



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

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**Public Service Alliance of Canada**

**Submission**

**to the**

**Ministry of Finance**

**2021 Pre-Budget Consultations**

**February 19, 2021**

## **Recommendations**

### **Public services**

- Boost the federal public service so that it has the human capacity and resources to advise, evaluate, plan, develop and deliver the policies and programs required to tackle the social and economic gaps highlighted by the COVID-19 pandemic and strengthen its capacity to provide essential public services.
- Work with bargaining agents as much as possible and through all possible forums to ensure that new post COVID working conditions are respectful of the rights and health of workers. Reject any austerity measures to cut and eliminate federal public services and reduce the number of public service workers as part of a COVID-19 pandemic recovery plan.
- Reject efforts to contract out new public service work and instead work with bargaining agents to increase staffing to necessary levels to deliver new or enhanced services.
- Bring into the public service the work that has been contracted out, including, but not limited to: civilian work on DND (Department of National Defence) (bases, call centre work through 1-800-O-Canada, ESDC (Economic and Social Development Canada), SSC, CRA (Canada Revenue Agency) and others, facility management work across departments.
- Reject the concept of social impact bonds and provide robust public social services that are fully funded with enough longevity that providers, and the people they care for – the most marginalized – can plan for success.

### **Social infrastructure investment**

- Fund efforts across Canada to address racism including anti-Asian, anti-Black and anti-Indigenous racism and discrimination.
- Create a National Action Plan against Racism and Anti-Black Racism to accompany the national Anti-Racism Strategy, with the necessary resources and concrete strategies with actionable goals, measurable targets and timetables.
- Increase funding for the federal Anti-Racism Secretariat and remove it from Heritage Canada.
- Increase funding for the Canadian Human Rights Commission to address racism issues.
- Mandate the federal government and provinces to undertake a racial, gender, sexual orientation, ableism, and social-economic intersectional review of all COVID-19 emergency measures and end all civil liberties restrictions.
- Mandate the collection of data disaggregated by race and other sociodemographic identities to better measure and understand the impact of government policies, programs and practices on Indigenous, Black, and other racialized peoples in these key areas: the labour market, economic inequality and poverty; criminal justice system and access to justice; child welfare; environment; health and mental health; housing; social and cultural benefits; education; refugee protection, immigration (including migrant workers and

international students); citizenship; media, social media and mass communication.

- Ensure that the review of the Taskforce on Modernization of the Federal Employment Equity Act has a mandate to strengthen accountability and enforcement measures; update the terminology; revise the Federal Contractors Program eligibility requirements to include the LGBTQ2+ group and attach employment equity measures through community benefits agreements on all federal investment and recovery programs, to ensure racialized groups and other underrepresented groups have equitable access to any new jobs created. Collect desegregated data.
- Include union representation in every step of the work of the Taskforce on Modernization of the Employment Equity Act.
- Mandate gender-based analysis plus (GBA+) in policy and program development in all facets of the pandemic response.
- Invest in stronger social infrastructure and workplace policies and benefits that afford people the flexibility and support to meet their family responsibilities.
- Develop a comprehensive, appropriately resourced National Action Plan to prevent and combat all forms of violence against women, grounded in an intersectional feminist analysis.
- Develop a comprehensive, appropriately resourced, National Action Plan to prevent and combat all forms of violence against Indigenous women, girls and two-spirit people, to be led by Indigenous women's organizations, with timetables, measurable goals for change, and robust monitoring, as recommended by the National Inquiry into Missing and Murdered Indigenous Women and Girls.
- Implement income security reform and design future income supports that reflect diverse women's economic needs and experiences, including an overhaul of the Employment Insurance program.
- Implement the recommendations of Child Care Now including making a \$2 billion annual allocation for child care in the next fiscal year, and an additional \$2 billion each year thereafter until Canada has succeeded in putting in place an affordable, inclusive and high quality publicly-funded child care system for all parents who want and need it.
- Implement a universal, single-payer public pharmacare program to ensure that everyone can access the medications they need.
- Boost funding to ensure a robust compliment of Labour Program inspectors who can proactively inspect for labour code violations as well as respond to complaints.
- Review the Temporary Foreign Worker Program to increase meaningful protections against abusive employers.
- Implement the recommendations of the HUMA Report on Precarious Work from June of 2019.

## **Physical infrastructure investment**

- Restructure the Canada Infrastructure Bank to invest in infrastructure projects that are publicly owned and operated, in order to address the deficits in roads, bridges, transit systems, electricity infrastructure, internet, water treatment and related systems, with a focus on Indigenous communities without the use of private-public partnerships. Social infrastructure investments must provide the criteria for choosing which physical infrastructure projects to fund.

## **Research funding**

- Fully implement the recommendations of the 2017 Naylor report to support vital publicly funded and owned research.

