



Public Service Alliance of Canada
Alliance de la Fonction publique du Canada

Public Service Alliance of Canada Submission

2020 Pre-Budget Consultations



Recommendations

Phoenix

Include sufficient funding up to at least 2023 to resolve all of the problems associated with the Phoenix pay system, including a permanent increase in staffing required to stabilize the pay system for good, as well as to compensate federal workers for the hardships endured as a result of Phoenix. Allocate additional and sufficient funding to develop, thoroughly test and launch a new pay system.

Precarious work

Include sufficient funding to implement the recommendations contained in the House of Commons committee report [*Precarious Work: Understanding the Changing Nature of Work in Canada*](#),¹ with particular attention to recommendation #5.

“That Employment and Social Development Canada work with other federal government departments and agencies to review human resources practices with a view to: reducing reliance on temporary agency workers and solo self-employed; improving protections of temporary agency workers and solo-self employed (*sic*) to ensure they enjoy the same level of occupational health and safety protections and access to workers compensation; and reviewing human resources policies and budgeting practices to ensure that they incentivize hiring employees on determinate contracts.”

Develop and implement, in consultation with public sector unions, a system-wide process for tracking and reporting on the use of temporary help agency workers, and other contract personnel, that includes the reasons why outside services were necessary;

Require the same open, transparent reporting from federal contractors as required of government departments under the Employment Equity Act.

Establish a federal compensation scheme that applies to federal sector workers and to all workers who are employed by contractors to the federal government, that calculates compensation based on earning capacity at a full-time, and at least minimum wage rate, and not pre-injury earnings.

Federal Labour Program

Include the necessary funding in the federal budget to increase staff and resources in the federal Labour Program to conduct proactive and reactive workplace compliance audits and investigations.

¹ Precarious Work: Understanding the Changing Nature of Work in Canada, Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, June, 2019., pp 46-47.

Public-Private Partnerships (P3s)

Cancel procurement processes for P3 infrastructure, and reissue using traditional public infrastructure, operation and maintenance methods.

Develop a process to terminate contracts for the ESAP Heating Plant Modernization, and the Library and Archives Canada Gatineau 2 and other existing P3s, and return them wholly to the public service to operate and maintain.

Redirect the funds dedicated to operating the Canada Infrastructure Bank to actual infrastructure projects.

Child Care

Increase the federal early learning and child care (ELCC) budget by \$1 billion annually for 10 years to meet the internationally recommended spending benchmark, in keeping with Child Care Now's proposed "Affordable Child Care for All Plan"².

Make federal transfer payments conditional on negotiated agreements being met.

Reinstate funding for community stakeholders/researchers/experts/advocates to strengthen the capacity of the child care sector to support affordable, high-quality, inclusive child care services that are responsive to the needs of parents, children and communities.

Establish a federal child care secretariat or branch within the federal government to facilitate collaboration with all stakeholders and to coordinate early learning and child care initiatives such as a workforce strategy, a data/research strategy and innovation.

Pharmacare

Implement the recommendations of the Final Report of the Advisory Council on the Implementation of National Pharmacare, *A Prescription for Canada: Achieving Pharmacare for All*, that include

- providing long-term adequate and predictable funding to provinces and territories sufficient to cover the incremental costs of national pharmacare,
- delivering federal funding through a new targeted transfer that is separate and distinct from the Canada Health Transfer, and
- requiring that provinces and territories be eligible for federal funding when they accept the principles and the national standards (terms of coverage) for national pharmacare.

² [Affordable Child Care for All Plan](#)

Phoenix funding

The 2019-20 federal budget's funding commitment fell significantly short of what is required to end the pay nightmares of Canada's federal public service workers. Seventy per cent (70%) of that funding was earmarked for this fiscal year, leaving little for future needs.

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
22M*	366M	74M	77M	8M	8M	554M
70% of the funding						

**In addition to the amount budgeted last year (all amounts in millions)*

The Parliamentary Budget Officer says the Phoenix situation could continue until 2023. Yet, the government has recently ended an incentive package for the recruitment and retention of federal compensation advisors, jeopardizing its ability to resolve Phoenix cases.

The government's own statistics show a backlog of 230,000 transactions as the end of June. It estimates that more than half of public servants are experiencing some form of pay issue (including those served by the Pay Centre as well as non-Pay Centre departments).³

Sufficient long-term funding needs to be dedicated to

- eliminate the backlog of pay problems
- compensate workers for their many hardships
- stabilize Phoenix, and
- properly develop, test and launch a new pay system

Precarious work

Precarious or "non-standard" work continues to increase in the federal public service. As of March 31, 2019, 16.4% of employees were categorized as term, casual or student, primarily as term or casual employees.⁴ A year earlier, 15.3% were in the same category.⁵ This does not include those workers working in public sector workplaces or doing public sector work who are self-employed or employed by companies that contract to the federal government (Temporary Help Agency workers, Professional and Special Service workers).

³ [Public Service Pay Centre Dashboard as of June 26, 2019](#)

⁴ Michael Wernick, Clerk of the Privy Council, Twenty-sixth Annual Report to the Prime Minister on the Public Service of Canada, from April 1, 2018 to March 31, 2019.

⁵ Ibid

a) Health and Safety in Precarious Work Situations

The Government Employee's Compensation Act (GECA) does not provide workers with appropriate coverage in the case of injury or illness, does not allow for adequate support for their return to work, and does not provide Canadians with value for money.

