

**2007**

**Brief on  
Defending Quality Public Services**

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By the

**Public Service Alliance of Canada**





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### **A better Canada defends quality Public Services**

Delegates to the 2006 PSAC National Convention overwhelmingly passed a policy which calls on the PSAC to take on “concrete and comprehensive actions to ensure that quality public services are preserved and remain publicly delivered.”

Our ultimate goal is to make an active contribution to building a just, inclusive, secure, prosperous and sustainable society for workers and their families. Quality public services are essential to addressing social and economic inequities, and improving social cohesion.

#### **What are quality public services?**

**Quality public services** are what keep our country, communities and all citizens safe and protected. They provide us with tools to take care of one another when facing sickness, poverty, unemployment and old age; they bring social equality, and ensure everyone's basic needs are met and by funding education and special programs to counter balance the inequities of opportunities. They are what define us as a community, and as a country.

**Public** means that it belongs to us - the people, the citizens of Canada. Governments are accountable to the public. Privatizing our public services means taking away the decision-making power of the public for the services they receive. Selling off our public services to the private sector would result in the social and economical objectives for which public services have been instituted taking a back seat to profits.

**Public service** is a general term that refers to the infrastructure, the programs and services provided by governments to its citizens. Some services we use everyday such as water, roads, mail delivery, public transportation. Others work for us everyday; education, border security, research, food inspection, police and fire services, protecting the environment, etc. And others we count on being there when and if we need them, such as Employment Insurance, old age pensions, Canada Pension Plan and health care.



## Service Canada

Service Canada is being sold as a new arm of Human Resources & Social Development Canada (HRSDC) created by the Liberal Government in 2005. It is reorganization still in transition of front line services offered. In reality Service Canada is an erosion of quality in-depth personalized service.

The stated purpose of Service Canada is to provide a single service delivery network through a "one-stop, personalized access to government services and benefits".

Service Canada is expected to support: the person who has lost their job and needs Employment Insurance support for the first time; the seasonal worker who becomes unemployed on a regular basis; the worker who has been laid off and needs re-training to find another job to support her or his family; the person who is retiring or the spouse of a deceased retiree applying for benefits for the first time as well as the person who is injured and will not be able to work again. Service Canada provides basic passport application services, assists agricultural producers; handles immigration issues; works with veterans, seniors, youth, new comers to Canada, services to aboriginal people, employees and businesses.

Service Canada boasts it will save 2.5 billion dollars over the next 5 years. Despite the promises and PR hype about improved Service Canada, it was announced in the budget as a cost saving measure. **And make no mistake; Service Canada is first and foremost a cost saving measure.** HRSDC plans to decrease its total workforce nationally, by 1000-1600 indeterminate positions over the up-coming 5-year period. Term and Casual employees are not included in this estimate but will be terminated before indeterminate employees are let go. **With less resources and the loss of knowledgeable workers, how can they deliver on this promise to provide quality, personalized service?** Service Canada has failed to address this basic question posed in our last brief.

Service Canada is being promoted by government, senior management and a small number of business partners as a more accessible service for less money. A TV ad campaign has been running recently to promote the image of a more accessible public service. The image shows truck doors opening while a family stops at a red light and a kiosk appearing to assist a family in expanding a young person's career. This kiosk is an example of a "point of service".



As a union representing public service employees, we are delighted to see the government provide ads reinforcing and showing appreciation for the work of federal government employees. Our concern is more around the subliminal message of “point of service” presented as staffed, mobile and accessible, when the reality of how the public will be served may be different that what is being projected to the public. The theme of Service Canada is “Click, Call or Visit – in that order. When a client visits a Service Canada office, they are encouraged to click some more.

Services that have been and are still offered from 320 offices will soon be offered from 696 “points of service” nationally. These points of service do not necessarily mean an office on site but could mean a kiosk, internet services 1-day a week, a toll-free call or by other means. This appears and is being presented as increased service when, in fact, services are being cut.

**In the Atlantic Region**, these federal services are offered in all major cities and towns. Many are offered in small rural areas bringing meaningful federal government employment to these regions.

