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Chair: Mr. Kelly McCauley

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• (1100)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): Good morning and welcome to meeting number 42 of the House of Commons Standing Committee on Government Operations and Estimates, also known as OGGO.

For one hour we'll have a study on the outsourcing of contracts, and then we will suspend and go in camera to discuss committee business.

We have one witness with us today, Crystal Warner, the national executive vice-president of the Canada Employment and Immigration Union.

Welcome, Mr. Iacono, to OGGO.

Ms. Warner, I understand you have an opening statement for us. Please go ahead for five minutes.

Ms. Crystal Warner (National Executive Vice-President, Canada Employment and Immigration Union): Thank you very much for inviting me.

As mentioned, I serve as the national executive vice-president of the Canada Employment and Immigration Union. We're a component of the Public Service Alliance of Canada, and it's a role I've held since 2017.

I represent over 34,000 workers in the federal public sector. We're the largest component at the largest bargaining table on the continent, falling under the program and administrative services collective agreement. We represent the majority of the unionized workforce at the Immigration and Refugee Board; Immigration, Refugees and Citizenship Canada; and, of course, Service Canada.

I was asked to speak today regarding the outsourcing of contracts in public services. I understand that this committee is working in part to identify opportunities where the government can achieve best value for money by using in-house unionized workers instead of contracted outsourced hires.

I want to begin by saying that I can't express my gratitude for the privilege of this opportunity. To be frank, I never imagined that I would be given a platform like this to advocate against the contracting out of 1-800-O-Canada.

When I was a student at Carleton University in the mid-2000s, I worked for the Library of Parliament for several years. We had an office near here on Sparks Street that's now a bank. Part of my job was to speak with members of the public, both in person and on the

phone, and answer some basic inquiries they might have about their federal government.

On my first day, I was instructed to send most inquiries to 1-800-O-Canada. My colleagues, however, quietly discouraged me from this practice, telling me that this was a no-answer hotline and that our clients would only come back to us more frustrated because they would not get helpful information from that hotline. While that struck me as odd, I just accepted it as fact and did my best to help our clients. I soon learned there was much truth in this guidance, as I began to experience first-hand the frustration of clients who were unable to get the information they needed by calling 1-800-O-Canada.

When I began my current role in 2017, my first shock at learning that the 1-800-O-Canada line call centre was a contracted out service didn't come as a labour activist. It came as a Canadian. How is it that as a citizen here, I could call a number that's literally called 1-800-O-Canada and reach a private call centre that's contracted out? How is it that I could speak to these individuals, who were not public sector employees and who had no access to Service Canada systems, to potentially share my personal information, even though they would be unable to answer many basic questions about critical public services like employment insurance? I couldn't believe it.

Consider what the average Canadian would be contacting this service for, and the significance of the programs that are managed by ESDC, such as parental leave, EI and pensions. Maybe they would share personal and financial information that should be protected through these calls. Giving private corporations access to any of this information is a worrisome trend that many Canadians are not aware of, and the ones who are becoming aware are very concerned. We know that many MPs received letters from constituents about this topic, and some parties appear to have created form letters as a response, as many of our active advocates and supporters received virtually the same letter back from their MP's office.

Service Canada arguably employs the most call centre workers in the federal public sector. I don't understand why this service is being contracted out. It's the very first point of contact for most Canadian citizens with their government. It's a service that handles more than two million calls a year. As a Canadian I'm offended, but as a labour activist I'm appalled.

The 1-800 service has been contracted out since its inception in 1982. We did ask ESDC management for its rationale, and we were told that it meets organizational needs and its commitment to the highest quality of service to clients. How a department that employs over 5,000 call centre workers can state that it must contract out the very same type of call centre work in order to provide quality service to clients does not make sense to me. It's contradictory. To me, this is the worst example of lazy oversight, and a "but we've always done it this way" mentality that leaves Canadians behind and plagues inefficient bureaucracy in the federal public sector.

The CEIU, along with the PSAC and the labour movement, will continue to stand for Canadians and do the right thing by raising public awareness and applying pressure at every opportunity to end the contracting out of 1-800-O-Canada. This is a public service that should be provided by public sector workers in a safe and secure manner, with access to Service Canada systems and internal training and resources that would enable workers to appropriately assist the public. It would make these workers directly accountable to the federal government. It would also give these workers a pension, benefits and, yes, the privilege of union membership.

• (1105)

The work performed by these employees should be performed by PSAC members as part of the public service.

The Chair: I'm sorry, but that's your five minutes, Ms. Warner. Could you just wrap up very quickly?

Ms. Crystal Warner: That was it.

We hope the government will do the right thing and end the contracting out of this significant public service.

Thank you.

The Chair: That's wonderful. Thanks very much.

Mrs. Kusie, go ahead for six minutes, please.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Ms. Warner, thank you very much for being here today.