## **Post-secondary funding**

- Work with the provinces and territories to develop a shared vision for a renewed post-secondary education system and commit to a plan for education and lifelong learning for all.
  - Boost direct federal funding for post-secondary education through the transfer to the provinces by a minimum of \$3 billion, ensure that funding keeps up with inflation and enrolment growth, and require accountability and transparency for federal funding.
  - As a first step towards affordability, eliminate interest on federal student loan debt permanently, move to a 50:50 funding model for grants and loans, and replace the Canada Education Savings Program and Tuition Tax Credit with direct funding for student grants.
  - Increase funding for Indigenous post-secondary education by a minimum of \$650 million annually to eliminate the gap in post-secondary attainment between Indigenous students and non-Indigenous students; and to invest in the development and expansion of culturally appropriate Indigenous post-secondary education systems and models.

## **Phoenix funding**

- Provide sufficient long-term funding dedicated to
  - eliminating the backlog of pay problems;
  - stabilizing the Phoenix pay system; and
  - properly developing, testing and launching a new pay system

## **Public services**

COVID-19 reminded us of the important role played by government and the public service. It has underlined the damage that has been done by years of underinvestment in public services and a growing disregard for the values underlying public service.

The government's budget must address the inequities exposed and exacerbated by the pandemic. It needs to fund a public service that can support a broad program of reconstruction to create a more resilient Canada. It must allocate the necessary resources for essential services that must either be provided by the public sector or regulated by the public sector in a way that ensures their essential nature is preserved – essential services such as food, water, income, health care and education security.

As services are added to the system, it is imperative that they be provided by public service workers, and not private contractors. Those services that are currently contracted out, including but not limited to, civilian defence work, call centres, facility management, should be brought back into the public service as soon as possible. Federal public service jobs are strong economic drivers. In this critical time of economic uncertainty, a strong federal public service will provide both the best programs for Canadians, and an increase in stability in the job market and economy.

COVID-19 has radically transformed the working conditions and working environment of federal public service workers. Many senior managers expect that remote working changes that have been implemented during the pandemic will be made permanent. The government must plan and fund changes to systems and equipment to ensure that the rights and health and safety of those workers are maintained. The government must commit to work with bargaining agents at the bargaining table and in other consultation forums to ensure that workers continue to have access to their rights and to representation.

The pandemic has shown that the public service can create policy and deliver programs quickly and effectively if allowed to do so. It came to the rescue with innovative ideas for immediate benefit programs to support both people and businesses. Public service workers quickly embraced new work to ensure that these programs were successful. They implemented unprecedented programs, processed millions of applications and worked on multiple support measures for businesses and individuals.

[A 2019 report of the Human Resources Committee](#) (HUMA) detailed the problems with precarious work in Canada, and in the federal public service. A series of recommendations to study, log, analyze and correct these problems was issued. To date, the report has not been addressed by the government or the House of Commons. It is essential that these recommendations be implemented immediately.

People from marginalized and disadvantaged communities, including women, Indigenous peoples, racialized communities, LGBTQ2+ communities, immigrants and migrant workers, and people with disabilities, depend disproportionately on affordable, high quality public services. Everyone has a right to equitable access to public services and more comprehensive income supports.

It appears the government plans to also [privatize critical social services](#), through the use of Social Impact Bonds – a scheme that pays private investors dividends if certain goals are met by social programs that are usually critically underfunded. This model forces service providers to [make a deal with investors](#) that has been shown to impact program delivery and intake qualifications, but rarely improves outcomes. It

perpetuates precarious work among social service workers, and often leaves service recipients and providers hanging at the end of a funding period. The recovery from this pandemic cannot depend on the whims of private investors. Nor can the most vulnerable in our communities be faced with repetitions of the WE Charity debacle.

### **Social infrastructure investment**

The pandemic has exposed and deepened Canada's long-standing systemic economic, social and health inequities with its disproportionate impact on Black, racialized and Indigenous individuals and communities. Indigenous, Black and other racialized people continue to encounter systemic barriers in the health care system and major inequalities in employment and education.

Indigenous women, women with disabilities, those with precarious immigration status, Black and racialized women and members of the trans and nonbinary community face even greater challenges, including the risk of losing decades of hard-won gender gains.

As a society, we cannot simply return to the pre-pandemic status quo when we have an opportunity to address systemic inequality. The government must prioritize funding our social infrastructure.

Pandemic isolation measures have increased the risk of violence at home faced by women, girls, and trans and nonbinary people. While the need increases, community services are struggling with fewer resources of revenue and higher costs to operate safely.

Millions of Canadians have lost their jobs and their work-based drug plans during the pandemic. The need for national pharmacare has never been more urgent.

Even before the pandemic, there was an identified, significant gap in Labour Program inspectors. We can assume that, as a result of the pandemic, workplace health and safety concerns and workers exercising their right to refuse unsafe work will increase. Without appropriate staffing of the inspection team, workers will continue to be at risk.

