



Professionals Canada Task Force Preliminary Report

PIPSC BOARD OF DIRECTORS / ADVISORY COUNCIL



TABLE OF CONTENTS

Executive Summary.....	1
Background to Proposal	3
Why the Task Force Was Established	4
Evaluation Scope and Objectives	5
Roles and Responsibilities	5
Consultation Data Evaluated	Error! Bookmark not defined.
Due Diligence	6
Finances.....	7
Governance	7
Service Offering.....	7
Perception	7
Contracting Out	8
Evaluation Methodology	8
Key Milestones.....	9
Findings, Implications and Conclusions.....	9
Overall Finding.....	9
Findings by Category	10
Due Diligence	11
Financials	15
Governance	19

Service Offering.....	22
Perception	25
Contracting Out	29
Appendices.....	33
Appendix 1 - CLC Letter of Support for Professionals Canada	33
Appendix 2 - Terms of Reference	34
Appendix 3 – Advisory Council Questions and Responses.....	38
Appendix 4 & 5 – Reference & Research Documents.....	38

EXECUTIVE SUMMARY

This Task Force is pleased to provide the following report summarizing and documenting results of its review and assessment of the Professionals Canada proposal. Based on feedback from the 2018 Professional Institute of the Public Service of Canada (PIPSC) Annual General Meeting, this Task Force was established in consultation with the Board of Directors and the Advisory Council to:

- Review and assess the results of consultation on the Professionals Canada proposal.
- Review the completeness of the Professionals Canada proposal and supporting information.
- Report the results of its review and assessment to the Professionals Canada Steering Committee, Advisory Council and Board of Directors.

The Task Force's review included a detail examination of the Professionals Canada Business Plan, 90 supporting documents, detailed presentations and discussions with PIPSC staff. The Task Force reviewed, discussed and compiled answers to all 158 questions and comments that had been assembled from the February 19, 2019 Advisory Council and Board of Directors facilitated consultation session. Six categories were identified and assessed based upon a set of common criteria developed by the Task Force. These assessments provided the foundation for the Task Force's findings, implications and conclusions.

Documentation on Professionals Canada indicates the labour landscape for many workers has changed in the last fifty years. Growth in traditional unionization is saturated in the Public Service and diminishing in the Private Sector thereby limiting PIPSC ability for future growth, commensurate with the expanding Canadian labour force. Significant changes in the Canadian economy caused by a confluence of government policy, demographics and technology have created a new class of precarious workers. These workers are largely unable to be recruited to join a union. They move from job to job, often working for smaller employers and don't have the basic benefits including sick pay and paid statutory holidays.

Conservative statistics reveal this group includes over 830,000 Canadian professionals, with over 500,000 having little or no access to benefits. As these professionals are very similar to the profile of PIPSC members, the Professionals Canada proposal hopes to provide an opportunity for PIPSC to accomplish several of its key goals including advancing union principles, expanding its influence and growing the organization.

Professionals Canada has been proposed as a new kind of labour organization, giving professionals in precarious work a community, access to advice and affordable benefit plans that will follow them as they move from employer to employer.

The Task Force review and assessment led to the identification of key findings, implications and conclusions, in each of the six categories. Highlights include:

- **Due Diligence:** Extensive research has been completed to provide a solid understanding of the pros and cons of this opportunity, including a comprehensive risk analysis. The level of review and due diligence conducted on Professionals Canada is the most comprehensive ever conducted by PIPSC on an initiative to-date and reflects many best practices seen elsewhere in the non-profit sector.
- **Finance:** A financial analysis with assumptions supported by data has been undertaken and appears to be complete. This analysis provides a realistic and acceptable level of understanding of the potential costs and revenues associated with Professionals Canada.
- **Governance:** A realistic governance structure for Professionals Canada has been prepared. It that provides appropriate levels of autonomy with oversight by PIPSC. Members of Professionals Canada will be part of a separate 'sister' labour organization to PIPSC and will not participate in the PIPSC internal structure such as the Board of Directors, Advisory Council or our AGM.
- **Service Offering:** The planned benefits offering is extensive, competitive and addresses a gap in the marketplace. These benefits, while greatly beneficial to this market of professionals, will be available at the expense of Professionals Canada members. They will not be better or attempt to replace the benefits earned in the unionized environment enjoyed by PIPSC members.

- **Perception:** There is recognition of how this undertaking may be seen negatively by PIPSC stakeholders who are rightfully concerned about the abuse of contracting out in the public sector. As Professionals Canada is a worker rather than an industry-focused organization - the consultation process has provided responses to these concerns and comments. The Task Force has suggested that further communication to stakeholders be undertaken on this important matter.
- **Contracting Out:** The responses to the consultation process indicated that Professionals Canada would not support, implicitly or explicitly, the abuse of contracting out in the public sector. The review by the Task Force indicates that, as a worker-focused organization, the existence of Professionals Canada will neither increase nor decrease the amount of contracting out in the public service. The Task Force has also suggested that a review of our current Contracting Out campaign be undertaken for a renewed best approach strategy.

BACKGROUND TO PROPOSAL

The Professionals Canada proposal and supporting documentation identified a number of factors that indicated the existence of a market of professionals who are essentially un-unionizable, seeking a worker (labour) focused community and have no access to affordable benefits.

Moreover, a confluence of business-friendly legislation, shifting workplace demographics and digital technologies have brought massive changes to the world of work on a scale not seen since the Industrial Revolution. This trend will continue in future, at a faster rate.

This has resulted in an increase in employers' use of term, contract, part-time and casual workers and has significantly reduced employers' obligation to provide even the most basic benefits to workers. Along with the fragmentation of many industries into smaller companies, the

result is a new segment; precarious workers without job security, having to move from job to job, and faced with a career of constant instability.

These precarious workers often have no access to benefits, including sick leave, parental leave or a pension. Research indicates they suffer increased stress and family discord because of the uncertain nature of their work. This can leave them isolated with no support to deal with issues such as harassment and workplace safety.

It has been reported that professionals in the private sector, comparable to PIPSC members in their qualifications and type of work, are affected by these changes. The August 2018 study, [No Safe Harbour](#), conducted by the Canadian Centre for Policy Alternatives found that 22% of professionals, or over 830,000 Canadian professionals, are in precarious work. See Appendix 5 – *Reference and Research Documents*

Professionals Canada is being proposed as a way for PIPSC to connect with these precarious professionals to accomplish several goals:

- To advance union principles by providing a community, advocacy, expert advice and access to employee-paid benefits. This will advance workers' rights and help them to protect themselves and their families.
- To enhance the influence of PIPSC by becoming a voice for both unionized and non-unionized professionals, recognizing that there is little opportunity for traditional union growth in either the public or private sectors.
- Create a new revenue stream for PIPSC as a buffer against threats to the Rand Formula.