We believe that the current government and management approach is resulting in:

- 1) a serious decrease in the quality of service and programs provided to the public
- 2) the erosion of the quality of the work performed by public service employees delivering the service
- 3) a decrease of federal revenues and presence in Atlantic communities
- 4) job loss
- 5) privatization of public services / less accountability

### **Impact on Service and Communities**

What Service Canada is not revealing is that these ‘points of contact’ could amount to:

- ❖ infrequent visits by Service Canada staff;
- ❖ reliance on provincial or private sector employees to offer federal services;



- ❖ a computer station; or a toll-free 1-800-0-CANADA number rather than person service
- ❖ more shopping to receive service on complex issues.

Service Canada is anything but “One-Stop-Shopping.” People wait in line for help with a job search or a resume only to be told to go to a private resource centre. Persons with disabilities needing counseling, training or Employment Insurance program and support wait in a line at the Service Canada office because they received assistance there from HRSDC staff in the past, only to be sent to another privatized firm.

Seniors entering a Service Canada office encounter staff ‘greeters’ whose aim is to stream clients to office-based telephone and Internet-based self-help services. Needless to say, many Income Support Programs clients are relatively unfamiliar with computers and the Internet.

Those seniors who seek a ‘human contact’ must now ‘take a number’ and wait their turn to be served by the first available Service Canada agent — who may or may not be an individual with in-depth knowledge and experience with complex Income Security Program issues.

Traditional front-line staff draw on months of training and years of subsequent experience. However, to Service Canada, ‘a client is a client’. Service Canada is replacing qualified counselors with staff with little training or knowledge of complex programs. This was done despite Service Canada’s own client surveys showing that seniors emphatically valued quality information over speed of service.

**Service Canada makes it difficult for employees to serve clients with consideration, compassion and respect.** Consider the following:

- ❖ The supply of trained staff does not meet current, let alone future, demand. The demographic ‘facts of life’ should dictate an increase rather than decrease in knowledgeable services in greater numbers of communities.
- ❖ Clients are being streamed to unfamiliar and off-putting 1-800- 0-Canada telephone and Internet services, instead of personal contact. (This despite the fact that many are intimidated by voice-activated telephone systems, have hearing problems or face language barriers).



- ❖ Absurdly, many once-specialized staff are today dealing with SIN applications, EI enquiries, passports or pleasure boat registrations.
- ❖ An emphasis on meeting quantitative performance goals (e.g. pushing clients quickly through the system) is seeing seniors, the unemployed, the disabled and others 'slip through the cracks'. Our members are aware of greater incidences of inaccuracy or erroneous information.
- ❖ 'Walk-in' clients must often come back for an appointment, or be sent home to find appropriate documentation. Repeat visits and greater travel time create even more inconvenience and hardship.
- ❖ Same-day service — critical for many— is increasingly rare.
- ❖ There is no legal requirement under Service Canada for staff to explain full benefits entitlements to clients. By comparison, staff of the Quebec Pension Plan are required by law to explain all applicable entitlements seniors making enquiries.

To be effective, services must be tailored to the situation of the individual client. Decisions can affect clients for a lifetime. Many using the income programs offered by Service Canada require a detailed understanding of their particular circumstances and thorough personal counseling to ensure they are aware of their eligibility and entitlement.

Public service employees are dedicated to our clients, when 'life events' (death, illness, divorce, unemployment etc) require a higher sensitivity and connection from service providers.

Clients have traditionally been able to rely on the comfort and confidence of person- to-person meetings with knowledgeable staff.

Loss of federal jobs and related resources, particularly in rural towns and communities, is hurting these communities. Service Canada as currently planned will further erode the federal presence in Canadians lives and communities.

### **Service Canada: a Disservice**

We know full well that most clients, seniors in particular, are legitimately reluctant to divulge sensitive or personally-embarrassing information to a succession of public service workers they must now deal with instead of a counselor.



Our concerns in relation to seniors are about two issues. First ensuring Income Security Program jobs are not 'dumbed down' to the point clients can't get the service they need. And, second, exposing the failings of the current Service Canada delivery model — an initiative that is gutting the personalized services our vulnerable clients deserve.

For most of the past half-century, key federal services to seniors — the Canada Pension Plan (CPP), Old Age Security (OAS) and the Guaranteed Income (Supplement (GIS) — were integrated with federal Department of Health. They were known as 'Income Security Programs' (ISP)

1993 saw ISP carved away from what was then known as the Department of National Health and Welfare and submerged into a new Department of Human Resource Development.

