

Public Services

Background

During the federal election campaign, the Liberal Party promised to create new public service performance standards, streamline applications, reduce wait times, offer “money-back guarantees,” and expand the availability of in-person services. Improvements were to begin within departments administering employment insurance (EI), veterans’ benefits, immigration, and EI and Canada Pension Plan (CPP) appeals. The problems these reforms are meant to address relate directly to cuts and restructuring in the public sector made by the previous government. Simply put, there is insufficient funding and staffing to provide the services the public needs in a timely, accurate, and transparent way.

Between the 2011 election and March of 2015, 25,318 positions were cut from core public services and agencies.¹ Statistics Canada estimates 50,000 jobs were cut over the same period in the broader federal public administration, while departmental spending reports show even more cuts were planned.² The result has been decreased service quality and a public service less able to do its job.³

Recent cuts have also harmed public research and should be reversed. Although partnerships between government, academic, and industry research institutes are im-

portant, the public sector alone maintains the neutrality and tolerance to risk that is so important for innovation and groundbreaking research that is non-proprietary and benefits all Canadians.⁴

Current Issues by Department

Canadian Food Inspection Agency

The Canadian Food Inspection Agency (CFIA) lost 1,407 full-time staff positions between 2012 and 2016, representing 20% of its workforce. Cuts of 720 positions came from programs that mitigate the risks to human health from animals, fruit, and vegetables. Programs that regulate food packaging and production facilities saw staff cuts of 429 positions.⁵ In 2014, there were 60% fewer ground meat inspections than there were in 2013. Fewer than half of the independent food retailers inspected in 2013 were slated for inspection in 2014.⁶ Veterinarians and scientists employed by the CFIA argue that recent policy changes undermine Canada’s culture of food safety.⁷ More inspectors are required, and policies that were amended to facilitate industry self-regulation need to be reversed.

Agriculture and Agri-Food Canada

The Liberal government has promised to invest \$100 million over four years to enhance agricultural research. Treasury Board statistics show that between 2011 and 2015, Agriculture and Agri-Food Canada shed 1,764 jobs. It would take over \$100 million per year to restore lost research capacity and programs (see the AFB Agriculture chapter).

Environment and Fisheries

The Liberal government has promised to conduct a review of recent changes to the *Fisheries Act* and *Navigable Waters Protection Act* that undermined environmental protection at the federal level. The government commits to restoring the \$40 million that was cut from ocean and science monitoring programs, putting \$1.5 million back into freshwater lakes research, and reinvesting in the Experimental Lakes Area. It also has promised to enact the recommendations of the Cohen Commission with respect to increasing salmon stocks in British Columbia.

The Conservative government repealed key portions of the *Fisheries Act* in June of 2012, endangering habitats and removing triggers for impact assessments of major projects. The *Canadian Environmental Assessment Act* was replaced with a much weaker version that restricts assessment hearings. The Conservative government also reduced environmental oversight in the *Species at Risk Act*. These changes should all be reversed, and ongoing National Energy Board reviews of industrial projects should

be halted until a transparent review of Canada's environmental assessment processes can be undertaken.

Between 2010 and 2017, Environment and Climate Change Canada (formerly Environment Canada) will have cut 21% of its staff, including 338 employees from the climate change division. At Fisheries and Oceans Canada, 30% of the staff positions responsible for the *Species at Risk Act* have been cut.⁸ In 2014, the Federal Court ruled the ministers of Environment and Fisheries and Oceans acted unlawfully in delaying the creation of recovery strategies for species at risk. Department officials admitted staff shortages were in large part to blame for their inaction.⁹ More than \$100 million in cuts were made at Fisheries and Oceans Canada for water protection.¹⁰

Parks Canada

The Liberal government promises to invest \$25 million to reverse recent cuts to Parks Canada, and to improve and better manage the environments in Canada's national Parks. This includes a commitment to create 5,000 green jobs for youth and hire more guides, interpreters, and other staff. At the same time, longer seasons at Canada's parks should be restored, and staff who were laid off should be rehired. Increased student staffing would enable students to make a fair wage, and be covered under health and safety arrangements that have been negotiated by unions with Parks Canada.

Statistics Canada

The Liberals have brought back the long form census. Their platform also promised to make Statistics Canada independent, and provide it with the authority to release key information that informs government decisions.

Statistics Canada was one of the departments hit hardest by budget cuts during the Harper years. One of the biggest losses during this period was the elimination of the mandatory long-form census. The long form census is important to provinces, municipalities, businesses, NGOs, academics, pollsters and the news media as well as the federal government.