My colleagues and I are not convinced that the work is being done in the best way possible in terms of value for money and service delivery for Canadians. You mentioned that as a Canadian you're very troubled by that, and we are as well.

I think my questions here today build on your opening statement.

According to a March 2022 briefing binder for the President of the Treasury Board, outsourcing costs increased from \$6.2 billion in fiscal year 2005-06 to \$11.8 billion—so almost double—in fiscal year 2020-21, and the federal government added 19,151 jobs in the fiscal year ending March 31, 2021, and another 16,356 positions in fiscal year 2021-22. The government also employs the greatest number of public servants in Canadian history.

In addition to the shadow services that you're referring to, it seems as though the current public service is struggling to meet the demands of value for money and, more importantly, service delivery for Canadians. I just want to build on your opening statement. Despite the massive increase we're seeing not only in outsourcing but also in employees for the federal service, we're not seeing the desired outcome, so I have a few questions about that for you.

In your opinion, what types of projects is the federal government outsourcing that could be done by the public service in-house? You used the example that is closest to you, 1-800-O-Canada. Could you expand on that, please?

Ms. Crystal Warner: I represent workers at the immigration departments and Service Canada, so I can only speak to anything that would happen in those three departments. As far as we are aware, aside from 1-800-O-Canada, there was other call centre work that Service Canada—for example, during CERB—outsourced as well.

We were able to successfully end the contracting out of that by doing some significant advocacy with the employer when we became aware of the contracts. I cannot speak to departments other than those because I don't represent those other workers.

• (1110)

Mrs. Stephanie Kusie: Okay.

In your opinion, what kinds of investments do you think the federal government needs to make to do more project work in-house? Why do you believe it's going to outsourcing?

Ms. Crystal Warner: In this particular situation I think it's laziness. In this situation, from what I've seen, they have every reason to have the capacity internally to hire these workers. It's an easy thing to contract out that work.

They might argue that they have trouble with retention in call centres. I would suggest that they struggle for a few reasons.

One is that the staffing processes the federal government uses are archaic. They're staffing in the way they did in the eighties and it's not the eighties. The workers they're trying to appeal to are from a different era of employees. What I mean by that is the types of questions that get asked and the type of scrutineering that occurs just to get people in the door are inefficient.

There are also not enough resources within human resources internally in the departments. I'll speak for the departments where I represent workers.

Human resources have been slashed for 15 years. There are not even enough people to do the staffing processes internally, so managers who don't have these skill sets are being asked to do staffing competitions and oversee them. They don't have that skill set, the capacity or the resources to do that successfully.

With call centres specifically, we get into the training. Call centres at ESDC probably have some of the worst retention we've seen, and they have the capacity to do better. A lot of that has to do with the type of training and onboarding they do, which, over the last number of years, they've made completely virtual. This was before the pandemic.

Before, people would come in and there would be smaller classes. They'd get more hands-on training and direct and immediate support when they had questions. With the way things are done now, they get feedback maybe six weeks after. If they've been on a call with an EI client, for example, and they've made an error, six weeks later somebody comes to them and asks them if they remember the call six weeks earlier when they made a mistake. Yes, there are problems with that.

I would like to see some reforms in the staffing processes. I'd love to see increased resources given to human resources departments so they can do their roles successfully and take pressure off frontline management. I'd like to see an overhaul of the onboarding and training packages that employees are receiving. Instead of doing the work needed to reform these long-standing practices that are problematic, I think they're choosing the easy response, sometimes by contracting out.

The Chair: That's six minutes literally on the dot. Well done, Ms. Warner. You've done this before.

We have Mr. Kusmierczyk for six minutes, please.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair.

Thank you so much, Ms. Warner, for being here with us today.

I very much appreciate the brief you submitted ahead of time. As a Carleton University graduate myself, I really appreciated your comments.

I had an opportunity this summer to visit a number of Service Canada offices and meet with a number of Service Canada staff. I have to tell you that they are outstanding people, and we are very fortunate to have them here. They are incredibly dedicated. They're professional, and they're incredibly knowledgeable as well. They definitely have a mission mindset in wanting to help out Canadians in their communities from coast to coast to coast.

I just wanted to put that on record before we get into some of the questions.

First and foremost, what benefits or advantages are there to bringing services such as 1-800-O-Canada in-house, as you see it?

Ms. Crystal Warner: Thank you for the question and the comments about my members and their work.

Employees at Service Canada centres are among some of the hardest working in the federal public sector. As you can appreciate, the clients who come in are too often hostile and emotional. They're looking for money to put food on the table for their families. My members have been spat at and have had computers thrown at them in the last few years, so there has been increased security in these offices. We always welcome the appreciation of these workers because of the type of work they do in serving Canadians.

I have a few things to say.