The pandemic has exposed how vulnerable temporary foreign workers are in our system, even though they are considered essential workers. There are few meaningful protections against abusive employers in the Temporary Foreign Worker Program (TFWP). Workers are fearful that they will be deported or not allowed to come back next year if they raise labour, health and safety or other concerns. The TFWP must be reviewed and improved to ensure that protections are real, meaningful and effective.

### **Infrastructure investment**

The COVID-19 pandemic has taught us that our public services, at all levels of government, are the backbone of support for Canadians in crisis situations like this. That is why the federal government's plans for continued privatization are both disappointing and alarming.

The Canada Infrastructure Bank (CIB), sold to Canadians as a means to publicly fund infrastructure projects, is actually a vehicle to privatize Canada's critical infrastructure through the use of public-private partnerships (P3s).

After decades of underfunding local infrastructure by consecutive governments and systemic neglect of Canada's responsibilities to Indigenous communities, there are critical deficits across the country. This has left large cities, small towns, and Indigenous communities desperate to fix their decaying or missing infrastructure making them particularly vulnerable to the predatory offers of companies bent on making a profit. Municipalities and provinces can only access CIB funds if they partner up with the private sector.

The government's dependency on the CIB flies in the face of a robust and growing body of [local](#) and [international](#) evidence that public-private partnerships are not a panacea for governments looking to reduce the cost of public infrastructure.

The government has committed to creating new green infrastructure in the Economic Update, in particular, more public transit, more sustainable buildings, increased affordable home retrofits and more sustainable energy. These initiatives must be public jobs as much as possible and provide decent salaries for the one million workers that these new initiatives are expected to employ.

### **Research funding and post-secondary education**

Today, PSAC members who are post-doctoral researchers are proud to be contributing to the international effort to find a COVID-19 vaccine, working at the University of Saskatchewan's Vaccine and Infectious Disease Organization-International Vaccine Centre (VIDO-Intervac). Their work demonstrates the vital importance of publicly funded research.

Following the release of the 2017 Fundamental Science Review – the Naylor report – the 2019-20 federal budget included new scholarship funding for master's- and doctoral-level researchers – one of the report's recommendations. However, the allocated funding falls short – \$114 million over five years versus the recommendation of \$140 million over four years.

Another recommendation yet to be fully implemented is the need for additional investment in the Research Support Fund. The Fund provides grants to offset the additional costs of research that are not project-specific such as administration and lab maintenance. On average, research institutions in Canada receive grants from the Fund at a rate of 21 percent, while studies show that the real costs are 40 to 60 percent. The Naylor report recommended increasing the reimbursement rate to 40 percent.

Never has it been more important to invest in Canada's capacity to engage in foundational and applied research and to ensure that full research and science capacity exists in the country. The lack of ability to produce vaccines at this critical moment in

time needs to be a clear signal to us all that Canada cannot be dependent on other nations for either research or production.

The pandemic has made clear the crisis in the post-secondary education system. Governments at all levels have chronically underinvested in our universities and colleges. Precarious work among post-secondary workers has become more and more common, making it more difficult for them to provide the highest quality education and services to students, or to engage in the top-level research necessary to secure Canada’s place as a research and innovation leader. Access to education is out of reach for many students, particularly low-income, racialized, Black and Indigenous students, and students living with disabilities. Students are burdened with years of debt.

**Early Learning and Child Care**

A sustainable economic recovery relies on workers’ ability to regain their earning power. But before parents of young children can return to work, they need access to affordable child care programs that meet their diverse needs. This is particularly true for women who have suffered disproportionately through the pandemic.

Early learning and child care (ELCC) in Canada was already fragile before the pandemic because it is market-based, fragmented and under-funded.

Canadians incur some of the highest child care costs in the world according to the Organization for Economic Cooperation and Development (OECD). Only the construction of an accessible, affordable, quality, inclusive system of ELCC, with fairly-compensated early childhood educators at its heart, is now essential if Canada is to forge a resilient and just future and help ensure a bright future for all children.

The government must invest \$2 billion each year until it has succeeded in putting in place an affordable, inclusive and high quality publicly-funded ELCC system for all parents who want and need it.

**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 that fiscal year, leaving little for future needs.

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

*\*In addition to the amount budgeted last year*

In September 2019, the government announced an additional investment of \$113.1M to continue work on NextGen, including the development of a pilot of one of the qualified HR (Human Resources) and pay solutions in a core department. Long-term funding is required if the government is serious about investing in a new pay system.

The government's January 2021 dashboard shows a backlog of 112,000 transactions with financial implications. More than a third of public sector workers are continuing to experience some form of pay issue (including those served by the Pay Centre as well as non-Pay Centre departments). Some of these backlogged transactions still date back to when Phoenix was rolled out 5 years ago in February of 2016. Many transactions are years old. We know that it is unlikely that a new pay system will be operational until 2024 at the earliest. Public Service workers who are still waiting to be paid properly deserve to have their pay fixes as soon as possible. Although staffing has increased, more compensation advisors need to be hired and trained to address this ongoing problem.