WHY THE TASK FORCE WAS ESTABLISHED

Resolution F-4 seeking the creation of Professionals Canada was neither carried nor defeated at 2018 PIPSC Annual General Meeting (AGM).

Instead, the AGM referred Resolution F-4 to the Board of Directors to have more fulsome consultation with the Advisory Council and affected groups and report back to the 2019 PIPSC AGM.

The purpose of this Task Force was to identify and examine data to establish the completeness, validity and justification of the Professionals Canada proposal.

The Task Force was comprised of members from the Advisory Council and representatives of PIPSC's Board of Directors. Task Force members were nominated by their peers to ensure a broad spectrum of PIPSC's internal stakeholders. This work also led to the creation of a Steering Committee that established the Scope, Schedule and Terms of Reference for the Task Force. For a list of members of both the Task Force and Steering Committee please see Appendix 2 – *Terms of Reference*.

EVALUATION SCOPE AND OBJECTIVES

The Task Force was charged with reviewing pertinent documentation from PIPSC and providing a report to the Professionals Canada Steering Committee on their assessment of the Professionals Canada Proposal. its assessments and recommendations for each category.

ROLES AND RESPONSIBILITIES

The role of the Steering Committee was to oversee the Task Force process and ensure the necessary resources were provided to the Task Force to complete its assessment.

The role of the Task Force was to examine the Advisory Council's questions and concerns by analyzing the background material and data to provide an assessment of the Professionals Canada proposal to the Board of Directors and Advisory Council.

The Task Force was responsible for providing regular updates to the Steering Committee and for providing both a draft and final report to the Bo of Directors and Advisory Council.

DATA EVALUATION

Data and analysis in response to the 158 questions and concerns were provided to the Task Force. This included all associated background material and presentations. Briefings the Task Force on the these documents were held. Links to the full list of this data is included in Appendix 3 – *Advisory Council Questions & Responses*.

The Task Force was provided data in the following areas:

Due Diligence

Quantitative Market Study: Through a professional research firm, surveying 420 Canadian professionals for their input on an organization like Professionals Canada.

Qualitative Market Study: A report on focus groups held in Toronto and Ottawa asking professionals for their input on an organization like Professionals Canada.

Market Size: using StatCan data to understand the size of the overall market for Canadian professionals and using several data points to narrow this to a target market.

Risk Analysis: a broad range of risks and their mitigations,, including the impact of Professionals Canada on PIPSC.

Comparable Organizations: Evaluating 10 labour organizations in 7 countries, including Canada, that include unionized, non-unionized and/or independent workers in their membership or in affiliate organizations such as the relationship between *the* International Association of Machinists and Aerospace Workers ()and the Independent Drivers Guild in New York.

Finances

Budget Analysis with Assumptions: a budget showing forecasted costs and revenues, including the data source, for conservative, moderate and optimistic membership forecasts.

Affinity Benefits Revenue: using PIPSC data from member usage of our ServicePlus partners for conservative, moderate and optimistic membership forecasts.

Lifetime Value Analysis: using data from membership organizations on member retention to understand the value of each member over time.

Sample Marketing Results: Examining the mechanisms, costs and range of potential results for digital marketing channels.

Governance

Professionals Canada Business Plan: outlining Professionals Canada's proposed governance structure and its relationship to PIPSC.

PIPSC Review Document: consultations with PIPSC legal and tax consultants.

PIPSC Review Document: governance structure of PIPSC entities including the Legacy Foundation and Building Trust.

Service Offering

Competing Benefits Offering: An analysis of the member benefits offered by 58 national and provincial not-for-profit organizations

Over 20 articles, studies and research papers: from media, thinktanks, universities and other unions were provided, grouped as The Future of Benefits.

Perception

Letter of Endorsement: for Professionals Canada from the President of the Canadian Labour Congress.

Memo: How Other Unions Feel About Professionals Canada.

Almost 40 articles, studies and research papers: from media, thinktanks, universities and other unions were provided, divided into two sections; The Future of Work and The Future of Unions.

Contracting Out

Professionals Canada Business Plan: Detailing the purpose of Professionals Canada and its intended focus on workers who are not in the Federal Public Service.

EVALUATION METHODOLOGY

As a first step, the Advisory Council met in February 2019 and compiled a list of 158 questions and concerns to be addressed through review and evaluation of the data related to the creation of Professionals Canada.

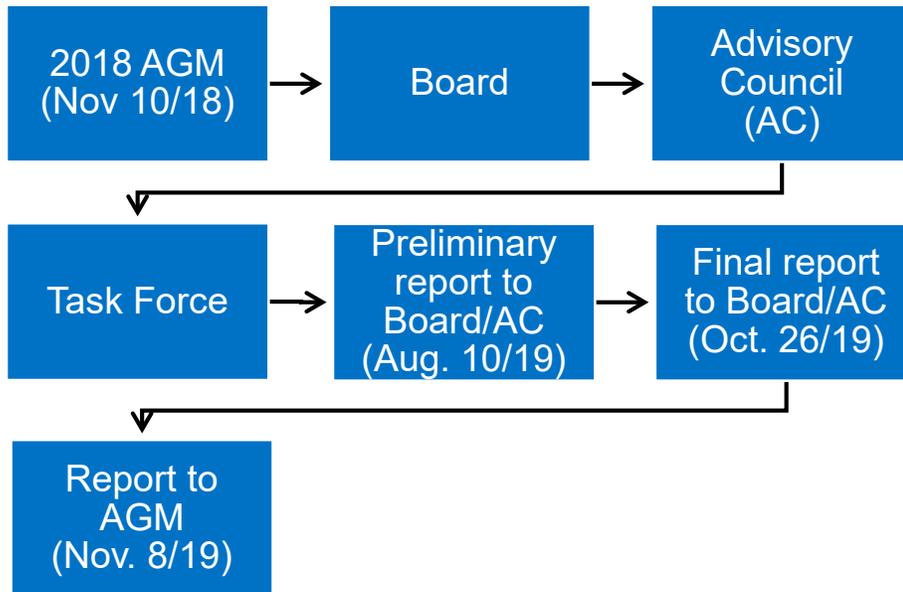
, The Task Force and Steering Committee met in March 2019 to review the feedback from the Advisory Council. The Task Force received the 158 questions and concerns raised by the Advisory Council as having thoroughly identified the most important issues to address. Additional issues rising from discussions were addressed by the Task Force.