I had the privilege of working for the federal government for 10 years before I got into this position, and I remember—I'm from Vancouver—I was flown to Ottawa and had to sign a pledge to the Queen. I'm Catholic, so I had the fear of God in me and was scared over the possibility of risking information, private information and

so on. When I went home, I remember going to my parents' place. They had a big supper for me because everyone was so proud that I was a Government of Canada employee. My family came to this country as asylum seekers from Chile, so the privilege of working for the government that welcomed us here was huge.

When you contract out public services, the workers are not going to have the same level of values, ethics and dedication built into them that a federal government employee would have when they are given benefits and pensions, and have the pride of being an employee of the Government of Canada.

We see that already. I've spoken to former 1-800-O-Canada employees who were, at the time, among those contracted out and who are now Government of Canada employees because they've been brought into the public service. I'll maybe get into that later. They tell me about their job satisfaction. They're happier at work and feel more respected at work. They're treated better. Naturally, because they're happier, the quality of the work they're doing is better.

We also know—and countless studies have shown us this—that in the short term, it might save the employer some money to contract out initially, but long term it costs them money. If you look at 1-800-O-Canada, they recently sold the contract from Quantum to Gatestone, and they had to hire 240 new employees to start again.

My members who deliver employment insurance, for example, working at Service Canada.... A lot of the clients who eventually get to speak to an EI agent started their journey by calling 1-800-O-Canada. More often than not, they were given misinformation or they weren't provided with enough initial help for a simple question. It wouldn't have taken them a week of trying to get through a call centre or queuing up at a Service Canada centre if that first point of contact at 1-800-O-Canada had had some access to the system to look up a simple answer.

I could go on, but I think you get the idea.

● (1115)

Mr. Irek Kusmierczyk: I think you did a really nice job of putting some important arguments forward.

Motivation is really important. I'll give a shout-out to the folks I met at Service Canada in the office in Windsor. Again, they were absolutely outstanding, and you could tell that they're rooted in the community and they're working to help the community out. It's a powerful motivator when you live in the community where you're providing services. I want to thank you for that.

I want to ask you how we can improve and make the public service more representative. I'm thinking of, for example, equity groups, but I'm specifically thinking of what we can do to recruit more Canadians and more persons with disabilities into the public service and into places like Service Canada. What's your opinion on that?

Ms. Crystal Warner: I have the privilege of co-chairing our newly established joint employment equity committee with ESDC. I also co-chair with the IRB and IRCC.

Some of the things we talk about, particularly when it comes to persons with disabilities.... I will say that time and again, when we get the reports, we see that there's under-representation of persons with disabilities at most levels in the federal public sector, and in our departments at least.

Part of this is about ensuring accessibility to candidates as part of the interview and application process. There's not enough being done at the early stages to ensure that accommodations are being offered to folks who are applying and asking candidates clear questions about accommodation as they're going through the application process.

This is also about where these positions are being advertised. The joint employment equity tables have been newly established in the last year, but one of the topics we will be discussing is outreach to disability organizations to try to gather information about better places where we could be advertising jobs.

A lot of folks, when they're applying.... My sister is now a student at Carleton and she's looking to get into the federal government. She's going to the jobs website. The employer is not doing enough outreach in some of those communities—

The Chair: I'm afraid that's our time, Ms. Warner. Perhaps in the next round you can finish that.

We now have Ms. Vignola for six minutes, please.

• (1120)

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you very much, Mr. Chair.

Ms. Warner, thank you for being here; we're grateful to you and thankful for your insight. The services provided by Service Canada are greatly appreciated, despite the difficulties encountered over the past two years.

The Canada Employment and Immigration Union contributes to the uncoverthecost.ca website, where the following is posted: "When governments contract public sector work to private companies, profits take priority over services, and everyone, except the corporate shareholders, ends up paying the price."

In your opinion, why are the services listed on this website outsourced? Also, how can the quality of outsourced services be gauged?

Ms. Crystal Warner: Thank you for your question.

[*English*]

I'll answer in English.

A lot of the apparent lack in quality of service that we see comes up when it's been contracted out. I can give the example of when the hotline for CERB was contracted out at its inception. Somebody who would get through to an actual employment insurance call centre would tell us that they had been given bad information, that they were misinformed and that a very basic question couldn't get an-

swered, as I mentioned earlier. All of that was because, unfortunately, those individuals don't have the security clearance and don't have access to the internal systems. Sometimes people are sharing personal and private information, and when they find out that they're not sharing it with a Government of Canada employee, they get upset and the calls derail.

A lot of the time, a quality public service needs to be provided by a trained public sector worker who is actually accountable to the Government of Canada and who has access to those systems and can answer simple and basic questions. In a typical call in the early days of CERB delivery, someone would call the number and ask if they were entitled to CERB and the person answering would say, "Well, I can't help you with that." They'd ask, "Can you look at my file and just tell me if my address is correct?" and they would be told, "I can't tell you that." Finally, they'd ask, "Well, what can you tell me?"