Employment and Social Development Canada

The effectiveness of any changes by the government to Employment and Social Development Canada will be undermined if there are too few public service employees to administer them. New staffing introduced in the 2015 budget has not repaired the damage caused by Conservative cuts.¹¹ According to Treasury Board, 2,954 jobs have been cut since 2011.¹² This contributed to 26 million calls to the EI helpline being blocked between 2011 and 2013.¹³ The AFB will invest \$200 million per year to hire additional EI employees to make sure all calls are answered (see the AFB Employment Insurance chapter).

Immigration

Canada currently welcomes over 250,000 immigrants a year. Given Canada's aging population there is a strong economic argument to increase this number. There is an even stronger moral argument for Canada to welcome more refugees. The World Bank estimates that by 2030, between 35 and 122 million people will be living in poverty because of climate change.¹⁴ Poverty and food shortages are leading to more migration. Canada and other prosperous nations must begin to plan for this new reality.¹⁵ Increased resources are required for building capacity and to meet ongoing demand. Visa offices and the Refugee Board are both understaffed, making it almost impossible for the department to respond in a timely way to everything from family reunification to administering citizenship applications.¹⁶

Court Challenges Program

The Court Challenges Program, created in 1978, provided an average of \$2.3 million annually to help Canada's disadvantaged and marginalized bring Charter challenges related to language and equality rights. The previous government cancelled the program in September of 2006. Because of the length of time it takes for cases to wind their way through the courts, the Court Challenges Program is still receiving minimal, though inadequate, funding for existing cases.¹⁷ The AFB will reinstate this program, which promotes increased opportunities for equality within Canada's justice system.

Government Operations

Access to Information requests have been increasing for a number of years. Time limits are seldom met, and active unanswered requests date back to 2009.¹⁸ Departments must be resourced to end backlogs and address requests in a timely manner. The Liberal government has directed the justice minister to “ensure that Canadians have easier access to their own personal information, that the Information Commissioner is empowered to order government information to be released and that the Act applies appropriately to the Prime Minister’s and Ministers’ Offices, as well as administrative institutions that support Parliament and the courts.”¹⁹ The Liberal platform also committed to developing a new official languages plan to support English and French linguistic minorities, and to establish a free, online service for learning and retaining English and French as a second language. Increased transparency in government and support for bilingualism is welcome, but effectively operationalizing these goals will require additional resources.

Canada Revenue Agency

Canadians for Tax Fairness estimates that in 2014, Canadian corporations had \$199 billion hidden in the top ten tax havens, with more recent research showing Canadians have at least \$40 billion stashed away in Switzerland alone.²⁰ From 2011 to 2015, the Conservative government cut almost 1,800 jobs at the Canada Revenue Agency.²¹ Hundreds of senior auditors were laid off.

The Liberal government has committed to “[i]nvest additional resources to help the CRA crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance.”²² It also says it will develop a better client relationship that includes proactively contacting Canadians when they are entitled to tax benefits they are not receiving, creating returns for those with lower or fixed incomes, supporting more people who want to file paperless tax returns, and ensuring all CRA correspondence is user-friendly. The CRA does not currently have the capacity to fulfill these promises without more resources.

Canada Post

Canada Post has created revenue for the government in all but two of the past 17 years. The 2014 Canada Post budget showed \$194 million in profit. In the first quarter of 2015, the corporation posted a pre-tax profit of \$24 million.²³ The Liberal party promised to stop the planned cancellation of door-to-door mail delivery. There are other options for increasing revenue at Canada Post, including postal banking, which research at the corporation concluded to be a “proven money-maker.”²⁴

Veterans Affairs Canada

The Liberal government has committed to reopening the nine Veterans Affairs service centres closed by the previous government, hire more staff, and “fully implement all of the Auditor General’s recommendations on enhancing mental health service deliv-

ery to veterans.”²⁵ The same mandate letter promises to provide greater education, counselling, and training for families providing care and support to veterans, and to budget \$20 million for two new centres of excellence in veterans’ care. Between 2011 and 2015, Veteran’s Affairs cut 915 jobs. Although the promised 400 new service delivery staff will be welcome, more personnel will likely have to be hired.

Canadian Coast Guard

The Liberal government has promised to reopen the Maritime Rescue Sub-centre in St. John’s and the Kitsilano Coast Guard base in Vancouver. The Conservative government planned to cut \$20 million and 300 full time jobs from the Coast Guard.²⁶

The Kitsilano Coast Guard base responded to about 350 calls for rescues per year. Calls for assistance must now be handled 17 nautical miles and 35 minutes away. According to the former commander of the Kitsilano station, the fuel leak that occurred in April of 2015 would have been responded to in 10 minutes instead of the several hours it took had the base still been open.²⁷ The Maritime Rescue Sub-centre in St. John’s covered 900,000 square kilometers of ocean and 28,956 kilometers of coastline, responding to more than 500 distress calls a year.