The Terms of Reference for the Task Force, included in Appendix 2, were established, and its deliverables set, specifically to "provide its category assessments and recommendations to the Steering Committee as they are completed."

The 158 questions and concerns were grouped into six categories. The Task Force reviewed each category in turn, ensuring that all questions and concerns were discussed and determined appropriate responses.

Between February and June 2019, the Task Force met over 7 days in preparation for delivering a preliminary report to the PIPSC Board in August 2019.

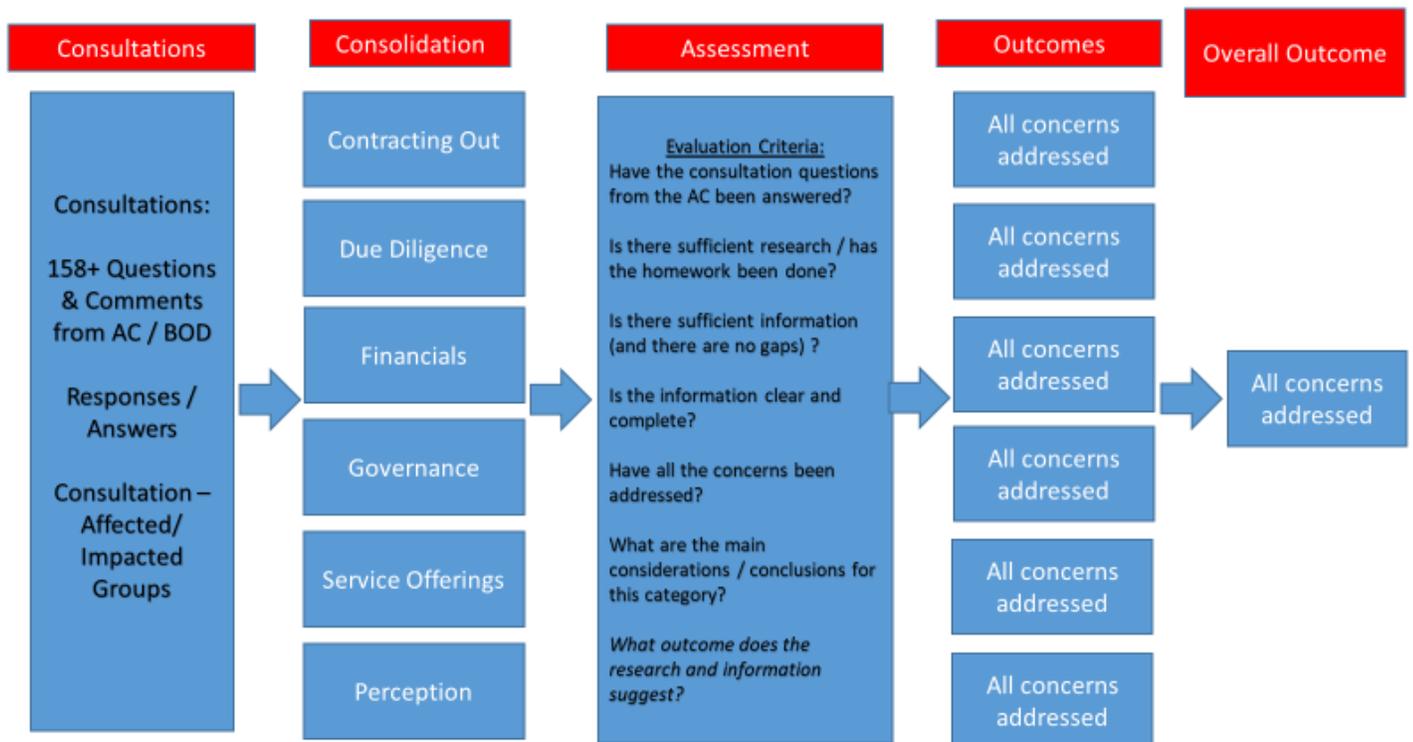
KEY MILESTONES



FINDINGS, IMPLICATIONS AND CONCLUSIONS

OVERALL FINDING

As a result of these evaluations, it is the finding of this Task Force is that the proposal to create Professionals Canada is well-supported by the research and by the due diligence that accompanied it. No major areas of risk or concern were left unaddressed. The Task Force provided suggestions on areas where PIPSC should ensure that members have a clear understanding of the purpose and objectives of the proposal.



FINDINGS BY CATEGORY

- ✔ **Due Diligence:** Extensive research, including a comprehensive risk analysis, has been done to provide a solid understanding of the pros and cons of this opportunity.
- ✔ **Finances:** An appropriate financial analysis with assumptions supported by data has been undertaken. Liability to PIPSC is limited to the initial Line of Credit of \$1.2 Million, which is anticipated to be repaid by Year 4.
- ✔ **Governance:** A realistic governance structure for Professionals Canada has been planned for. It provides appropriate levels of autonomy with oversight by PIPSC.
- ✔ **Service Offering:** The planned benefits offering is extensive and competitive and addresses a gap in the marketplace.

- ✓ **Perception:** There is recognition of how this undertaking may be seen by PIPSC internal and external stakeholders. Additional extensive communication to stakeholders is suggested by the Task Force. Note: See comments in Executive Summary.

- ✓ **Contracting Out:** Project documentation indicates that Professionals Canada will not impact, implicitly or explicitly, the abuse of contracting out. The existence of Professionals Canada will in no way stop, inhibit or conflict with PIPSC's continuing battle against the abuse of contracting out. The Task Force concluded that Professionals Canada will neither increase nor decrease the amount of contracting out in the public service. However, the Task Force has suggested that further communication to stakeholders be undertaken on this important matter.

The existence of Professionals Canada will in no way stop, inhibit or conflict with PIPSC's continuing battle against the abuse of contracting out.

Due Diligence

SUMMARY OF QUESTIONS & CONCERNS

Advisory Council members sought to understand two issues.

Have similar unions and organizations:

- attempted to organize precarious workers
- done risk assessments on this kind of organizing
- completed sufficient market analysis
- engaged in comparative analysis research
- mapped an exit strategy

Has sufficient consultation with PIPSC members and impacted Groups been completed?