I'm sorry. Go ahead.

[*Translation*]

Mrs. Julie Vignola: It's completely absurd, especially since 1-800-O-Canada is celebrating its 40th anniversary, yet it delivers no services. How have we not assessed the services delivered by 1-800-O-Canada, which can't provide any answers to Quebeckers and Canadians? How do we ensure that these services provided with taxpayers' money are adequate? From what I've heard here, no one has assessed the quality of its services for 40 years. It seems the measures have done nothing. Am I right?

I'm going to keep talking about the website uncoverthecost.ca. As was just mentioned, the government outsourced the 1-800-O-Canada call centre jobs to the United States. You said you were concerned about security clearances and the highly personal information that's given to employees at the call centre.

Except for those living in certain areas, Americans are not known to have an adequate level of French. What kind of service are francophones getting, then? I'm not just talking about francophones in Quebec, there are also others in Ontario, New Brunswick, Alberta and, increasingly, Vancouver, among other places. Over the past four years, have the services provided to francophones been of a lesser quality than what anglophones receive?

[*English*]

Ms. Crystal Warner: I asked some of those efficiency questions during labour management meetings with the deputy minister, and we didn't get any kind of satisfactory answers.

The two companies that have, to my knowledge, held the contracts for 1-800-O-Canada are Quantum and Gatestone. Quantum's call centre was located in Ottawa. Those workers were offered contracts during the sale of the contract. Some of them now work for the Government of Canada, so we've been able to speak to them.

We understand that the new company, Gatestone, is a corporation with bases in Phoenix, Arizona, and Canada. We also understand that the current workers at Gatestone who are providing services to 1-800-O-Canada are located in Toronto, and some workers may be in Montreal.

We've asked ourselves the same questions. We have no guarantee, with the way their contracts work, that somebody might be answering the phone. While they may have some workers working there, we don't know where all of them are.

We also know that they have had problems providing services in both languages. This was with Quantum. Gatestone is still a relatively new contract. Again, we don't have answers to those questions because we're not in a position to ask our employer those questions to get transparency. We've been reduced to having to file access to information requests to try to get some answers.

Access to official language services by a Government of Canada office in our call centres is much better. We know those clients are getting better service. It's a comment that we've had from the workers who were contracted out and are now internal. They can't believe the testing to ensure that somebody is really bilingual and able to provide the service. Those things didn't exist with the contracted-out companies. Again, that type of care is better established in-house in the Government of Canada.

• (1125)

[Translation]

Mrs. Julie Vignola: Thank you.

[English]

The Chair: I'm afraid that's our time.

Mr. Johns, you have six minutes, please.

Mr. Gord Johns (Courtenay—Alberni, NDP): Ms. Warner, I want to thank you, your team and obviously all of the members you represent for the important work you do, especially for the incredible, heroic sacrifice during COVID. I can't say enough about it.

I'm going to stay on the thread about call centres.

Can you share your thoughts on contracting out call centre operations and the impact of that on the quality of service that Canadians receive? How does that impact the service to Canadians?

Ms. Crystal Warner: I've talked already about loyalty with federal public sector workers. We also know that working conditions and wages are heavily correlated to increased production, accuracy and retention. My understanding is that instead of making a good government salary, some of these workers were making \$18 or \$19 an hour.

We know that over the years, Treasury Board and the PSAC have negotiated a number of rights specific to call centre workers, not to mention higher wages, benefits and job security. We know that working conditions for the workers themselves would be much better there.

ESDC also offers some robust resources, support and training for these workers, although there are some problems. Again, it puts them in a position where they're equipped to provide a high level of quality public services to a client.

These contracts don't enrich Canada. They're enriching what's ultimately, right now, an American-based company that specializes in debt collection and has a long history of poor working conditions. I think if we were to poll Canadians and ask what they thought about 1-800-O-Canada and about not reaching their government but a contracted out service, they would say they should be in touch with a public sector worker.

For all of these reasons, we feel pretty strongly that we should end the contracting out of this service.

Mr. Gord Johns: We've seen disastrous outsourcing. With the Phoenix pay system, as an example, we've seen expensive consultants replacing public service employees. We end up hiring expensive consultants, and there are disastrous results from this.

We recently saw an ATIP consultant contract go out. It turned out that the wages would have been upwards of over \$469,000 a year per worker. We know it's not flowing to the workers who are getting hired by these outsourcing companies; it's flowing to the top.

Can you speak about the impact that this is having on Canadians and Canadian workers and about the multiplier effect of money staying within the Canadian economy instead of ending up at the top? How does this impact and create more inequality in Canada? Maybe you can also speak a bit more about working conditions for employees who are working for these outsourcing companies.

