasteful and stupid.

In the budget this spring, Clement will unveil his scheme to cut \$4 billion from federal spending, which must include deep cuts to the workforce.

This year, the government will spend \$42.3 billion on wages and benefits for 282,352 federal employees.

Page's analysis of departmental planning documents shows the government intends to reduce the payroll by about 6,000 people, and that's before finding the \$4 billion. That will mean thousands of layoffs.

"We have a hard time seeing the number of people coming out of the system to achieve those results," he said Friday.

A lot of Canadians will welcome the layoffs. Reducing the public service will mean a balanced budget and, ultimately, lower taxes, which is what Stephen Harper promised.

Applaud if you like. But why did he hire all these people in the first place?

In March 2006, there were 249,932 federal employees. By March 2011, Harper had increased the federal payroll by 32,420. Now he's going to pay a lot of them to leave, after paying \$1.3 billion in severance to people who are keeping their jobs.

“It's designed basically to be confusing”

KEVIN PAGE, PARLIAMENTARY BUDGET OFFICER

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