

# A temporary problem

**Ottawa Citizen**

Published: Tuesday, July 11, 2006

Public Works Minister Michael Fortier shouldn't worry about putting small temporary-worker agencies out of business if he can get a better deal from bigger ones -- but he should worry about whether the government should be using so much temporary labour at all.

Mr. Fortier has backed off a plan to consolidate the government's many, many contracts for temps into seven big deals. The plan is part of a general strategy of centralizing procurement, buying everything in bulk to try to get better deals.

The government currently hires temps from as many as 141 agencies in Ottawa alone, and their outcry at the prospect of being put out of business is what led Mr. Fortier to say his department should have spent more time in consultations before seeking a mere seven temp agencies to fill the government's ranks.

But if seven big agencies can deliver better service for less money than 141 little ones, so be it; the minister's responsibility is to the taxpayers who foot the bills, not to the vendors who send them. The government reportedly makes up 80 per cent of the temporary-worker market in Ottawa. If so, it has power in the market and an obligation to use it.

Which agencies the government contracts with isn't the government's most important problem with temporary workers, though. There is irony in temp agencies' objecting to being treated as disposable. Disposability is the most important service they provide: an official cover for bringing in staff who can be got rid of with relative ease. Because laying off public servants is so difficult, hiring them is difficult, too, so managers find a reasonable degree of flexibility by finding legal ways around the rules.

For this cover, Canadian taxpayers pay handsomely. From the taxpayer's point of view, this is absurd: The government pays \$30 an hour for labour but actually gets a \$15-an-hour worker, with the temp agency taking the difference. If many of the temp workers are overqualified, perhaps the deal for taxpayers isn't as bad as it looks -- but then it's unfair to the "temporary" workers.

Among the temporary jobs on offer at one Ottawa agency that does a lot of business with the federal government are "purchasing officer" (secret-level clearance and familiarity with federal contracting rules required) and, amazingly, "staffing adviser" (though the employer isn't identified, the posting calls for intimate experience with public-service staffing rules). Positions of significant public trust shouldn't be filled by people who are by definition just passing through.

Every organization has occasional need for short-term workers for specific time-limited tasks, but when there's a permanent need to be met, a permanent staffer should fill the job. If the need is long-term but not permanent (a year-long maternity leave, for instance), the government should be able to hire someone on contract without paying a premium to an outside agency.

Mr. Fortier should fix the government's undue reliance on temporary labour before changing the system for buying it.

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## **Profits are slim for temporary staff firms**

**Ottawa Citizen**

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**Re: A temporary problem, July 11.**

While it is heartening to see the contribution of the temporary-staffing industry to the federal government acknowledged in the *Citizen*, we wish to provide necessary clarification on a few key points.

The Association of Canadian Search, Employment and Staffing Services (ACSESS) represents the majority of staffing firms of all sizes across Canada. The temporary staffing industry plays a vital role in Canada's labour market. It fulfils a wide variety of staffing needs for a broad range of employers – including the federal government. It helps businesses and governments address the everyday needs or ebbs and flows of their operations.

And we do this all while operating with profit margins tighter than many other professional-service bodies – an average 4.1 per cent, according to Statistics Canada. Your article's reference to a \$15-an-hour pay rate and \$30 bill rate is particularly misleading. The need to recruit, test, and screen potential employees is a majority "up-front" expense in our business, in addition to absorbing statutory obligations such as employment insurance, Canada Pension Plan, applicable health and training taxes, and vacation pay for our temporary employees. Thus, the staffing company retains a published average of 4.1 per cent, on which a 40-percent tax rate is then applied.

Most temporary staffing industry workers are highly skilled, talented and energetic individuals who choose temporary work for personal or lifestyle reasons. Staffing firms also place many new Canadians in their first jobs, giving them vital "Canadian experience" that speeds their integration into the labour market – a key government policy objective.

We strongly support the federal government's goal of spending taxpayer's dollars in the most effective manner. Our association is committed to working with Public Works Minister Michael Fortier to achieve that end. But we don't believe these savings should be made at the expense of those who deliver highly cost-effective services in an already competitive market.

**Amanda Curtis**, Mississauga, Executive Director, ACSESS