• (1130)

Ms. Crystal Warner: I'm happy to. There are a few different things.

Gatestone, as I mentioned, is a family of companies in the United States and Canada that is focused primarily on debt collection lines. They also have offices in the Philippines, Mexico and Belize. They've held many previous contracts for the Government of Canada that were, to my knowledge, all collection contracts. For years, PSAC has been constantly trying to express its concerns and have these workers unionized. On three separate attempts, the contracted companies fired union organizers when we were attempting to unionize them.

We spoke with a number of former employees of the company. Even the reviews of Gatestone on Yelp and the things they talk about are sad. There are no benefits, they're being underpaid and they're making \$19 an hour. One thread of comments about Gatestone in particular was repeated in our interviews with people as well as online. One employee wrote, "you get paid so little for the stress that this company brings to you. They always look to cut corners and save as much money as possible even if it will make the life of their employees miserable. Again, they just don't care about your well being. Agents know that Gatestone is just a temporary job until you find something better... I've never seen so many people leave a company after a short period of time." We have several similar examples from employees.

It's costing the employer money. When they turned this call centre over through the contract, they had to hire, I believe, another 240 call centre agents and start from scratch. Some people had 10 years of knowledge and a lot of them left, and the folks who stayed around lost all the in-house knowledge. There are a lot of additional costs, and I think it's short-sighted on the part of the government.

Mr. Gord Johns: It sounds to me like there's a huge economic leakage for Canada and Canadian workers. This is a huge concern of mine. Really, it's a disservice to taxpayers at the end of the day when there's a huge economic leakage like this taking place on their dime.

Can you speak a bit more about the efforts to unionize 1-800-O-Canada workers either through the Public Service Alliance of Canada or otherwise? Can you please provide a history of those efforts?

Ms. Crystal Warner: On three separate occasions, the PSAC had made efforts to unionize the workers at Quantum. We are currently working to try to unionize the workers at Gatestone.

I have a memo from 2018 that Quantum management sent out to all of its employees warning them about—

The Chair: Ms. Warner, I apologize for interrupting again, but that is our time. Perhaps we can get back to that in Mr. Johns's—

Ms. Crystal Warner: They were mean.

Voices: Oh, oh!

The Chair: As am I, but that is still time.

We'll go to Mrs. Block for five minutes, please.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much.

I'd like to thank Ms. Warner for being here today. This is an important study about outsourcing, so I appreciate hearing her perspective.

I've been on this committee for a very short time. It's been a bit of a steep learning curve, as we've had a number of issues before us. We know that money spent by the government on outside contracts in the category of professional and special services has nearly doubled since 2006 to \$11.8 billion, as my colleague pointed out earlier. We also saw an increase of 116% in spending on IT consulting between 2011 and 2018, a 115% increase in spending on management consulting and a 78% increase in spending on temporary help.

We learned recently through our study of the ArriveCAN app, which you may or may not be aware of, that IT firms may charge between 15% to 30% for their service over and above the service that's being provided. I've also learned that the current government likes to use outside contractors, such as large consulting firms, which charge exorbitant fees, to give them answers that may be clear to Canadians already, such as not buying IT support from despotic regimes.

Do you have any concerns that the government is creating a shadow public service in which staffing firms—which do none of the work but are taking large cuts—are increasing the costs of the work being done and paid for?

• (1135)

Ms. Crystal Warner: In our preparation for today's meeting, we noticed that when we originally became aware of the contract with Gatestone for 1-800-O-Canada, it was at \$79 million. That was when we started. We noticed just this weekend that the size of the contract has now gone to \$158 million, and we don't know why it would have increased so much.

We can only assume that the government intends to expand the usage they originally intended to have. It's horrifying to us that this one contract has doubled and we were not made aware of it through any kind of labour-management consultations, nor of the intentions. We will be asking about that.

When it comes to IT, although another union—PIPSC—represents those workers primarily, I want to comment on a couple of things.

As I stated, I represent the majority of the unionized workforce at Immigration, Refugees and Citizenship Canada and at the Immigration and Refugee Board. We've noticed a massive increase in the digitization and automation of the work that's being done in those departments. We have a lot of concerns about that, in particular at IRCC when it comes to the client experience and things like the inherent unconscious bias that gets built into these programs.

When we're having labour-management meetings and we're questioning why this work is being contracted out, why this work is being digitized and how artificial intelligence is getting used to do work that used to be done by our members as our bargaining agent work, we get told things like “it's going to help increase efficiencies” or “it's going to be a more efficient application process”.

When we ask them questions, it seems to us that often they don't fully understand, appreciate or grasp the scope of the type of technology they've been given, so they are forced to contract out because they don't know what they're working with or the capacity of it. That's instead of working with in-house employees who understand the programs and obligations of the Government of Canada. We're very concerned about the contracting out that's being done with these types of technologies and the impact it could have on future Canadians.