Besides reinstating these centres, the AFB will also reopen the 10 Coast Guard communications centres shut by the last government.²⁸

A healthy public service

The new government has promised to bargain in good faith with public sector unions. It has committed to implementing the Mental Health Commission of Canada’s *National Standard of Canada for Psychological Health and Safety in the Workplace*, and to revoking recent changes to labour legislation that undermine fair representation, subvert the bargaining process, and deplete health and safety representation. Importantly, the government promises to stop muzzling public service workers (scientists in particular) and rein in political interference. Early measures toward this end are welcome, but more needs to be done to ensure the independence and non-partisan role of the public service is maintained.

P3 Privatization

The Harper government aggressively pushed privatization and public-private partnerships (P3s) throughout its decade in power. This started with their so-called “Financial Accountability Act” in 2006 that significantly reduced transparency and accountability for government procurement and P3s, was accelerated with their creation of PPP Canada Inc. the P3 Canada Fund and P3 screening for infrastructure projects in 2007, and then clearly exposed their ideological bias when they decreed that all projects receiving public transit funding would have to be P3s in their 2014 Budget.

P3s cost far more than publicly financed and operated projects because private financing costs far more and also because those

in the P3 industry—including lawyers, financiers, consultants etc.—make far more from P3s, which is why they push them so aggressively. But they hide the higher costs using very creative accounting techniques and by claiming that billions of dollars of risk are shifted to the private sector. This is false: numerous Auditor Generals have reviewed specific P3 projects and found they cost more and deliver less.

Most recently, Ontario’s Auditor General reviewed 74 P3s under taken by that province’s P3 agency, Infrastructure Ontario, and found they cost \$8 billion (or 29%) more than if they had been publicly financed and operated. Moreover, she found that there was not a shred of evidence for claims of risk transfer, strong bias exhibited in favour of P3s, reduced competition with P3 projects, massive double counting of costs, and a disturbing lack of adherence to conflict of interest rules.

What’s even more disturbing since these revelations is that construction giant SNC-Lavalin, which was barred from competing for World Bank contracts for an unprecedented ten years following widespread charges of fraud and corruption, including on a P3 hospital in Montreal, has become even more successful in winning multi-billion dollar P3 contracts in Canada.

The higher costs of P3s aren’t just abstract amounts that will be paid by future generations: they are already resulting in cuts to front-line services, particularly in hospitals and health care.

The new Liberal government took a good first step by removing the “P3 screen”—which required that recipients of federal funding for

large infrastructure projects consider P3s—and also removing the requirement that federally-funded public transit projects be P3s.

AFB Actions

The AFB will reverse several of the cuts mentioned above and in other chapters. However, many additional impacts on services from past budget cuts have yet to be fully understood or addressed. The AFB will introduce a program review process to make the public service more transparent and adaptive to the needs of everyone, to be ramped up to \$2 billion per year. This review process will prioritize the following needs:

- to provide an assessment of the impact of cuts made in recent federal budgets and omnibus bills, and restore programs that have been lost where it is in the public interest to do so;
- to create permanent employment by ensuring temporary staffing agencies are used only for short-term, unanticipated work;
- to enact legislation that protects all temporary workers employed by the federal government, including casual employees, temporary staffing agency employees, and students; and
- to review and reduce contracting-out where required, with a view to redirecting the anticipated savings into programs and projects in the broader public interest.

- Eliminate the \$1.25 billion P3 Fund that subsidizes P3s—the only fund of this type in the world—and eliminate PPP Canada Inc. and redirect the remaining funds to public infrastructure projects.
- The federal government should introduce comprehensive P3 and Procurement Transparency and Accountability Legislation and also conduct a full and transparent review of the costs of federal P3s and those funded by the federal government. It should put a moratorium on any further federal P3s or federally-funded P3s pending results of this review.
- The federal government should also cancel the Harper government’s Social Finance and Social Impact Bond initiative, which are similar to P3s for social services, and ensure that its proposed Canada Infrastructure Bank doesn’t just become another way for the public purse to subsidize private finance and profits.

Notes

- 1 Treasury Board of Canada, *Population of the Federal Public Service*. Link: <http://www.tbs-sct.gc.ca/res/stats/ssen-ane-eng.asp>. This information is retrieved from the government’s regional pay system and consists of two population segments: the Core Public Administration (CPA) and Separate Agencies (SA). The changes from 2014 overall are negligible, with only 104 fewer jobs. In the last year, the government chart shows that some departments and agencies continue to cut positions (e.g., CRA, CFIA, CSC, and AAND) and others have increased their staff from the previous year (ESDC in particular).
- 2 Statistics Canada. Survey of Payrolls (SEPH), CAN-SIM table 281-0023
- 3 MacKinnon Leslie. “Most cuts hitting services, says budget watchdog,” *CBC News*, November 7, 2012. Link:

<http://www.cbc.ca/news/politics/most-cuts-hitting-services-says-budget-watchdog-1.1217923>

4 Mazzucato, Mariana (2013). *The Entrepreneurial State*. Anthem Press, New York, p. 13: “From the development of aviation, nuclear energy, computers, the Internet, biotechnology and today’s developments in green technology, it is, and has been, the State — not the private sector — that has kick-started and developed the engine of growth, because of its willingness to take risks in areas where the Private sector has been too risk averse.”