SUMMARY OF RESPONSES

- Unions that represented professionals in precarious work from around the world were studied to identify opportunities and challenges for Professionals Canada.
- Ten unions were identified that represent professionals of all statuses – unionized, non-unionized and independent contractors.
- The research indicates there is no single model that fully applies due to the legislative differences in the various jurisdictions. The model proposed for Professionals Canada plans to incorporate the successful elements of these organizations.
- Extensive competitive research was completed by PIPSC on 58 provincial and national professional associations, including an analysis of pricing, benefits and services offered.
- A target market of just over 506,000 Canadian professionals was identified. This is a conservative figure. StatCan data on employment and the “No Safe Harbour” report were used as the basis for an analysis of market size. Large segments of workers that were identified in the competitive analysis as likely to feel they are already well-served by their associations were removed from the market size calculation. The target market was further refined by only including professionals in precarious work and those without benefits.
- "Professionals" will be defined similarly to how it is defined for PIPSC membership. The distinction is that Professionals Canada will target professionals working in the private sector, working mostly for smaller companies, without benefits and with no realistic prospect of unionization.
- A risk analysis was undertaken by PIPSC, which included appropriate mitigations, resulting in acceptably low levels of risk.
- An annual report and audited financial statements will be prepared for the PIPSC AGM.
- Ten success measurements have been identified against which Professionals Canada’s performance will be regularly evaluated and reported.
- PIPSC’s Board of Directors will receive quarterly reports based on these measurements and, should the Board decide that Professionals Canada is not meeting expectations, it can direct PIPSC management to establish an exit strategy.

- No other Canadian union is attempting to organize non-unionized professionals in this way, but informal discussions with other union bodies have been unanimously positive.
- The Canadian Labour Congress (CLC) has indicated strong support for the Professionals Canada initiative.
- Professionals Canada's purpose and goals to improve conditions for precarious workers is solidly aligned with the values of the Canadian labour movement, specifically fairness, employment security and access to affordable benefits.
- Consultation with the Advisory Committee and Board of Directors was completed by the end of June 2019 for all self-identified affected Groups.

Members can access the full list of Advisory Council questions and Task Force responses at the Professionals Canada Virtual Binder.

[\(http://www.pipsc.ca/portal/page/portal/website/pc/\)](http://www.pipsc.ca/portal/page/portal/website/pc/)

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered? YES

Is there sufficient research / has the homework been done? YES

Is there sufficient information (and there are no gaps)? YES

Is the information clear and complete? YES

Have all the concerns from the AC consultation process been addressed? YES

What are the main considerations / conclusions for this category?

- A comprehensive review and response to the questions asked by the AC has been completed.

- The Task Force has not been able to identify any risks beyond those contained in the risk analysis.
- PIPSC has demonstrated that appropriate due diligence has been completed with the research completed and information provided at this stage of the project.
- The Task Force has not been able to identify any additional due diligence requirements.
- Sufficient market analysis and comparative analysis research has been completed by PIPSC.
- The Professionals Canada proposal attempts to build on the successes from organizations in other jurisdictions.
- Success measurements have been identified for Professionals Canada and the need for an exit strategy has been identified.
- A meaningful and comprehensive consultation process with PIPSC members and impacted Groups will have been completed.
- Professionals Canada'sCanada's purpose and goals to improve conditions for precarious workers is solidly aligned with the values of the Canadian labour movement.

Financials

SUMMARY OF QUESTIONS & CONCERNS

Advisory Council members requested a deeper understanding of the financial data included in the Professionals Canada proposal and the financial exposure for PIPSC. More information was required regarding:

- financial assumptions
- the financial feasibility of the project
- how success will be measured
- how Professionals Canada will produce revenue and financial benefits for PIPSC
- the cost of funding Professionals Canada and impacts on PIPSC' resources

SUMMARY OF RESPONSES

Additional information on the budget assumptions outlined the data source used for each line in the budget. This included:

- Revenues
 - Membership fees assumptions used conservative estimates (1000 – 3000 members in year one) of market share (506K) and acquisition performance and data from preliminary research on pricing.
 - Assumptions related to member uptake and revenues from benefits were based on internal PIPSC data and discussions with the relevant current benefits partners.
 - Revenues for PIPSC from this project would come from a service agreement between PIPSC and Professionals Canada in which Professionals Canada would pay PIPSC for services used to run Professionals Canada.
- Expenses

- Discussions with both current and potential providers addressed start-up and ongoing costs related to the provision of benefits and services to Professionals Canada members and were based on the most conservative membership projections.
- Internal established PIPSC expertise and knowledge were applied in discussions with providers relating to costs for IT, legal requirements, establishment and maintenance of benefits and for governance, including board composition and compensation of external board members.
- Costs for Marketing and member acquisition were set with external partners, based on a digital-first marketing strategy.
- A more detailed budget is available in the virtual binder.
- Liability
 - PIPSC would be responsible for the line of credit with a maximum of \$1.2M. Professionals Canada surpluses would first be used to repay the line of credit, including the annual carrying costs. Under the conservative scenario, full repayment is projected by the end of year four.
 - PIPSC expenses would be the annual cost of financing the line of credit (maximum \$60,500/year).
- Both borrowing and line of credit options to fund Professionals Canada were considered by PIPSC.
 - The line of credit protects PIPSC from long-term financial risk.
 - Interest on the line of credit will only accrue on the amount spent, which is spread over 3 years.
 - The costs of servicing the line of credit (\$60,500) are offset by the interest earned on keeping the \$1.2M investments intact (\$57,500). The net cost of the line of credit is only \$3,000 in this scenario.
- Ten success measurements have been identified, four of which measure revenue streams (affinity benefits, membership fees, health plan revenues, and advertising revenue) against which Professionals Canada's performance will be regularly evaluated and reported.

- PIPSC resources to date include a small number of existing staff and minimal investment in external expertise.
- Any additional staff dedicated to Professionals Canada will be funded by Professionals Canada revenues after the loan repayment.
- Projected financial benefits to PIPSC include shared training material, professional development tools and IT infrastructure.
- The Task Force has not been able to identify any additional financial information requirements.

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[\(http://www.pipsc.ca/portal/page/portal/website/pc/\)](http://www.pipsc.ca/portal/page/portal/website/pc/)

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered?	YES
Is there sufficient research / has the homework been done?	YES
Is there sufficient information (and there are no gaps)?	YES
Is the information clear and complete?	YES
Have all the concerns from the AC consultation process been addressed?	YES

What are the main considerations / conclusions for this category?

- A comprehensive review and response to the questions asked by the AC has been completed.
- Financial information is supported by documented assumptions based on research.

- Options for financing the project were researched and it was demonstrated that a line of credit was the most beneficial option for PIPSC.
- Financial liability is limited to the amount drawn on the line of credit.
- Professionals Canada will reimburse the PIPSC investment and pay for services provided by PIPSC through a service agreement. All services will be provided at fair market value.
- It is projected that Professionals Canada will provide financial benefits to PIPSC.

