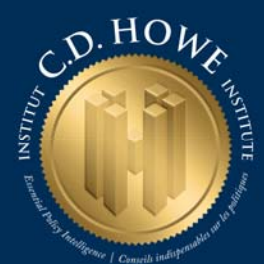


# MANDATE LETTERS



*As Canada forms its next government, the Prime Minister's Office will be preparing ministerial mandate letters. In this special Intelligence Memo series, policy experts highlight key challenges and priorities in each minister's portfolio.*

From: Benjamin Dachis  
To: The Incoming President of the Treasury Board  
Date: November 7, 2019

As you embark on your term as President of the Treasury Board, your top priorities should include:

- Pursuit of regulatory modernization by improving regulatory agility and innovation, supporting a fair and competitive economy, and improving cooperation across jurisdictions. Focus on reducing the inefficiency and overlap of regulation and measure the cumulative burden of regulation.
- Conduct a review of government services to determine which must be both financed and provided by the government, which services must be financed by government but can be more efficiently provided by others, and which services currently provided by government can be both financed and delivered outside of government.
- Target savings of 15 percent from procurement by centralizing procurement processes across government (recommended [here](#) for Alberta). Partner with all ministries to find opportunities for saving. Explore using third-party logistics providers to offer efficient methods of warehousing and procurement.
- Conduct good faith consultations – which mean a meaningful look for solutions by all parties – with federal unionized public sector employees to find ways to deliver savings consistent with return to fiscal balance by 2023/24. This approach is similar to what other provinces [have done or need to do](#) in the coming months. If consultations do not result in savings, consider statutory requirements on wage increases consistent with the return to balance.
- Working with the Minister of Labour, explore extending essential service designation to federal employees. Rather than allowing the full right to strike or requiring all disputes go to arbitration, a designation model can lower [labour costs](#) and protect public service delivery. Essential services designation allows workers the right to strike, but requires that truly essential services – as agreed to by both the union and employers in advance – are maintained during work stoppages. With the Minister of Labour, jointly conduct a review of [interest arbitration](#) in labour legislation that covers federal employees to ensure the system is efficient and acts in the broader public interest.
- Wherever possible, centralize collective bargaining that is currently conducted by disparate employers. The nearly 300,000 [federal public servants](#), many of them of unionized, are spread over many employers. Centralized bargaining can [lower costs](#) to governments by not allowing a single outlying employer offer to set a precedent for wage increases across the entire sector.
- Conduct a review of the federal government's sick leave policies, as unionized public-sector employees have [taken considerably more sick](#) days than did private-sector counterparts. Appropriate personal, sickness, and family leave respects expectations on the part of employees and employers and improves planning capacity in the workplace and at home. Consider reforms to short-term disability policies that reduce costly banked sick day liabilities.
- Work with the Ministry of Finance and the Auditor General to restate the [value of federal pension obligations](#) incurred after 2000. The 2018 Public Accounts restated the value of these obligations incurred before 2000, using an economically meaningful measure crucial to assessing the government's overall fiscal position and ability to meet its commitments. All federal pension obligations are alike, and the Public Accounts should show the entire obligation on a consistent basis.
- Work with the Minister of Finance to have future public accounts published within 3 months of the March 31 fiscal year-end, as do the [leading provinces](#).
- In analyzing the fiscal cost of every government dollar of spending, incorporate the marginal cost of public funds. This is the measure of the [social cost of every dollar](#) of taxation. Work with the Minister of Infrastructure to incorporate the marginal cost of funds in cost-benefit analysis guidelines across government as the first priority area to include these cost estimates. Only support [spending proposals](#) that exceed the social opportunity cost of taxation.
- As the central agency responsible for overall government management practices, review the adequacy and effectiveness of the instruments – such as ministerial letters – to ensure Crown agencies are receiving clear guidance from government, with well-defined key performance indicators.
- Undertake a review of the composition of Crown boards and the role of government representatives on them. There is inconsistency in government representation on some boards of directors. Some Crown corporations with financial responsibilities continue to have government representatives on their boards of directors, including CMHC, CDIC, and the Bank of Canada. Other Crowns also present financial risks and responsibilities for the government but have no government representative on their boards.

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