



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

**Submission by the
Public Service Alliance of Canada for
the 2019 Pre-Budget Consultations**

Recommendation: Phoenix

1. Include sufficient funding allocated specifically for damages to compensate for the damages incurred by federal public service workers as a result of Phoenix.

Recommendations: Precarious work

1. Reduce, with a goal of eliminating, the use of temporary help agency workers and other types of external contract personnel in the public service;
2. Explore creating an auxiliary worker pool fully within the public service, as was attempted by PSPC in 1976-1979 but cancelled, despite favourable results. ¹
3. Stop incentivizing precarious work as the complex employment relationship between temporary agency workers, temp agencies and client employers, like Treasury Board, creates loopholes that may leave low-wage temporary agency workers more vulnerable to workplace injuries.
4. 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 external contract personnel, that includes information on the demographics, pay and benefits, employment equity status, length of work with the public service, job performed, qualifications of the individuals working in the service, along with the attempts that the manager made to fill the role from normal public service human resources process, and the reasons why outside services were necessary;
5. Require the same open, transparent reporting from federal contractors as required of government departments under the Employment Equity Act.
6. Establish a federal compensation scheme that applies to federal sector employees of all types (indeterminate, term, contract, casual, student) and to all workers who are employed by contractors to the federal government (standing offers, temporary help agencies, P3 private partner workers, out-sourced workers), in any province or territory, or working outside of Canada, that calculate compensation based on earning capacity at a full-time, and at least minimum wage rate, and not pre-injury earnings.

Recommendations: Public-Private Partnerships (P3s)

1. Cancel current procurement processes for P3 infrastructure, including the ESAP Heating Plant Modernization, and the Library and Archives Canada Gatineau 2, and any others and reissue as only Design-Build requests, with public sector workers providing the operation and maintenance of the facilities.
2. Develop a process to terminate contracts for other existing P3s, and return them wholly to the public service to operate and maintain.

Recommendation: Child Care

1. Increase federal child care funding by \$1 billion annually until the 1% benchmark is met; provide conditional federal transfers to the provinces; ensure funding goes directly to public and not-for-profit providers to reduce fees, not to fee/tax subsidies.

¹ Use of Temporary Help Services, PSCC

Phoenix

The 2018 federal budget included funding commitments related to Phoenix but failed to provide a plan to allocate these expenditures. The new funding was insufficient to ensure that federal workers are paid correctly and on time, every time, and to compensate them for the damages Phoenix has caused and end the Phoenix pay nightmares for thousands of federal public service workers.

Precarious work

Precarious work is detrimental to economic growth. A well trained, appropriately compensated, experienced work force, with consistency, and job security, is more efficient, productive and effective than a workforce made of precarious workers. ²

Precarious or “non-standard” work is increasingly common in Canada. In the federal public service, 15.3% of employees are categorized as term, casual or student.³ 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).

a) Health and Safety in Precarious Work Situations

The health and safety implications of precarious work are found in three interconnected ways: increased physical exposure to risks, material deprivation (such as limited benefits, poverty, no pension, no sick days, no vacation pay) and stress.⁴ While most current regulatory structures were not designed for the world of digital employers and short-term contracts, flexibility does not justify the removal of workers’ basic rights. While some workers enjoy increased autonomy and flexibility, all workers need to make at least a living wage, predictability in their schedules, guaranteed minimum hours, paid sick leave and health and safety protection.

The Government Employee’s Compensation Act (GECA) does not provide workers with appropriate security and 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.

² [Non-Standard Employment in Post-Industrial Labour Markets: An Occupational Perspective](#), 2015, Werner Eichhorst and Paul Marx.

³ Michael Wernick, Privy Council Clerk, [Annual Report to the Prime Minister on the Public Service of Canada for the year ending March 31, 2018](#)

⁴ Law Commission of Ontario. [Vulnerable Workers and Precarious Work: Final Report – December 2012, Section II.](#)

Currently the system

- only considers pre-injury earnings when calculating compensation, and not earning capacity
- varies by province, territory, or out of country assignment
- causes confusion as to employment status and coverage for unrepresented workers

This could lead to delays or possibly litigation e.g. ⁵. The Act's application by provincial WCB tribunals could potentially lead to divergent legal tests and interpretations in different provinces.

Canada needs a federal compensation and benefits 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, outside of Quebec, workers' 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+, are positive contributions to competitiveness. But these commitments remain difficult to implement, and to measure, when a third of the personnel expenditures for federal public services is allocated to Professional and Special Services ⁶. Employment Equity Act audit results or processes are not disclosed by the government so it is impossible to tell whether the government is simply taking contractors at their word when they attest to their employment equity practices. While information about the actual contracts, and payments to these contractors is available, 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 government's Commitment to a Healthy Workforce is admirable⁷, but we know the enhanced health of any population, including that of a workforce, depends on universality of the program⁸. All, or nearly all, government departments have worksites that are populated by a combination of public service workers, and temporary help agency/contract workers who are not captured in the measurement of any of these programs.