Governance

SUMMARY OF QUESTIONS & CONCERNS

Many of the questions from Advisory Council members related to governance sought to better understand the proposed structure, composition and compensation of a Professionals Canada Board of Directors. Other questions dealt with the measures proposed to ensure accountability by Professionals Canada to PIPSC.

Other Advisory Council members asked if Professionals Canada would be a part of PIPSC and if its members would also be members of PIPSC and participate in PIPSC affairs. The corporate status of the new organization was also included in the questions. Some questions indicated a concern that the mandate of PIPSC would be diluted by the establishment of ProfessionalsCanada and if other options could achieve the same objectives. Others sought more information on the mechanism for Professionals Canada to repay the investment from PIPSC and the capacity of staff to deliver service to both organizations.

SUMMARY OF RESPONSES

- Professionals Canada would be an entirely separate entity from PIPSC.
- The Professionals Canada Board is modelled on the Building Trust and the Legacy Foundation. Like these separate entities, Professionals Canada would be accountable to PIPSC through the PIPSC Board and reporting to the PIPSC Annual General Meeting (AGM). This structure is intended to protect PIPSC and its members should conflicts arise.
- A Professionals Canada Board of Directors, comprised of members of the PIPSC Board of Directors (BoD) and expert external directors, would oversee the governance of the new organization.

- Only expert external directors would be compensated. Similar to the building trust, this would be a \$10K honorarium per year. No compensation would be paid to members of the PIPSC Board of Directors.
- No PIPSC staff would be appointed to the Professionals Canada Board of Directors.
- Professionals Canada members would not be members of PIPSC.
- The target membership for Professionals Canada are people who are unable to join a union. Professionals Canada members would not be part of any existing bargaining unit and cannot be grouped into a separate bargaining unit.
- The proposed governance structure for Professionals Canada would cause no disruption to the PIPSC structure and governance (Annual General Meeting, Board of Directors, regions, branches, groups, etc.).
- Professionals Canada will seek recognition by the Canada Revenue Agency (CRA) as a labour organization, thereby providing the same tax status as other labour organizations.
- If this recognition is initially denied, Professionals Canada will continue to lobby for this status. In the interim, Professionals Canada will structure itself as a for-profit entity.
- The establishment of Professionals Canada will not dilute the mandate of PIPSC as each entity will operate at arm's length.
- PIPSC and Professionals Canada share common values and both would be there to protect professionals in their workplaces. Professionals Canada may be able to amplify key PIPSC messages.
- Professionals Canada will reimburse the PIPSC investment and pay for services provided by PIPSC through a service agreement. All services will be provided at fair market value.
- PIPSC elected and staff leadership will monitor and identify any issues and take mitigating actions to prevent any negative impact on PIPSC core responsibilities to its members.

Members can access the full list of Advisory Council questions and Task Force responses in the Professionals Canada Virtual Binder.

<http://www.pipsc.ca/portal/page/portal/website/pc/>

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered?	YES
Is there sufficient research / has the homework been done?	YES
Is there sufficient information (and there are no gaps)?	YES
Is the information clear and complete?	YES
Have all the concerns from the AC consultation process been addressed?	YES

What are the main considerations / conclusions for this category?

- A comprehensive review and response to the questions asked by the Advisory Council has been completed.
- Implementing Professionals Canada will not result in a loss of any services to PIPSC members. It has been confirmed that no employment relation officers (ERO), negotiators, pension, benefit or classification officers will be involved in Professionals Canada.
- The Task Force suggests risk of conflict with PIPSC and its members can be mitigated by carefully crafting the documents required to establish the new organization.
- Bylaw amendments for Professionals Canada are approved by the PIPSC Board of Directors, and governance and financial information for Professionals Canada is provided to the PIPSC AGM. This is the same model used for the Legacy Foundation and PIPSC Building Trust.
- It is clear that Professionals Canada and PIPSC are separate organizations and Professionals Canada will not interfere with the internal operations of PIPSC.
- Other alternatives, such as a single campaign, would not have the same sustained benefits to non-unionized precarious workers as the Professionals Canada initiative.

- No additional concerns or issues were identified with the proposed corporate and governance structure.
- The Task Force has not been able to identify any additional governance information requirements.

Service Offering

SUMMARY OF QUESTIONS & CONCERNS

The concerns of the Advisory Council regarding the Professionals Canada service offering focused on how Professionals Canada would differentiate itself from competing organizations, both in terms of benefits and advocacy. The concern was this market may already be well-served. They also asked about the kind of benefits offered; plans to recruit and attract members; and, how Professionals Canada will advocate for its members.

SUMMARY OF RESPONSES

- Qualitative and quantitative surveys were undertaken in Toronto and Ottawa showing that potential members felt not only was there a gap that was not being filled by existing organizations, but that those potential members would be very interested in joining a group like Professionals Canada.
- Extensive competitive research was completed, including an analysis of pricing, benefits and services offered by 58 provincial and national professional associations that identified:
 - significant gaps in benefits offerings for their members, and
 - the primary focus in these organizations was on industries and employers rather than workers and work conditions.
- Professionals Canada will offer a unique product offering in four key areas:
 - A community that offers support, networking and awareness of other professionals in precarious work.

- Advocacy (i.e., government relations) to support workers in this new economy, including changes to government programs such as EI, improper classification of employees as contractors, and the legislated delivery of benefits such as paid sick days and parental leave that these workers are currently unable to access.
- Provide a central depository for knowledge and information on employee rights, pertinent legislation and employment relations matters.
- Access to self-paid benefits plans (e.g., health insurance), at more affordable prices than they currently have access to on the open market.
 - Professionals Canada will not provide the same level of services and benefits as a union.
 - Much like ServicePlus, no additional PIPSC resources will be required to manage relations with external benefits providers.
 - Over time, Professionals Canada will work to have employers share benefit costs with workers.
- While Professionals Canada will be a labour organization, it will not be a union.
- Professionals Canada will advocate against the abuse of contracting out, but it will not have bargaining rights or provide a grievance process to its members.
- Professionals Canada's target market will be reached through a comprehensive marketing plan that will focus on digital channels to optimize reach, cost-effectiveness and member acquisition.
- Professionals Canada's commitment to a digital-first approach will also differentiate it in the marketplace. Perhaps most importantly, the approach reduces costs for PIPSC, as well as Professionals Canada members and benefits partners.

Members can access the full list of Advisory Council questions and Task Force responses in the Professionals Canada Virtual Binder.