Over the ensuing decade, HRDC morphed into a number of other entities, with the delivery of seniors programs continuously placed in a secondary role.

All programs, including seniors programs, underwent a radical downgrade in importance with unveiling of Service Canada in 2005.

Whatever other questionable virtues it may claim, **Service Canada has resulted in a sharp deterioration of service to clients.** We know this firsthand, because our members provide frontline services to seniors.

Public service employees help clients obtain their Employment Insurance, Training and Program designed for individual and Community, Canada Pension Plan, Old Age Security and Guaranteed Income Supplement benefits by:

- ❖ providing in-depth counseling individuals on requirements for eligibility;
- ❖ assisting clients in making complex decisions around such crucial real-life events as death, illness, and retirement;
- ❖ assisting in the overall social development of communities.

All clients seeking income support programs and services are lumped in with an applicant for a cabin cruiser license. This is both insulting and demeaning to those seeking in-depth service and annoying to someone seeking a simple application for a cabin cruiser. **Yet this is the service model now offered by Service Canada.**



### **Privatization and Centralization = Less accountability to the public**

Privatization tends to undermine the one-stop approach it is supposed to facilitate. Solutions to maximize profits don't necessarily have to be coordinated nor do they always match changes in public policy. Frequently services are sub-contracted and yet another step removed from the original contract and its intent.

The employer is saying that Service Canada is not about privatization. However, a private firm Quantum runs the-1-800-O-Canada offices. Privatization of government services would very likely mean a less knowledgeable work force, marked by casual employment and high turnover rates. For instance, 1-800-O-Canada has a significantly higher turn over rate than equivalent public service call centres. The fact that working conditions are not as good and that wages are lower is not a coincidence.

For privatization to appear attractive financially to the government then the contractor has to realize its profits either by cutting services or wages and benefits, both which disadvantage the overall local economy and/or labour market.

We have serious concerns about the problems that caused the Gomery enquiry that contracted relationships by nature are less accountable and transparent to the public. For all but the most basic transactional services, citizen privacy becomes a key issue when important demographic and financial information of the type that is required with Income Support and Employment Insurance programs are contracted out.

The Information Commissioner, unions, and some business groups have made proposals to increase accountability and transparency for government contracts in the Accountability Act. Privatized services can also put our sensitive personal information at risk of abuse and manipulation by unaccountable corporations outside strict public control.

Because of the lack of accountability associated with private contracts, it is impossible to accurately estimate the extent of the waste. However, based on the limited financial information that is available, it is clear that significant savings can be found by keeping services in the public realm instead of contracting them out.



The federal government has been relying more and more on contracting-out as a way to deliver federal public services. This practice is wasteful and unaccountable. Significant savings can be realized by reducing contracting-out and providing direct public service delivery.

According to the government, the major areas where contracting for services in the federal public services occur are in Professional, Special, Purchased, Repair, Maintenance and Information Services. The government spent about \$9.5 billion on contracting-out in the 2006-2007 fiscal year, compared to about \$5.8 billion in the 2000-2001 fiscal year, about a 7.8% average annual growth.

Public delivery of public services generally always provides more efficient, less expensive, higher-quality, and more accountable services than privatized delivery. What's more, quality public services ensure that everyone has an opportunity to contribute to society, thereby reducing inequality and improving the economy. High-quality public services increase our overall and collective economic, social, and environmental security.

### **Australian Model - Centrelink**

As bad as Service Canada's delivery model is, it could get worse. A lot worse. Because, if you want to see the ultimate shape of the Service Canada service model, you have to travel halfway around the world. To Australia.

'Centrelink' was the inspiration for Service Canada. It was established in 1997.

As with Service Canada, Centrelink was designed to centralize federal government services, and was sold to the public as offering a superior delivery of programs.

Centrelink was initially awarded a short-term contract to take on the work of departments that formerly handled the payment of social security, pension, unemployment and education benefits. Today, it administers more than 140 different 'products and services' for 25 government agencies and brags that it "is in the top one hundred of Australian companies in terms of size and turnover".

Service Canada's Australian role-model has also aggressively recruited private sector 'customers', providing services for some 4,500 business and community organizations.



For its part, Service Canada is already promoting 'privatization' of federal services in smaller communities, or lumping them in with provincial government services. It has also signed regional agreements that will have the effect of providing different levels of service to Canadians based on their province of residence.