Mrs. Kelly Block: Thank you very much.

The Chair: You have 20 seconds.

Mrs. Kelly Block: Okay. I'm just going to leave it there.

Thank you.

The Chair: Thanks, Ms. Block.

Mr. Bains, it's over to you, please, from the sunny west coast.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you, Ms. Warner, for joining us today and for all your advocacy for Canadian workers.

There's one thing I want to clarify. You mentioned Phoenix, Arizona. My understanding is that the Gatestone company is headquartered in North York, Ontario, and is Canadian owned. Is that accurate?

Ms. Crystal Warner: We've heard the same comments from ES-DC, but what our research tells us is that Gatestone is a family of companies and their international headquarters are in Phoenix, Arizona. I haven't heard North York. They do have offices in Canada, but it's a family of companies that's primarily U.S.-based.

Mr. Parm Bains: Okay. I'll move on.

The public service staffing process simply takes too long. It's lengthy and cumbersome and often takes six months to a year to complete. Do you agree and do you support reform? What would reform look like?

Ms. Crystal Warner: I agree that the current process does take too long and is overly bureaucratic. I think that on occasion, the employer has already demonstrated the ability to work within the existing system and to streamline it so that we aren't waiting six months for a process.

If the process is done right, we've seen hundreds of employees being hired in a couple of months. I think it just takes the time, the energy and the desire, frankly, to prioritize this type of work in human resources, which is often the last thing that gets considered when we see departments going through transformation.

When we talk about reforms, it's about updating the existing system, making it work better and investing resources there instead of taking the easy routes. Aside from contracting out, we saw at IRCC, for example, that 85% of staffing actions in the last year were done through unadvertised staffing. We see a lot of favouritism. We see a lot of nepotism. We see a lot of people's kids, uncles and brothers getting hired in the department instead of the employer taking the time to do a fair and transparent process.

• (1140)

Mr. Parm Bains: Departments are required to consider internal staff before outsourcing a project. Some say that doesn't happen enough. How could those "make or buy" policies be strengthened?

Ms. Crystal Warner: Give more accountability to them. A lot of the time it's about the language used, like "consulting". I had a senior manager in a department say to me, "Well, Crystal, we told you about it, so we figure that's consultation."

Even the language that exists in the current staffing policies of the federal government allows the employer to do what they want, frankly. There's very little ability for us to challenge that in a formal way and very little formal recourse, transparency and accountability. There are very few formal mechanisms we have in representing and advocating for our members to force the employer to have more open, fair and transparent processes.

Instead, as I mentioned, in all of our departments we're seeing unadvertised staffing being done, with IRCC being at over 85% last year. Regarding considering internal staff, again, the language isn't strong enough for us to have a formal recourse.

Mr. Parm Bains: IT consultants are easily the largest type of professional services the government contracts externally. Why do you think that is?

Ms. Crystal Warner: I'd be remiss to answer that question, because I don't represent those workers.

Mr. Parm Bains: Okay.

Do I have more time, Mr. Chair?

The Chair: You have 40 seconds.

Mr. Parm Bains: Are there training opportunities offered by your members' respective departments or within the union to improve their skills?

Ms. Crystal Warner: I would argue that experience with any union would give excellent skills and training to any government employee, or any worker for that matter.

Of course, what we try to talk to our members about are the principles of natural justice, which are fairness and transparency. We always say that we're federal public sector workers first, so we really uphold those values, ethics and principles.

We offer training on everything from occupational health and safety and staffing processes to the duty of fairness when it comes to these things in the federal public sector. We offer a lot of training, and we've given it to our advocates to try to find different ways to get the point across to all levels of management that they really need to do a better job in making staffing processes fair, transparent and accessible.

The Chair: That's our time.

We'll go to Ms. Vignola for two and a half minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much. Two and a half minutes is so little time.

The Professional Institute of the Public Service of Canada found that managers had the authority to amend contracts after they were signed and that the cost of those contracts exploded, potentially increasing them by 65% to 115% over the original amount. That's surprising for services. In construction, given the cost of materials, I could understand it, but services are another matter.

You realize that, in order to get the contract, subcontractors will bid much lower than the actual costs, only to turn around and say that, in the end, it's going to cost them more for whatever reason.

Have you seen that happening, and how widespread do you think it is? Also, do you feel Canada should have its own commission of inquiry to shed light on these practices that are ethically questionable, to say the least?

• (1145)

[English]

Ms. Crystal Warner: I haven't given that much consideration, but that sounds pretty great. I think we'd have a lot to consider there in a positive way.

My job is to represent and advocate for my members, support collective bargaining and rally. I was never a contracts expert, but in working on some of these things with Service Canada over the last few years, I've certainly had a front-row seat to watch exactly what you describe: Initially these contracts come in with low offers, and then they double—or even triple, actually, in the case of Quantum—over time.