[\(http://www.pipsc.ca/portal/page/portal/website/pc/\)](http://www.pipsc.ca/portal/page/portal/website/pc/)

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered?	YES
Is there sufficient research / has the homework been done?	YES
Is there sufficient information (and there are no gaps)?	YES
Is the information clear and complete?	YES
Have all the concerns from the AC consultation process been addressed?	YES

What are the main considerations / conclusions for this category?

- A comprehensive review and response to the questions asked by the Advisory Council has been completed.
- An accurate assessment and clarification of services offered by Professionals Canada has been completed.
- The risk of not finding service providers is low. If Professionals Canada is approved, a plan is in place to negotiate with service providers.
- Implementing Professionals Canada service offerings will not result in a loss of any services to PIPSC members. It has been confirmed that no negotiators, employment relations, pension, benefit or classification officers will be involved in Professionals Canada.
- Conducted market analysis suggests Professionals Canada will attract members.
- There are no apparent conflicts in the advocacy (government relations) proposed for Professionals Canada compared with the advocacy or representation provided by PIPSC.

Perception

SUMMARY OF QUESTIONS & CONCERNS

Members of the Advisory Council asked the Task Force to explore the impact of the creation of Professionals Canada on PIPSC's reputation. The questions were focused on several key themes.

- How will employers and fellow labour unions perceive PIPSC after launching Professionals Canada?
- Is there a risk that Professionals Canada and PIPSC would be seen to encourage precarious work?
- Does Professionals Canada distract PIPSC from its mandate, affect membership growth, or impact services to PIPSC members?
- Would advocacy by PIPSC and Professionals Canada be in conflict?
- How does PIPSC benefit from Professionals Canada's existence? Conversely, could Professionals Canada's existence undermine PIPSC's ability to serve our members?
- And finally, fundamentally, what is the reason for the creation of Professionals Canada?

SUMMARY OF RESPONSES

- Professionals Canada is a labour organization intended to address a growing problem of precarious professionals who have little or no opportunity of being unionized, while at the same time increasing the influence and financial stability of PIPSC in the face of continuing threats to the Rand formula.
- Growth of traditional unionization is saturated in the public service and diminishing in the private sector, thereby limiting PIPSC's opportunity to grow with the growing labour market. PIPSC will nevertheless continue to seize opportunities for traditional growth such as the recently added RCMP civilian members (which took 10 years to achieve).
- PIPSC seeks to become a strong voice for professionals in both secure unionized jobs and precarious employment. PIPSC and Professionals Canada share common labour

values and both would be there to improve the lives of working professionals. This must be made clear to both employers and our sister unions.

- Professionals Canada is intended to enhance our influence as a labour union and as an innovator in the eyes of labour, employers and government.
- The premise of Professionals Canada is to create a collective voice and a community for precarious professionals that currently does not exist, to help them improve their working conditions and access to benefits. While some elements of Professionals Canada are available elsewhere, none create a community for precarious professionals with one central focus.
- The intent of Professionals Canada is to promote the classification of contractors as employees, thereby ensuring they have the full rights and privileges of an employee.
- Advocacy for Professionals Canada will occur at the government relations level only. Professionals Canada will advocate for worker's rights and not advocate against unionized jobs.
- Professionals Canada is intended to create and facilitate alliances among professionals and like-minded organizations.
- If successful, Professionals Canada will create new revenue streams, economies of scale (lower fixed costs) and economies of scope (costs shared by two organizations) that may be reinvested to the benefit of both Professionals Canada and PIPSC.
- There is no direct link between PIPSC bargaining power and the existence of Professionals Canada, but the creation of Professionals Canada as a labour ally may enhance the influence of PIPSC, potentially providing data for use at the bargaining table.
- The optimization plan approved in 2018 will create a digital platform for PIPSC that will be leveraged for Professionals CanadaCanada.
- No PIPSC core services (negotiators, EROs, pensions, benefits and classification officers and their support staff) will be used to service ProfessionalsProfessionals Canada. Professionals Canada is intended to be a digitally-based organization. If additional staff resources are required, they would be funded by Professionals Canada revenues.
- PIPSC financial liability is limited to the amount drawn on the line of credit.

- Professionals Canada will reimburse the PIPSC investment and pay for services provided by PIPSC through a service agreement. All services will be provided at fair market value.
- PIPSC recognizes the needs of precarious professionals for a collective voice, a community of colleagues, and access to benefits and advice.
- Members of Professionals Canada will not have the same level of benefit as PIPSC members and will have no access to collective bargaining, a grievance process, or employer-paid benefits. The target membership for Professionals Canada are people who are unable to join a union. Professionals Canada members would not be part of any existing bargaining unit and cannot be grouped into a separate bargaining unit. The proposed governance structure for Professionals Canada would cause no disruption to the PIPSC structure and governance (Annual General Meeting, Board of Directors, regions, branches, groups, etc.).
- Launching Professionals Canada could build on PIPSC’s reputation and influence as a strong union, and contribute to innovation in the labour movement.

Members can access the full list of Advisory Council questions and Task Force responses in the Professionals Canada Virtual Binder.

[\(http://www.pipsc.ca/portal/page/portal/website/pc/\)](http://www.pipsc.ca/portal/page/portal/website/pc/)

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered?	YES
Is there sufficient research / has the homework been done?	YES
Is there sufficient information (and there are no gaps)?	YES
Is the information clear and complete?	YES

Have all the concerns from the AC consultation process been addressed? YES

What are the main considerations / conclusions for this category?

- A comprehensive review and response to the questions asked by the Advisory Council has been completed.
- The premise of Professionals Canada is to create a collective voice and a community for precarious professionals that currently does not exist, to help them improve their working conditions and access to benefits.
- While it is recognized that there is a concern about the perception and optics of PIPSC proposing Professionals Canada and fighting against the abuse of contracting out, there appears to be no evidence that Professionals Canada will increase or decrease contracting out.
- Recognizing limits in growth in the public sector and decreasing levels in the private sector levels of unionization, Professionals Canada provides a unique opportunity for PIPSC to support precarious working professionals, who have little hope of joining a union.
- Members of Professionals Canada will not have the same level of benefit as PIPSC members and will have no access to collective bargaining, a grievance process, or employer-paid benefits.
- No PIPSC core service resources (negotiators, EROs, pensions, benefits and classification officers and their support staff) will be used to service Professionals Canada.
- PIPSC funding is intended to be short term until Professionals Canada becomes self-sufficient. PIPSC financial liability is limited to the amount drawn on the line of credit, which is intended to be fully repaid by the end of year three.
- The Canadian Labour Congress (CLC) has indicated strong support for the Professionals Canada initiative. A copy of a letter from the Canadian Labour Congress has been included in the Appendix 1.