5 Macdonald, David and Kayle Hatt (2014). *At What Cost? The Impacts of Rushing to Balance the Budget*, Canadian Centre for Policy Alternatives. Link: <https://www.policyalternatives.ca/publications/reports/what-cost>

6 Kingston, Bob. Speaking Notes for News Conference, April 22, 2014. Link: <http://www.foodsafetyfirst.ca/2014/04/22/speaking-notes/>

7 Professional Institute of the Public Service of Canada (November 2014). Summary of CFIA Consultation Submissions. Link: <http://www.pipsc.ca/portal/page/portal/website/news/announcements/pdfs/cfia-12102014.en.pdf>

8 Calculations by author based on Environment Canada’s Performance Reports and Reports on Plans and Priorities.

9 Cheadle, Bruce. “Environment, fisheries ministers failed to enforce Species at Risk Act, court rules,” *Canadian Press*, February 14, 2014. Link: http://www.thestar.com/news/canada/2014/02/14/environment_fisheries_ministers_failed_to_enforce_species_at_risk_act_court_rules.html; also see *Western Canada Wilderness Committee v Canada* (Fisheries and Oceans), 2014 FC 148 - Smith testimony, para 84 and 85.

10 De Souza, Mike. “Harper government cutting more than \$100 million related to protection of water,” *Post-media*, December 27, 2013.

11 Curry Bill. “Ottawa hiring 400 public servants to manage EI,” *Globe and Mail*, December 9, 2014.

12 Treasury Board of Canada, *Population of the Federal Public Service*. Link: <http://www.tbs-sct.gc.ca/res/stats/ssen-ane-eng.asp>

13 MacDonald and Hatt (2014).

14 Hallegatte, Stephane et al. (2016). *Shock Waves: Managing the Impacts of Climate Change on Poverty, Climate Change and Development Series*. Washington, DC: World Bank.

- 15** O'Hagan, Ellie Mae (2015). "Mass migration is no 'crisis': it's the new normal as the climate changes," *The Guardian* <http://www.theguardian.com/commentisfree/2015/aug/18/mass-migration-crisis-refugees-climate-change>
- 16** Cresky, Jim. "John McCallum's Renovation Job," *Embassy Magazine*, November 11, 2015.
- 17** Rennie, Steve. "Scrapped court challenges program still 5-7 years from winding down," *The Canadian Press*, March 04, 2015.
- 18** Cheadle, Bruce. "Data show unfulfilled federal access-to-information requests going back to 2009," *The Canadian Press*, June 25, 2015. Link: <http://www.theglobeandmail.com/news/national/data-shows-unfulfilled-federal-access-to-information-requests-going-back-to-2009/article25106483/>
- 19** Mandate Letter from the Prime Minister to the Minister of Justice and Attorney General of Canada. Link: <http://pm.gc.ca/eng/minister-justice-and-attorney-general-canada-mandate-letter>
- 20** Zucman, Gabriel (2015). *The Hidden Wealth of Nations*. University of Chicago Press, London, p. 31.
- 21** Treasury Board of Canada. *Population of the Federal Public Service*. Link: <http://www.tbs-sct.gc.ca/res/stats/ssen-ane-eng.asp>
- 22** Mandate Letter from the Prime Minister to the Minister of National Revenue. Link: <http://pm.gc.ca/eng/minister-national-revenue-mandate-letter>
- 23** Busby Mattha. "Canadians are stopping cuts to Canada Post now to stop privatization later," *Rabble.ca*. June 5, 2015.
- 24** Cox, Ethan. "Canada Post Should Deliver on Postal Banking," *Toronto Star*, February 19, 2014. Link: http://www.thestar.com/opinion/commentary/2014/02/19/canada_post_should_deliver_on_postal_banking.html
- 25** Mandate Letter from Prime Minister Trudeau to the Minister of Veterans Affairs and Associate Minister of National Defence. Link: <http://pm.gc.ca/eng/minister-veterans-affairs-and-associate-minister-national-defence-mandate-letter>
- 26** Public Service Alliance of Canada (PSAC). *Harpers Conservatives are Bleeding Our Public Services*. Link: <http://votetostopthecuts.ca/issues/search-rescue/>
- 27** DeRosa Katie. "Coast guard union warns that more cuts increase risk from spills," *Times Colonist*, April 12, 2015.
- 28** PSAC. *Harpers Conservatives are Bleeding Our Public Services : Vote to Stop the Cuts*.