

Thousands will be dumped in B.C.'s housecleaning \$100-million in termination payments expected this year

Mark Hume, with files from Ian Bailey
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VANCOUVER - When the new Liberal government of British Columbia set out last spring to review its core operations, its plan was to move carefully to an efficient, professional public service.

Then budget realities hit.

Now, with the economy sliding, restructuring government has become urgent: Entire boards and once powerful mandarins are being sacked. It is just the start of an exercise that will cut far deeper into the civil service than anything seen in Alberta or in Ontario during the past decade of downsizing.

Gordon Campbell, the Premier, has told government departments to present three scenarios -- outlining the impact of spending cuts of 20%, 35% and 50%.

Ralph Klein, the Alberta Premier, only imposed 20% spending cuts when he launched an austerity drive in 1992, while Ontario Premier Mike Harris's "Common Sense Revolution" was based on a budget freeze.

In British Columbia, the government is expected to pay \$100-million in termination payments this year to remove thousands of people from the payroll. In the past three months, 225 public servants have been dismissed and another 800 at the Insurance Corp. of British Columbia have just been given notice. Other ministries are drawing up lists and in the weeks ahead more people will be jettisoned -- possibly several thousand.

"We're talking about some jobs here obviously, but those jobs are out of 1.9 million jobs in the province. It's time for the public sector to do its share," a tough talking Mr. Campbell said.

Union leaders have accused Mr. Campbell of attacking the public service, but Mark Milke of the Canadian Taxpayers Federation said the government is undergoing a rationalization that is unavoidable.

"In the private sector this happens all the time. Companies routinely review where they are going, keeping an eye on the bottom line," Mr. Milke said. "But governments only do performance reviews when they get themselves into financial trouble. In B.C., it's long overdue -- by about a decade I'd say."



Jeff Vinnick, National Post

Gordon Campbell, the Premier of B.C., says his downsizing plan is to simply "bring some financial sanity back to the province of British Columbia."

The trend to government downsizing in Canada began in 1985, under the federal Conservatives. Doing more with less was government policy almost everywhere over the next decade -- except on the West Coast.

"The 1990s should have been the decade when B.C. got its act together, too, but under the [two-term] NDP government the public sector payroll went up. The government now really has no choice but to take some dramatic measures," Mr. Milke said.

Mr. Campbell said his plan is to simply "bring some financial sanity back to the province of British Columbia."

Within days of taking office last May, the Premier ordered a detailed study of departmental operations. There was a dual objective: to eliminate the political appointments of the previous NDP government and to reshape the civil service.

There was no shortage of high profile targets on the political front: Chris Chilton, the former chief of staff to Ujjal Dosanjh, the former premier, was let go (claiming \$300,000 in severance). Elizabeth Cull, a former NDP finance minister who worked on Mr. Dosanjh's staff, was dismissed (\$177,475 severance) as was Shari Graydon, a politically partisan press secretary who liked to lecture reporters.

Jim Green, a former NDP candidate who set up a bank for the poor in Vancouver's Downtown Eastside, was ousted (along with his entire board), as was Bob Williams (and his board), a former NDP Cabinet minister who headed the province's insurance agency. Tony Penikett, a deputy minister whose past included a stint as the NDP premier for the Yukon, was released as was Mary-Woo Sims, the B.C. Human Rights Commissioner who made a name for herself by championing gay, lesbian and transgendered rights.

John Goldsmith, chairman of BC Railway Corp., went out the door.

NDP-appointed advisory boards -- like the ones that ran the Pacific National Exhibition, Vancouver's annual fair, and the B.C. Gaming Commission, which controls gambling -- have been swept out and replaced by civil servants. In the PNE's case, three people are now doing the job of 15; the seven-member gaming commission has been replaced by one deputy minister. Also gone is the entire board of the Okanagan University College.

The political housecleaning came first, but the next wave will cut deep into the front-line services of government. Just where and when those cuts will come won't be known until the review is completed in November.

"We are going to go through each ministry and each program and ask the tough question. 'Is this a program government should continue to deliver?'"

"That doesn't necessarily mean a 10% cut in that program -- it may mean elimination of the entire program," Gary Collins, the Minister of Finance, has warned.

"I think most people understand there is no end to what government could do -- the question is what government should do," Mr. Campbell says.

Mike Geoghegan, a private consultant in Victoria, said the government is redefining itself by modernizing operations and going back to an old value system in which civil servants work for the public, not to promote the government of the day.

"The idea, and it is a good one, is to re-establish a professional public service in British Columbia," **Mr. Geoghegan** said. "Campbell recognizes that what's needed is the development of an entrepreneurial civil service. One that is results oriented, rather than being concerned with -- as it has been for years -- building empires."

Mr. Geoghegan said that under the NDP the public service became bloated and highly politicized. "That has happened before, though never to such an extent," he said. "And the pendulum has swung back before. After Dave Barrett's [NDP] government, Bill Bennett [Social Credit] cleaned house. Then the NDP came back in and started firing Socreds and appointing NDP supporters to civil service positions."

Now it is the Liberals' turn.

"The test here is whether or not the government can check itself and stop from just appointing Liberal hacks to replace NDP hacks," **Mr. Geoghegan** said. "If they can do that, they can accomplish real change. ... It looks like they are trying to do the right thing."

Certainly the public thinks so. The Liberals' popularity has climbed to 62% in a recent poll, up from 58% when it swept to power last May, taking all but two seats.

Mr. Campbell's rating is even higher -- with 70% approving of the job he's doing.

But the restructuring is turning out to be far more difficult than the Liberals expected, largely because of the changing economic climate.

The government's troubles began when the economy slumped over the summer and stuttered with the Sept. 11 terrorist attacks. With revenues down -- in part due to a \$1.5-billion tax cut -- pressure to reduce spending has mounted and the size of the potential cut has jumped accordingly, from 20% to 50%.

"In effect what's happened is that you've got two trains leaving the station at once," said Patrick Smith, a professor of political science at Simon Fraser University.

One train is the core review, which started as a practical, analytical exercise. The other train, which has raced up from behind, is the recession.

"The core review has been overtaken," Mr. Smith said. "The Minister of Finance's deficit fighting is now starting to overshadow everything else. That is driving all their decisions."

He said the government must find ways to cut up to \$2-billion in spending this year and \$6-billion over the next three years in order to have a balanced budget by 2004/2005 as is now required by law.

"They will achieve that but it will be extremely difficult," Mr. Smith said. "Everything they have to do will be done to achieve that goal."

He said the government has made things even tougher by declaring repeatedly that education and health will not be touched.

"If you look at the B.C. budget, you see 80% of it is taken up by education and health. ... That means they have to try and get all their savings out of the other 20%. ... They will have to shut things down."



Elizabeth Cull received a \$177,475 severance.



Chris Chilton received a \$300,000 severance.