- Advocacy for Professionals Canada will occur at the government relations level only. Professionals Canada will advocate for worker's rights and not advocate against unionized jobs.

Contracting Out

SUMMARY OF QUESTIONS & CONCERNS

The question of how Professionals Canada and PIPSC could co-exist with respect to PIPSC's fight against the abuse of contracting out occupied a large presence in the feedback from consultations and in the discussions of the Task Force. The matter of contracting out was the subject of 22 questions from the overall 158 questions. While the category of contracting out got the same dedicated discussion as other categories, the contracting out discussion was frequently addressed during consultation on other categories as well. Overall, this subject received more examination than any other in Task Force consultations.

The most frequently-voiced question related to a perceived conflict of interest between the purpose and interests of PIPSC versus the purpose and interests of Professionals Canada. Simply stated, questions from the Advisory Council (AC) centered on the view that any organization that seeks to improve the working life of independent contractors would necessarily undermine the efforts of PIPSC, and particularly the Computer Systems Group, to battle the abuse of contracting out in the federal public service. Advisory Council members questioned how the aims of the two organizations could be reconciled with respect to the fight against contracting out. Concerns were also raised that the establishment of Professionals Canada could increase the amount of contracting out in the federal public service. Questions were asked about whether advocacy conducted by Professionals Canada would encourage greater contracting out of PIPSC members work from the Federal Government.

Other questions from the AC dealt with whether Professionals Canada members would be members of PIPSC, and whether independent contractors in the federal public service could be barred from membership in Professionals Canada. Questions were also raised about a PIPSC investment being used to provide assistance to another group of workers, including contractors that could, in some cases, provide better benefits than PIPSC members enjoy. Finally, Advisory Council members asked who the enemy is that we are fighting against in our efforts to end the abuse of contracting out.

SUMMARY OF RESPONSES

- The target audience for Professionals Canada is not contractors in the federal or provincial public sector. The primary audience is traditionally employed professionals in small to medium sized enterprises who cannot be unionized. A secondary audience is independent contractors in the private sector.
- There is no evidence to suggest that the existence of Professionals Canada will increase or decrease levels of contracting out.
- PIPSC will continue to oppose the abuse of contracting out in the public service.
- Professionals Canada shares the core values of PIPSC. Professionals Canada is a 'worker' and not 'industry' focused organization. It is intended to advance the interests of the worker and not the contracting industry.
- Both PIPSC and Professionals Canada share the same labour values of fighting to improve workers' lives.
- The position of Professionals Canada on the abuse of contracting out is aligned with the position of PIPSC. Professionals Canada will not support the expansion of contracting out.
- The intent of Professionals Canada is to promote the classification of its members as employees, thereby ensuring they have the full rights and privileges of an employee.
- Advocacy for Professionals Canada will occur at the government relations level only. Professionals Canada will advocate for worker's rights and not advocate against unionized jobs.
- Professionals Canada will not be fighting to create or eliminate jobs in the public or private sector.
- It would be nearly impossible to enforce a provision barring federal contractors from joining Professionals Canada. Personnel in these contracted out positions are not targeted market for Professionals Canada and it is not anticipated that many will undertake to join Professionals Canada.

- Professionals Canada is a separate organization. Professionals Canada members would not be PIPSC members and, so, would not participate in any PIPSC business including voting, running for office or attending any PIPSC meetings.
- While a labour organization, Professionals Canada will not be a traditional union. Members of Professionals Canada will not have the same types of services as PIPSC members and will have no access to collective bargaining, a grievance process, or employer-paid benefits. Professionals Canada will not represent members in the workplace in the same way PIPSC represents members in the workplace.
- The Professionals Canada’s mission is to create a community for professionals who have little hope of becoming unionized. Professionals Canada provides an option to act as a collective, advocate for workers and build a community of workers.

Members can access the full list of Advisory Council questions and Task Force responses in the Professionals Canada Virtual Binder.

[\(http://www.pipsc.ca/portal/page/portal/website/pc/\)](http://www.pipsc.ca/portal/page/portal/website/pc/)

ANALYSIS

Evaluation Criteria:

Have the consultation questions from the AC been answered?	YES
Is there sufficient research / has the homework been done?	YES
Is there sufficient information (and there are no gaps)?	YES
Is the information clear and complete?	YES
Have all the concerns from the AC consultation process been addressed?	YES
What are the main considerations / conclusions for this category?	

- A comprehensive review and response to the questions asked by the Advisory Council has been completed.
- The consideration of Professionals Canada should not diminish any efforts by PIPSC to fight against the abuse of contracting out and precarious work. The Task Force has suggested that additional efforts on the contracting out campaign be undertaken by PIPSC.
- There appears to be no conflict between the mandate of PIPSC and the mandate of Professionals Canada. Both PIPSC and Professionals Canada share the same labour values that focus on workers and not the industry. The mandate and governance structure of Professionals Canada is designed to address any future unforeseen conflicts that may arise.
- PIPSC will continue to represent its members in the workplace. Professionals Canada will not offer workplace representation of its members.
- Members of Professionals Canada will not have the same types of services as PIPSC members and will have no access to collective bargaining, a grievance process, or employer-paid benefits.
- The target audience is professionals working in small companies who have little hope of joining a union.
- The “enemy” is not workers, whether unionized or not. The real “enemy” is the employers who eliminate union jobs through contracting out.

APPENDICES

APPENDIX 1 - CLC LETTER OF SUPPORT FOR PROFESSIONALS CANADA



CANADIAN LABOUR CONGRESS
CONGRÈS DU TRAVAIL DU CANADA

Hassan Yussuff President / Président
Marie Clarke Walker Secretary-Treasurer / Secrétaire-trésorière
Donald Laffeur Executive Vice-President / Vice-président exécutif
Larry Rousseau Executive Vice-President / Vice-président exécutif

June 21, 2019

Dear colleagues,

Your President, Debi Daviau, has informed me of the consultation process that is underway at Professional Institute of the Public Service of Canada (PIPSC) regarding the proposal to establish Professionals Canada. She told me PIPSC members want to know what the Canadian labour movement would think about a union establishing a new kind of labour organization – one which is different from our traditional union model.

I would like to share that I am excited by the possibility and I am excited for the future of PIPSC.

As we all know, the digital revolution has resulted in the rapid expansion of the so-called “gig economy.” We are witnessing a fundamental shift in the nature of employment. Over 30% of Canadian workers are now employed in so-called non-traditional work and that number will only rise. Large employers are becoming rare, as thousands of start-ups and small businesses take their place. As well, in this new economy, thousands of workers have seen their employment status change from employee to contractor. Whether they are traditionally employed or contractors, these workers usually lack health benefits and income security; they move from employment to employment; they have nowhere to turn for professional advice; and they have no collective voice.