The government increased the usage of contracts because initially it's easy. However, they lose staff. People can't afford \$19 an hour in Ottawa, Vancouver, Montreal and Toronto with no benefits. There's no retention with these workers, and that's probably what a good amount of the resources go into in these contracts.

That's an excellent, interesting idea. Thank you.

The Chair: That's our time.

Go ahead, Mr. Johns.

Mr. Gord Johns: Has the Canada Employment and Immigration Union or PSAC engaged with the government about ending the contracting out of 1-800-O-Canada? If so, can you describe what efforts have been made and what the government's response has been to date, please?

Ms. Crystal Warner: As your colleague mentioned, we've had a website up for a few years in our attempt to raise awareness. We had letter-writing campaigns to members of Parliament urging them to end the contracting out.

We were surprised, actually, by the numbers. I think we got a few thousand responses from Canadians in the first couple of days of our campaign, and they were shocked. They were like, "What do you mean this is contracted out? What do you mean these aren't public sector workers answering these calls?"

In July 2021, the PSAC national president wrote to Minister Hussen and Minister Gould respectively, urging them to meet with us to discuss the contracting out of 1-800-O-Canada. A year later, we received a response from the senior associate deputy minister of ESDC, who, instead of addressing our concerns, requested that we remove the campaign website.

On August 16, 2022, I met with Minister Gould in Toronto to discuss the passport delays at Service Canada. I took the opportunity to discuss this campaign, and I was promised that she would look into this topic and get back to me. That was three months ago. We are hoping for a follow-up from the minister on this topic. We're really hoping that decisions are made to end the contracting out.

Mr. Gord Johns: The federal government also outsources various core functions and business practices, such as when Veterans

Affairs Canada contracts out veterans' rehabilitation services and the Canada Revenue Agency hires third party call centre agents. We talked about that.

As someone involved in the labour movement, are you able to speak about whether you see outsourcing as a growing trend and a threat to the quality of the public services Canadians receive?

Ms. Crystal Warner: Yes, we absolutely do.

ESDC was audited a number of years ago regarding the integrity of the workers doing employment insurance and regarding privacy and these kinds of things. A certain level of scrutiny of values and ethics is instilled in every second of every day that an employee is working directly for the government.

We're seeing these contracts double and triple in size. We're seeing emergency services like CERB be contracted out. Long-standing, important services like the ones at Veterans Affairs Canada and the CRA are also being contracted out.

It's devaluing and diminishing public services to Canadians and future Canadians. We are incredibly concerned. It's why you've seen PSAC and other unions dedicate so many of their resources to trying to end this. As I said earlier, we are public sector workers first, so we are doing this for Canadians and for the interests of our members.

The Chair: Thanks very much. I let you run over your time because I got tired of interrupting you.

We have time for two more five-minute sessions.

Go ahead, Mr. Barrett.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): Thanks, Mr. Chair.

Thanks, Ms. Warner, for your appearance here this morning.

Can you speak about the IT staffing needs your members are fulfilling? Are they fulfilling all of the needs of the departments where they work, or is that being subcontracted out?

• (1150)

Ms. Crystal Warner: Again, I don't represent those workers, so I'd be remiss to speak too much about those issues. That would be for their union to address.

What I can talk about, though, is the impact that has on the members working in the federal public sector who are relying on in-house IT services. I represent workers in all of the departments who fall under CEIU at PSAC and work in access to information, for example. Sometimes, when IT staff are asked to do things, they're being asked to look at very sensitive, classified information and have access to that information. When we're seeing that work get contracted out, we raise an alarm because what scrutiny are those companies under? What scrutiny have they had? What kind of accountability and transparency do they have to the public or internally to the department?

We've run into many problems when these services are contracted out because it puts private information at risk. We're often raising the flag because when that work gets contracted out, it impacts the entire department and all of the administration staff, who are my members.

Mr. Michael Barrett: You will have seen the work of some committees and some media reports regarding the ArriveCAN application. That work was not done in-house, and the app cost in excess of \$54 million for its development, implementation and ongoing maintenance.

What we learned was that in the RFP process, some potential vendors were advised that the requisite security clearance for working on the system would be waived if they had an application in process. Someone who had applied for top-secret security clearance but had not yet received it was able to work on an app that dealt with Canadians' personal, biometric, health and, of course, passport information. Obviously this raises a lot of concerns about the integrity of that application. It also shines a light, perhaps, on the government's practices and its lack of care and concern for the privacy of Canadians.

I'm not sure whether you're able to speak to this specific example, but can you, for example, speak to the requirements in place for your members when they have to deal with information like this about Canadians and folks seeking services from those departments?