The extensive, ongoing use of Temporary Help Agency workers, and others who fall into the category of Professional and Special Services, continues to run counter to the

⁵ [Workplace Health, Safety and Compensation Commission Act Appeals Tribunal 2010 W-14](#)

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

⁷ Michael Wernick, Privy Council Clerk, [Annual Report to the Prime Minister on the Public Service of Canada for the year ending March 31, 2017](#)

⁸ The Power of Workplace Wellness: A Theoretical Model for Social Change Agency, Garrin, Joshua A: Journal of Social Change; 2014, v6(1).

values of the *Public Service Employment Act*; fairness, transparency, access, representativeness⁹, and merit. It has been eight years since the Public Service Commission stated that “due to the lack of integration between the contracting, financial and human resources reporting functions related to temporary help, it is difficult to monitor whether the objectives of the PSEA are being respected.”¹⁰ Yet little has changed to make the reporting uniform across government departments, or transparent to permit an accurate analysis, in spite of Cabinet Ministers’ mandates: “*You are expected to do your part to fulfill our government’s commitment to transparent, merit-based appointments, to help ensure gender parity and that Indigenous Peoples and minority groups are better reflected in positions of leadership*”.¹¹

Public Private Partnerships (P3s)

Canada’s ongoing reliance on the P3 model, whether directly, or through the Canada Infrastructure Bank, is a hindrance to Canada’s competitiveness.

The current evidence from many jurisdictions clearly indicates that the use of a P3 model for infrastructure development does not result in cost efficiencies.¹² “Using appropriate discount rates, and less biased assumptions, few P3s show value for money”¹³ or in a reduction of risk. “In reality, regardless of P3 contracts, the public carries the final risk¹⁴. The public will have to pick up the pieces, if the private partner fails.”^{15 16}

In jurisdictions around the world, governments are moving away from the P3 model, understanding that the cost-benefit analysis supports fully public infrastructure investments.^{17 18}

In this time of uncertainty around trade agreements, moving public infrastructure to the private sector opens the door to potential trade disputes adding to the potential risk to the government.

As we have presented to this committee in the past, privatization and P3s are more expensive, carry a higher risk, and are not in the public interest. This government does

⁹ 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) bears this out as most (over 35% to our best calculations) temporary help workers are hired in Ontario for NCR jobs.

¹⁰ [Use of Temporary Help Services in Public Services Organizations: A Study by the Public Service Commission of Canada, October 2010.](#)

¹¹ [PSPC Mandate Letter](#)

¹² UK finance watchdog exposes lost PFI billions. Henry Mance and George Parker, 17 Jan 2018, Financial Times.

¹³ Public-Private Partnerships in British Columbia, Keith Reynolds, 2018, Columbia Institute (p10) [IN Officials aim to take over troubled P3 interstate project.](#) Kim Slowey, 2017. Construction Dive.

¹⁵ Reynolds, 2018

¹⁶ [Carillion collapse to cost taxpayers £148m.](#) BBC 07 June 2018

¹⁷ Construction Dive 2017

¹⁸ [Manitoba Government cancels proposed P3 schools: commitment to keep new schools public right step, says CUPE,](#) 2018.

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

Access to affordable, high-quality child care benefits parents, children and employers. Too many parents take themselves out of the paid workforce because child care spaces are unavailable or unaffordable. We know that women are far more likely than men to forego paid employment in order to care for children – and this has economic and social consequences. The federal government acknowledged this in its 2018 budget.

“Gender equality benefits us all. Women in the workforce have been one of the most powerful sources of economic growth in recent decades, helping strengthen the economy. In fact, over the last 40 years, more women in the workforce has accounted for about a third of Canada’s real gross domestic product (GDP) per capita growth.”¹⁹

“RBC Economics estimates that if men and women participated equally in the workforce, Canada’s GDP could be boosted by as much as 4 per cent, and could partially offset the expected effects of an aging population.”²⁰

A 2010 [study](#) found that in Ontario, for example, every dollar invested in child care leads to a \$2.47 return for the Ontario economy due to increases in working hours and wages of women.²¹

The accepted international benchmark for a country’s annual public spending on early learning and child care is 1% of GDP. The federal government’s transfers to the provinces and territories for child care will result in some additional child care spaces but supply will continue to outstrip demand. Also, federal funding is insufficient to address the affordability crisis.

In order to provide the type of child care system that will actually advance gender equality, help parents, and yield economic returns, the federal government needs to replace its multi-year allocation plan with one to build a universal affordable high quality inclusive system for all children and families in Canada.

¹⁹ 2018 Budget Plan, *Budget 2018’s Gender Results Framework*.

²⁰ Ibid.

²¹ [Early Learning and Care Impact Analysis](#), the Centre for Spatial Economics, August 2010.