The nature of this new workforce makes it extremely difficult to organize, based on our traditional union model. If the labour movement is to remain a relevant force for workers’ rights, we must reach out to the majority of workers who may never have the opportunity to join a traditional union. And we must reach out to new generations of workers who only know insecurity and isolation.

This is why I’m excited about this new initiative from the Professional Institute. We need to give professionals in non-traditional employment a voice. We need to build solidarity among them, rather than let them fall into the kind of self-destructive competition employers want to create.

The Professional Institute’s proposal would create a new kind of labour organization and a new community for precarious professionals. It is not a traditional union, but it would be built on labour values and principles. It is a first step in adapting to the new economy for precarious professionals.

Unions around the world are adapting their structures and organizing models to the new workplace reality. Precarious workers, whether traditionally employed or independent contractors, can now join labour organizations in the UK, the US, Germany, Sweden, Denmark, Australia and New Zealand among other countries. They have proven this is an environment in which labour unions can effectively operate.

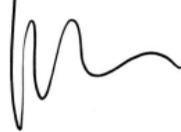
.../2

We must not be afraid to explore this new approach to representation. Organizing workers in the new economy is one of the most important labour challenges of our time - and it is a matter of long-term sustainability for us all.

This is why the Canadian Labour Congress applauds and supports the Professional Institute in its ground-breaking work to establish Professionals Canada. This modern organization will demonstrate the continued relevance of unions in the new economy; prove that unions can still innovate; grow Canada's labour movement; and most importantly, improve the lives of thousands of vulnerable workers.

Professionals Canada is a great opportunity for Canada's labour force and it complements, but does not replace, our traditional representation model. I encourage you to fully support PIPSC in its efforts to establish this vital new element in the fight for fairness for all Canadian workers.

In solidarity,



Hassan Yussuff
President

mrs:ope*225
File: 10106-05-P02

APPENDIX 2 - TERMS OF REFERENCE

PURPOSE

The Professionals Task Force was established pursuant to direction from the 2018 Annual General Meeting of PIPSC. The Task Force was established by the Professionals Canada Steering Committee and is charged with examining Resolution F-4 made to the 2018 AGM to establish Professionals Canada and to provide a report to the Professionals Canada Steering Committee.

MEMBERSHIP

The Task Force is comprised of members of the Advisory Council and representatives of PIPSC's Board of Directors. They were nominated by their peers on the Advisory Council or by the President of the Institute and have been identified as being:

Nazim Awan, AV, PRA/NWT
Joanne Bouchard, SH, PRA/NWT
Stan Buday, CS, ON
Tony Goddard, CS, NCR
Waheed Khan, Regional Director, NCR
Rob MacDonald, Regional Director, BC/Yukon
Sheila MacLean, NB-EN, ATL
Mark Muench, AFS-CS, NCR
Mike Paré, YHC, BC/Yukon
Glenn Schjerning, NR, NCR
Kim Skanes, Regional Director, Atlantic
Ann Therriault, NRCan, NCR

The Task Force will remain in place until disbanded by the Professionals Canada Steering Committee. Task Force members may not send alternates if they are unavailable for a meeting. Plenary sessions will be scheduled to facilitate the attendance of the largest number of Task Force members.

ROLES AND RESPONSIBILITIES

- Chairperson' responsibilities include:
 - Facilitating each Professionals Canada Task Force meeting.
 - Closing each meeting with a summary of decisions and assignments.
 - As per members' responsibilities.
- Members' responsibilities include:
 - Ensuring that Professionals Canada Steering Committee requirements are met by Task Force outputs.

- Understanding the task force goals, objectives and desired outcome.
- Understanding and representing the interests of constituents.
- Actively participating in meetings through attendance, discussion, and recommendations.

ACCOUNTABILITY

The Task Force is accountable to and takes direction from the Professionals Canada Steering Committee, which is comprised of the Advisory Council Steering Committee and representatives of the PIPSC's Board of Directors.

DELIVERABLES

The Task Force will examine the Professionals Canada proposal as a group or in smaller teams and will provide its category assessments and recommendations to the Steering Committee as they are completed. The following are key dates for the overall project:

- August 10, 2019 – Preliminary Report to Board of Directors and Advisory Council
- October 26, 2019 – Final Report to Board of Directors and Advisory Council

WORKING METHODS AND EXPENSES

Work of the Task Force may be completed in plenary session or in smaller groups. For plenary sessions, arrangements will be made through the National Office. If smaller groups wish to meet outside of plenary sessions, they may choose to meet in person, by telephone/video link or electronic collaboration, striving to keep expenses at a reasonable level.

Time off for union business and related salary reimbursement will be available for Task Force members participation in formal meetings. Requests for meetings, travel and related expenses must be directed to the Office of the COO and Executive Secretary. All expenses must be approved in advance.

RESOURCES

The Task Force will have access to members of the Institute's management team to assist in understanding any aspect of the proposal. Should any data be required to facilitate discussions, every effort will be made to obtain the requested data. Should external professional resources be requested, the request will be reviewed by the Steering Committee. All requests for data or external resources must be made to the Office of the COO and Executive Secretary.

COMMUNICATIONS

It will be important that communications regarding the consultation be coordinated by the Steering Committee. Therefore, Task Force members will be asked to respect the communications approved by the Steering Committee in all interactions with members, constituent bodies and the public. All documents and data as well as access to virtual binders related to the work of the Task Force, are considered confidential and may not be shared or distributed internally or externally.

PROFESSIONALS CANADA STEERING COMMITTEE MEMBERS

Chris Roach, AFS, ATL

Craig Bradley, AFS, QC

Doreen Weatherbie, CS, ATL

Yves Cousineau, NR, NCR

Carole Gagnon, OSFI, NCR

Jonathan Fitzpatrick, CRPEG, NCR

Debi Daviau, President

Steve Hindle, Vice-President

Eddie Gillis, Chief Operating Officer & Executive Secretary

APPENDIX 3 – ADVISORY COUNCIL QUESTIONS & RESPONSES

A full list of the 158 questions and concerns and the data and analyses in response to them is included in the Task Force’s [Virtual Binder](#), (then click on **Advisory Council questions and Task Force answers**)

APPENDIX 4 & 5 – REFERENCE & RESEARCH DOCUMENTS

The documents made available to the Task Force are available in the Task Force’s [Virtual Binder](#). (Click on **Reference Documents** and **Research Documents**)