



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

Public Service Alliance of Canada
Submission to the House of Commons
Finance Committee
Pre-2023 federal budget consultations
October 2022

PSAC Recommendations for Federal Budget 2023

Strategic policy review

- Include public sector bargaining agents at all stages of the Strategic Policy Review and define the Review's terms of reference to ensure the goal is better service delivery by a well-staffed public service, not staffing cuts.

Contracting out

- Implement an ongoing policy and practice of contracting-in, i.e. bringing back into the federal public service work and services that have been contracted out.

Temporary help agencies

- Eliminate the use of temporary help agencies to fill any indeterminate positions in the federal public service by implementing the recommendations of the [HUMA report on precarious work](#), including robust staffing of the labour program and reducing the use of temporary help agency workers to emergency situations.

Systemic racism, harassment

- Settle the Black Class Action and Indigenous Class Action lawsuits in good faith.
- Establish a mental health fund for Black federal public service workers.
- Establish an equitable representation policy for executive and management positions to address the under-representation of Indigenous, Black and other racialized federal employees in these positions.
- Address Islamophobia and anti-Semitism in the federal public service.
- Make anti-oppression and discrimination training mandatory for all federal public service employees and managers.
- Ensure the recommendations of the Deschamps and Arbour reviews and the Minister of National Defense Advisory Panel on Systemic Racism and Discrimination Final Report are implemented across the Canadian Armed Forces and the Department of National Defence, making the necessary changes to protect civilian workers from the toxic workplace.

Pay increases

- Negotiate general wage increases with federal public service bargaining agents that at least meet the rate of inflation.

Phoenix

- Provide ongoing damages compensation.
- Hire more compensation advisors to eliminate the backlog of Phoenix pay problems, fix current pay problems and prevent future issues.
- Make Phoenix general damages compensation non-taxable.
- Properly consult and engage with unions and federal workers on the next pay system.
- Launch a national inquiry into the Phoenix pay disaster.

Employment equity

- Update terms in the *Employment Equity Act* to reflect the same language used by equity groups.
- Include the 2SLGBTQIA+ community as a recognized equity group.
- Provide disaggregated data for each designated equity group so that barriers to inclusion can be identified and addressed and allow intersectional analysis.
- Provide up-to-date and accurate labour market information that reflects each equity group and changes to the population.
- Amend co-existing legislation, e.g. the *Public Service Employment Act* and the *Finance Administration Act* to remove systemic barriers and enable the EEA to supersede these laws when there is a conflict.
- Strengthen accountability and role of central agencies, departments and agencies.
- Strengthen roles of bargaining agents, including defining consultations and collaborations and allowing them to bring forward complaints.
- Provide meaningful mechanisms in all employment equity complaint processes under grievance, staffing and human rights complaints processes and create the Employment Equity Commissioner.
- Ensure the *Accessible Canada Act* and the EEA support and re-enforce the other's objectives and processes.
- Negotiate employment equity provisions beyond the provisions of the EEA with bargaining agents.
- Hold federal contractors to the same standard as other employers.
- Ensure the Canadian Human Rights Commission is well resourced.
- Address identified wage gaps as part of employment equity plans.

Truth and Reconciliation

- Provide the necessary funding to implement the Truth and Reconciliation Commission of Canada's 94 Calls to Action.

Indigenous Women and Girls

- Provide the necessary funding to implement to 231 recommendations from the National Inquiry into missing and murdered Indigenous women and girls.

Clean Water

- Treat the provision of safe clean water as a public emergency and ensure the funding and infrastructure necessary for every community in this country to have access to safe, clean water by 2025.

Food insecurity

- The government must invest in solutions to food insecurity in the north. Recognizing that every region has its own unique context, solutions must be Indigenous and community-led and informed by Indigenous knowledge, must foster resilient northern food systems and support local economic development.

Child Care

- Implement a federal capital expansion program for high-quality, non-profit facilities.
- Implement an in-depth, comprehensive, Canada-wide workforce strategy.
- Adopt federal legislation to ensure, at maturity, a Canada-wide system with equitable access to high-quality, inclusive and culturally-safe programs.
- Introduce equitable direct funding models with adequate public funding and accountability mechanisms.
- Ensure parent fees are no more than \$10 a day and that low-income families are entitled to child care at lower fees or no fees by 2025-2026.
- Ensure the signed agreements and related funding decisions respect and advance the Indigenous Early Learning and Child Care Framework.

Strategic policy review

The 2022 federal budget included a strategic policy review with a forecast of \$9.5 billion in savings over five years. While some savings may be achieved through offloading surplus real estate, PSAC has concerns that these savings will only be realized through staffing cuts that will have drastic impacts on service to Canadians. A recent example of impact on the public is the short staffing at CBSA of between 1,000 and 3,000 workers which has caused and continues to cause delays at border points across the country. These workers felt the impact as well with the cancellation of vacation leave this summer.

Contracting out

The strategic policy review must not rely on the ongoing practice of contracting out of public sector jobs to deal with problems of understaffing or in a misguided attempt to save money. A recent example is the contracting out of serving veterans with rehabilitation needs to a large corporation, instead of relying on the trained public service workers at Veterans Affairs Canada. Civilian jobs at National Defence continue to be contracted out.

