

## Selection Criteria for Federal Offices

### Background

All Canadians require the services of the federal government at one time or another, and they expect high-quality service. At the same time, the government must balance clients' service needs with policy requirements and available resources.

Canadians fully appreciate the need for government efficiency in operations and the delivery of services to residents across the country. The federal government has quite rightly worked hard to ensure delivery is more client-focused, developed service standards and targets to measure and report on performance. The Treasury Board of Canada Secretariat regularly audits and reports on performance of departments in meeting their mandate.<sup>1</sup>

The location of federal offices in both urban and rural communities helps ensure important programs are delivered effectively and provide an important economic stimulus across the country. When the federal government closes a federal facility there are real and substantial direct impacts to Canadians and the communities which host these facilities. In those cases where facility is located in a rural community the challenges are even more acute.

With shrinking tax bases, limited revenue sources and rapidly aging infrastructure, rural municipalities are struggling to provide the basic services and community facilities their communities need to attract and retain residents and businesses.

As noted in the Canadian Chamber of Commerce report *The Business Case for Investing in Canada's Remote Communities* Canadians living in rural/remote communities differ from those in urban areas in several ways: they generally earn lower incomes (particularly Aboriginal Canadians); often, they do not have access to the infrastructure Canadians living in urban locations take for granted including educational facilities; reliable year-round transportation links; high-speed internet;... and they are older overall (with the exception of Aboriginal communities).<sup>2</sup>

Yet rural communities face an ongoing challenge as federal government offices in communities across the country are being closed.

In 2014, the Canadian government announced the closure of nine regional Veterans Affairs Canada offices. A decision that was eventually reversed in 2015 after veterans from across this country protested the closures.<sup>3</sup> Last year the government has indicated the RCMP operations centre in Truro could close. Questions around the rationale for the closure has resulted in much opposition from communities and elected officials.<sup>4</sup>

More recently the federal department of Immigration, Refugees and Citizenship Canada (IRCC) announced a decision to close the Case Processing Centre (CPC) in Vegreville and moving up to 280 employee positions to Edmonton in December of 2018.

The federal government has never provided a clear business case demonstrating the benefits of moving the facility to a major urban centre and there was no economic impact assessment of the decision, no consultation with the community, and no opportunity to provide input prior to or after this decision.

The only criteria provided for relocating the CPC to the nearest major city was necessary due to

*"the proximity to universities, the availability of public transit and housing options, and career growth opportunities within the federal government will make it easier to recruit and retain both qualified and bilingual employees and to meet our growing needs."*<sup>5</sup>

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<sup>1</sup> Treasury Board of Canada Secretariat, Policies Directives, Standards and Guidelines; <http://www.tbs-sct.gc.ca/pol/index-eng.aspx>

<sup>2</sup> *The Business Case for Investing in Canada's Remote Communities*; Canadian Chamber of Commerce, March 2013

<sup>3</sup> <https://www.thestar.com/news/canada/2016/11/10/trudeau-to-meet-with-veterans-in-nova-scotia-reopen-veterans-affairs-office.html>

<sup>4</sup> <http://www.trurodaily.com/news/local/2017/5/25/rcmp-report-backs-claim--says-cumberland-colchester-mp.html>

<sup>5</sup> Letter from IRCC ADM Robert Orr to Vegreville Mayor Myron Hayduk, March 17, 2017

The application of this criteria means most rural communities would not be able to accommodate a federal government facility.

It is particularly frustrating that according to the latest available IRCC Performance Report for 2015-2016<sup>6</sup>, the Vegreville CPC is extremely efficient. At the IRCC, a total of 93% of new applications and 97% of applications for extensions were finalized within the established service standard. These results are well above the department's service standard targets of 80%. In fact the staff at Vegreville CPC are often asked to process files from other processing centres. Furthermore access to information requests show that the move will cost taxpayers up to an additional \$11m.<sup>7</sup>

The impact on the Town of Vegreville from this decision is significant. By removing 8% of the community's workforce, the IRCC is eliminating \$15.9 million in labour revenue and more than \$1.2 million in municipal taxes. As noted by Mayor Myron Hayduk, "the government's decision to close the CPC means Vegreville will be older, smaller and poorer." By comparison this is the equivalent to losing 110,000 jobs in Toronto or 68,000 jobs in Montreal. is at odds with the Federal government's campaign commitment to 'strengthen our communities by investing in the things that make them good places to live'.<sup>8</sup>

It is difficult to understand why this level of impact is being forced on a community when the government's own publicly available information demonstrates the move makes little sense in terms of service enhancement or benefit to the taxpayer. The lack of transparency on the benefits means other communities in the country which host federal facilities are equally at risk from a flawed decision-making process on office closures or relocations. Steps must be taken now to ensure future office closures are determined on clear and appropriate criteria.

If adopted by the government, the resolution would ensure the government has appropriate data from a business case to support a decision to close or move an office. The government would also be in a position to clearly explain the benefits to the local community and stakeholders as part of the consultation process.

## **Recommendations**

That the federal government:

1. Direct Public Services and Procurement Canada (PSPC) to establish clear performance criteria for federal facilities in rural communities.
2. Submit an economic impact analysis to PSPC and consult with impacted communities prior to any decision by a federal department on relocating a federal facility.

**SUBMITTED BY THE VEGREVILLE & DISTRICT CHAMBER OF COMMERCE**

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<sup>6</sup> <http://www.cic.gc.ca/english/resources/publications/dpr/2015/index.asp>

<sup>7</sup> <http://globalnews.ca/news/3458943/moving-federal-immigration-processing-centre-in-central-alberta-will-cost-millions-extra/>

<sup>8</sup> Liberal 2015 Campaign platform <https://www.liberal.ca/realchange/stronger-communities%E2%80%A8%E2%80%A8%E2%80%A8%E2%80%A8/>