Canada needs a system which ensures consistent coverage and clear language to ensure GECA's application to contract employees is clearly defined. Specifically, compensation should consider the impact of the injury on earning capacity, not solely on pre-injury earnings. In addition, compensation should use full-time hours, and at least minimum wage, to calculate earnings.

b) Temporary Help Agencies and Special Services

The government's commitments to pay equity, an inclusive workforce, and Gender-Based Analysis+, remain difficult to implement, and to measure, when a third of the personnel expenditures for federal public services is allocated to Professional and Special Services⁶. Nowhere in the government reporting is there a consistent, and comprehensive tracking of the people who make up this substantial portion of the workforce.

The extensive use of Temporary Help Agency workers, and others who fall into the category of Professional and Special Services, continues to run counter to the values of the *Public Service Employment Act*, fairness, transparency, access, representativeness⁷, and merit.

Federal Labour Program

According to workplace surveys and past evaluations of federal labour standards, around 25% of federally regulated employers do not comply with most standards under Part III of the Canada Labour Code, and 75% of employers do not comply with at least one provision of Part III.

The most recent evaluation of the Labour Program⁸, and its recommendations call for improvement to reactive inspections to address complaints against employers, with stronger enforcement measures to deter non-compliance with the Code, and for the Labour Program to be able to increase its capacity to conduct proactive inspections of workplaces, particularly in high-risk sectors, and to increase enforcement of these standards. This enforcement process must be properly supported by the provision of adequate resources and enhanced staffing capacity to the Labour Program itself.

⁶ [Government of Canada 2018-19 Main Estimates](#)

⁷ This is particularly true with respect to the PSEA objective of a "public service, whose members are drawn from across the country". Data from an OPQ to the House of Commons (Ashton, 2016) shows that over 35% to our best calculations of temporary help workers are hired for NCR jobs.

⁸ [Evaluation of the Labour Standards Program, Final Report, May 2019](#), Evaluation Directorate -Strategic and Service Policy Branch, Government of Canada

Public Private Partnerships (P3s)

In jurisdictions around the world, governments are moving away from the P3 model, understanding that the cost-benefit analysis supports fully public infrastructure investments.^{9 10}

“The public will have to pick up the pieces, if the private partner fails.”^{11 12}

In this time of uncertainty around trade agreements such as the Canada-US-Mexico agreement, moving public infrastructure to the private sector opens the door to potential trade disputes adding to the potential risk to the government.

The federal government does not need P3s, given the lower borrowing rates afforded to it, combined with the risk, the costs and the reduced service provided in a P3 situation.

Child Care

The federal government must play a leadership role in building a stable system of affordable, high-quality, inclusive child care for all across Canada over a period of 10 years in the next and subsequent phases of bilateral agreements. This means boosting funding significantly by increasing Canada’s ELCC budget by \$1 billion each year over 10 years.

The current reliance on private initiatives, combined with parent fees to cover the costs of operating child care services is insufficient to achieve this goal. Public funds, in the form of direct operational funding, must be used to make up the difference between parent fee revenue and the full cost of high-quality, inclusive child care.

Federal, provincial and territorial governments must work together, and with Indigenous communities and the child care sector, to determine where, what kind and for whom services are needed and a comprehensive strategy to develop and implement a workforce strategy to improve the quality of child care and allow service expansion.

This includes specific measures and timetables to address remuneration, educational requirements, training, recruitment and retention of early childhood educators and others who work in the sector, including measures to bring about pay equity for the mostly female child care workforce.

⁹ Construction Dive 2017

¹⁰ [Manitoba Government cancels proposed P3 schools: commitment to keep new schools public right step, says CUPE](#), 2018.

¹¹ Reynolds, 2018

¹² [Carillion collapse to cost taxpayers £148m](#). BBC 07 June 2018

Pharmacare

The Final Report of the Advisory Council on the Implementation of Pharmacare makes the case for a national program based on the five fundamental principles of medicare in the *Canada Health Act*: universal, comprehensive, accessible, portable, and public.

“Canadians spent \$34 billion on prescription medicines in 2018. Drugs are the second biggest expenditure in health care, after hospitals. We spend even more on drugs than on doctors.” ... “Yet for all that spending, there are huge gaps in coverage. One in five Canadians struggle to pay for their prescription medicines. Three million don’t fill their prescriptions because they can’t afford to. One million Canadians cut spending on food and heat to be able to afford their medicine. Many take out loans, even mortgage their homes. Sadly, far too many Canadians die prematurely or endure terrible suffering, illness or poor quality of life because modern medicines are out of reach for them.”

“Medicines are a critical part of health care.” “We are the only country in the world with universal health care that does not provide universal coverage for prescription drugs.”

“Instead, we rely on a confusing patchwork of more than 100 government-run drug insurance programs and more than 100,000 private drug insurance plans. Despite everyone’s best efforts, the system is fragmented, uneven, unequal and unfair. The result is a non-system where too many people fall through the cracks. Not only does this lead to ill health, it also costs the health system billions of dollars in extra visits to physicians and hospitals when people’s health fails as a result of lack of access to medicines.”¹³

¹³ Final Report of the Advisory Council on the Implementation of National Pharmacare, [A Prescription for Canada: Achieving Pharmacare for All](#), Government of Canada, Health Canada, June 2019, pp 7-8.