As with Centrelink, in Service Canada, quantity of service — speed and client turnover — outweighs quality service. Time measurement and quotas are the order of the day. Clients are dissuaded from personal contact with staff in favour of telephone contact and self-serve Internet.

And, we are seeing with Service Canada, the deterioration in service and a lack of accountability that is plaguing Centrelink.

The Centrelink 2005-2006 Annual Report boasted that: "Centrelink customers have reacted positively to self service options since the self service channels were established. From July 2005 to June 2006, more than 7.1 million transactions — that is, over 9 per cent of all Centrelink customer transactions— were undertaken via the internet or automated telephone self-service."

As it turned out, Centrelink's own internal data revealed that a total of 6,444,963 calls went unanswered between January 2004 and August 2006. In one week alone in September 2004, 222,875 calls - 42 per cent of the total — were not answered. Nine months later, in June 2005, one in every three calls — 623,022 — went unanswered. Matters were not looking better a year afterward. In June 2006, it was disclosed that 45 per cent of all Centrelink accounts contained an error and that 30 per cent of all customer accounts contained a mistake that resulted in a wrong payment.

Most damningly, the Australian National Audit Office found that Centrelink had incorrectly reported its 'Payment Correctness' to the public through its own Annual Report. Centrelink claimed it was correct with 96.8 per cent of payments when it was actually only correct with 70% of payments.

### **Conclusion**

While Service Canada is trying very hard to sell their new concept of 'Points of service' everywhere, its true impact on the community is not being revealed in their 'kiosks' media campaign. Rural areas and small communities probably have the most to lose from this new approach. All citizens need to be concerned about the quality of service they are now receiving and the lower level they can expect to receive in the future.



In fact, at the same time that Service Canada will introduce their kiosks in the community, a good portion of the work will become centralized, the lack of personal contact will ultimately undermine the public service's connection with its citizens in the region and direct more work towards the MPs office and non-government groups who assist citizens with working with government programs.

For Members of Parliament, this may very well translate into more calls to their offices, rather than less. Unfortunately, MP's will not necessarily be in a position to help constituents since the processing of files will most likely be done outside their riding due to the centralization of files.

The recent Summer Student program "Canada Summer Jobs" by Service Canada is an example of the further removal of programs from regional accountability. MP's were given no opportunity for input in selection of employers chosen for student projects. This is only the tip of the iceberg, other training programs for individuals and communities are slated for cuts of a similar nature.

The public has said repeatedly that they desire quality public services offered by trained, informed staff so they can get their service with minimal waiting and hassle. They said they want accessible on site services where they can get answers and solve problems. They also want to talk to people to whom they can relate. Citizens want a public service worker to spend sufficient time on their specific concerns to help them understand the benefits available to meet their individual needs. Their concern is important and unique and being referred to a 1-800 number or a website does not always meet their expectations of a quality of service. This quality of service is far more important to them than being able to get a passport or boat license at the same location on a day they need to apply for Employment insurance, CPP and OAS.

Jobs providing Training Support, Individual Programs for the unemployed and programs for Community Development are being devalued, as are services to the public in a cost cutting exercise dressed up as service enhancement.

### **What can you do?**

We are asking you to investigate the issues raised in this brief. Talk to Service Canada users, staff and managers. Drop by offices. Talk to your constituents who use these services. Some MP's and certainly their staff have called 1-800-O-Canada on behalf of their constituents. Please take the time to do so,



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particularly ask for help with a less than straightforward issue. This action will demonstrate to you that quality service is suffering.

Please take time to speak on these issues in your riding and in the House. Write letters expressing your concerns to the Ministers responsible.

Attrition over the next 5 years provides an excellent opportunity for young people to remain in Atlantic communities in decent paying federal government jobs with a secure future. The loss of knowledgeable people with years of experience in working with complex legislation on Income Support programs should be motivating the federal government to plan for the future and to replace these knowledgeable workers and reinstate quality public service.

Act now to restore a healthy public service for Canadians. The Federal Government and its citizens need to take pride in the public service and be able to have confidence in the service provided. Public Service employees need to be able to work in an environment that appreciates quality service. The Public Service needs to be able to hold the government accountable for the funds administered and the services provided.