

National Union Comments re Canada Emergency Wage Subsidy Consultation

The National Union of Public and General Employees (NUPGE) represents 390,000 members in 9 provinces. We represent workers in both the public and private sectors.

NUPGE would like to provide input on the following question: “Are there specific challenges associated with the CEWS program? For example, are there challenges with respect to its accessibility, its incentive impacts, or any other aspect?”

Our concern is that the blanket prohibition on support for public institutions unfairly penalizes public services and enterprises that receive a significant portion of their revenue from sources other than direct government funding. Examples of these sources would be fares, ticket sales, and user fees.

In many cases, direct revenue from sources other than direct government funding represents over half of their revenue. In one case our members have shared with us, 63% of revenue comes from ticket sales, user fees, and other similar sources.

At the same time, identical services and enterprises operated by non-profit organizations and businesses are eligible for support under the CEWS—even though public funding may make up a greater portion of their revenues than it does for public services and enterprises.

The unfairness in the rules for the CEWS is affecting services like museums and theatres that, regardless of ownership, rely on a mix of public funding and own-source revenue.

There have also been reports that private companies operating public services that have been outsourced have accessed funding through the CEWS. If that is the case, it makes the prohibition on public institutions receiving support from the CEWS very odd, as, in practice, it is governments who are left picking up the pieces when private companies operating privatized services fail.

One way to address this unfair situation would be to expand the eligibility requirements for the CEWS to include public services and enterprises, provided there has been no reduction in the level of government funding that they receive. This would end the current unfair treatment of public services and enterprises, while ensuring that the CEWS isn't used to replace funding from other levels of government.

While it was not specifically addressed in the questions, concerns have also emerged that the CEWS is being used by employers as a way to put pressure on workers to accept cuts to wages and benefits. Obviously, this was not the intent of the program. Making support from the CEWS conditional on there being no reductions in wages or benefits would prevent this kind of abuse.

In solidarity,

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