Contracting out jobs costs more in the long run, contributes to a loss of public sector expertise and is inconsistent with employment equity initiatives. From the onset of COVID, the public service developed new programs and delivered emergency help to Canadians in record time. Yet the government continues to spend billions a year on advice and services from for-profit contractors. The House Government Operations and Estimates committee is currently studying the concept of contracting in. During the first day of testimony, Treasury Board made the disturbing admission that the government does not track how many contracts come in at bid cost and how many are amended to cost more.

Temporary help agencies

The federal government also continues to be the largest user of temporary help agencies in the country. Yet in 2019, a unanimously approved House of Commons [HUMA report on precarious work](#) recommended that ESDC work with other federal departments and agencies to reduce their reliance on temporary workers and to incentivize the hiring of indeterminate employees.

The government regularly posts tenders for temporary workers to fill roles, such as ATIP officers, data entry clerks, and kitchen help. Shared Services Canada indicates the government is looking for a private company to fill up to 5,000 jobs. These tenders rarely, if ever, include requirements that the contracting company pay a decent wage or provide benefits or job security. The use of contracting out and temporary help agencies also can allow the government to avoid their employment equity obligations.

Systemic racism, harassment

Systemic racism, harassment and abuse create a toxic work environment and make jobs unsafe. It has been almost two years since the Black Class Action delivered its original statement of claim on systemic anti-Black racism and discrimination in the federal public service. In March 2022, the Federal Court of Canada rejected previous attempts by the government to delay the proceedings by lumping all systemic

discrimination cases together. A mental health fund for Black public service workers is needed to address racial trauma. An equitable representation policy will address the disproportionate absence of Black employees in executive and management positions.

The toxic workplace at the Department of National Defence has become publicly evident. The 25,000 civilians who provide critical services to the Canadian Armed Forces are frequent victims of this toxicity, and the solutions provided to them are usually after thoughts. The government must put in place the measures and funding to ensure that civilian workers have safe, healthy, empowering workplaces.

Pay increases

At this time of high inflation, Treasury Board's wage offers to PSAC bargaining units are insufficient and constitute a pay cut. Our members, like all workers, deserve increases to prevent falling further behind.

Phoenix

Since the 2016 pay system launch, there hasn't had a single pay period when federal public service workers have been paid accurately or on time. The pay issues that started with massive financial losses have continued with constant pay shortfalls and errors causing anxiety and hardship.

PSPC reported 195,000 cases in the backlog as of August 31, 2022, about the same number as in January 2020. This included close to 40,000 termination cases, more than 16,000 cases for pay file transfers, more than 20,000 overpayment cases and tens of thousands of regular pay transactions waiting for processing or correction. 21,000 cases were added to the backlog as the pay centre was unable to process all of the 150,000 cases received in August alone. As a result, the queue of cases to be processed continues to grow, reaching 390,000 as of August 31. The government's pursuit of unverifiable overpayments past the legal deadline also diverts employees from work on the backlog and queue.

Employment equity

The Employment Equity Review Task Force is expected to report by the end of 2022. In the absence of the report and any recommendations, PSAC continues to recommend long overdue changes to the *Employment Equity Act*. Without meaningful mechanisms for recourse, compliance under the EEA is meaningless. This Act should be the floor, not the ceiling, for employment equity.

Truth and Reconciliation

The Truth and Reconciliation Commission published its findings in 2015. These calls were designed “to redress the legacy of residential schools and advance the process of Canadian reconciliation”. Many of the recommendations remain unaddressed.

Indigenous Women and Girls

The National Inquiry’s report and recommendations were released in 2019. It called the violence against Indigenous women and girls a “Canadian genocide”. The report concluded that “these abuses and violations have resulted in the denial of safety, security, and human dignity”. Their extensive recommendations were aimed at government, as well as the police and the Canadian public. Progress on their recommendations at all levels has been disgracefully slow.

Clean Water

Clean water is a human right. The lack of clean water in Indigenous communities is an alarming violation of the UN-sanctioned human right to water and is directly responsible for many illnesses and deaths. The majority of communities across the country that are still without access to safe, clean water are Indigenous communities. Even where water systems are being put in place and treatment plants upgraded, there are other long-term impacts such as the effects of mercury poisoning.

In spite of government promises to end all long-term drinking water advisories by 2021, there were 76 short and long-term boil water advisories as of May 2022, most over one year in length. And this does not include communities who rely on wells and cisterns.

The government needs to act now to protect all water from corporate pollution and stop all threats to clean water. Any solutions must be Indigenous-led. Providing Indigenous communities with greater control over their water, lands, and resources is a necessary step in reconciliation — and the best path to ending long-term water issues.

Food insecurity

All of us deserve food security. Food insecurity across Inuit Nunangat, and northern and Indigenous communities has reached a crisis point and COVID-19 has made it worse. The causes of northern food insecurity are numerous and complex. The lasting effects of colonialism on northern food insecurity are compounded by climate change, household financial hardship and inadequate food supply distribution systems.

Child Care

More work is needed bring federal, provincial, and territorial governments to work together effectively to move from Canada's long standing, failed, market-based approach to a publicly managed system that recognizes, values, and funds child care as a public good.