Ms. Crystal Warner: Absolutely. That's very worrisome considering that our members get security checks that include things like a credit check, credit audit, background and criminal record check—all of those things. In addition to that, there are the hours and hours of values and ethics training they're obligated to take and the oaths they have to swear. It's very concerning to us when this information.... We worry when one of our members is asked to take a physical file home. We triple lock it and send them in a car. We do that to protect our members and the integrity of the information.

This is very concerning to us. It's one of the questions we always ask in labour management meetings when we find out that this kind of work is being contracted out, because we have serious reservations and concerns about whether those same standards are being held to, and they're not.

In employment insurance, checks are done to make sure the folks who are administering these services are not related to people they work near or to people they are serving as clients. There is an extremely high level of scrutiny and accountability when these ser-

vices are in-house, which doesn't exist when services are being contracted out.

Mr. Michael Barrett: How much time do I have, Mr. Chair?

The Chair: You have 18 seconds.

Mr. Michael Barrett: Without giving any specifics, have you filed any grievances on behalf of your members with respect to outsourcing?

Ms. Crystal Warner: Yes.

Mr. Michael Barrett: Thank you very much.

The Chair: Thank you.

We have Ms. Thompson for five minutes.

Ms. Joanne Thompson (St. John's East, Lib.): Thank you, Mr. Chair.

Welcome, Ms. Warner. It's been a very informative hour.

I have to begin with a shout-out to IRCC and Service Canada workers, on whom my constituency office in St. John's East leans. They're absolutely phenomenal.

I have two perspectives as someone who worked on the front line during COVID. I absolutely understand both the challenge of trying to access services and the quick move away from any type of in-person support. Certainly, as an MP, I know of the ongoing challenges from the disruption of COVID and know of the labour realities, with the significant hiring during the summer and the flow of work. It really is to be commended, so thank you for that.

The question I'd like to start with is about unexpected times and COVID. I don't know whether we're post-COVID, but given our new reality, is there a role for outsourcing in times of extreme work fluctuations, which I believe we've seen over the last three years?

● (1155)

Ms. Crystal Warner: We have a tangible example because of the situation we've found ourselves in over the last couple of years. When we saw the government was moving to outsource CERB, for example, we could not for the life of us understand why they were doing that.

People who come to work for ESDC are lifers. These are people who start there and work their way up the ranks. You often find people who have worked across various business lines at ESDC. Many of them at some point would have worked in a call centre and on the front end. They have the ability and capacity—because they've worked in EI, CPP or OAS—to answer questions and do the service delivery, so the department is incredibly flexible.

When CERB happened, we had enough folks to pull some from less critical services and put them on a hotline and in direct service. We were able to successfully argue with the government that they didn't need the contract. I think they ended up keeping it for only a few months because of the pressure we applied and the volunteers who came from other business lines when we asked them to sub in.

In my experience, I haven't seen a need for it, because I've seen the internal flexibility to address those one-offs.

Ms. Joanne Thompson: Thank you.

I want to change to another topic.

Shared Services Canada told this committee that its strategy includes reducing the barriers to entry for small and medium-sized enterprises and companies run by women, Black and indigenous people, persons of colour and other under-represented groups. Are these efforts making an improvement?

Ms. Crystal Warner: Do you mean companies that are contracted out?

Ms. Joanne Thompson: Shared Services Canada told this committee that strategies include reducing barriers to entry for people.

Ms. Crystal Warner: We have seen it at ESDC in particular, and maybe less so in the immigration departments. Some really interesting strategies have been used at ESDC to employ racialized workers and Black workers in particular. As to initiatives they did, last year, for the first time, they spoke with Black sororities and fraternities to do direct recruitment campaigns and were able to get 500 new employees in Service Canada as a result of those efforts. We've also been working jointly, as I mentioned, with the joint employment equity committees.

There has been some improvement, but what we really want to see is more representation in upper-level positions. At CEIU, 78% of my membership identifies as women, and we are the most racially diverse union in the federal public sector. Unfortunately, the majority of my members are in entry-level government positions.

Ms. Joanne Thompson: Do I have time for another question, Chair?

The Chair: You have 50 seconds, so it will have to be a relatively brief answer.

Ms. Joanne Thompson: It will be very quick.

Treasury Board has said that there are policies to support small and medium-sized Canadian businesses, such as requirements to unbundle so that smaller companies can participate in individual requirements rather than bringing something together that allows only large multinational companies to participate. Are these policies working well?

Ms. Crystal Warner: I'm sorry, but I don't have a good answer for you. I think that falls outside of my scope of expertise. It's an interesting question, though.

The Chair: That's great.

Thank you, Ms. Warner. Our one hour is up, so we'll let you go. We appreciate the time you spent with us today.

Ms. Crystal Warner: Thank you very much.

The Chair: The public portion of the meeting is now complete. We're going to proceed in camera.

With that, we are suspended.

[Proceedings continue in camera]

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