

2025

Pre-Budget Consultation

Modernizing Canada's Peacetime Democracy

Summary

1. Lay the foundation for public service change by addressing all-of-government issues that hold back efficiency, deter talent, and undermine good management practices.
2. Grow public trust through compelling intelligence and technology adoptions that a government with over 150 years of governance should demonstrate.
3. Reform manufacturing oversight to exemplify integrity in purpose and performance.

Foreword

“Establishing a new economic and security relationship with the United States and strengthening our collaboration with reliable trading partners and allies around the world”

Priority #1, Mandate Letter – Prime Minister of Canada, May 21st 2025¹

Canadians are North Americans. We will always share air, land, waterways, weather and security interests with our continental neighbours.

Global challenges are driving those neighbours as well as other nations into nationalistic and combative tactics. What Canada is facing is not uniquely the product of how other nations manage global instability. It is also about our own inability to effectively foresee and react to the world before it became unstable.

True leadership—that which attracts talent—rises to the occasion to overcome adversity without dodging blame for our national outcomes.

It is time Canadians take accountability for our place in the world.

Detailed Proposal

This budget proposal seeks to leverage zero-cost actions that have the potential to yield significant direct government savings while potentiating market growth, talent attraction and national security.

At this time, one of the best options for reform may be the thoughtful creation of a new parallel government structure through legislative change into which our current government would transition.

Such an approach should be announced with an accompanying vision for change as well as the intended end state of Canada’s public services, corporations and resources.

This budget submission contains features meant to drive progress towards such a structured change.

1. Lay the foundation for public service change by addressing all-of-government issues that hold back efficiency, deter talent, and undermine good management practices.

(a) Drive national unity by creating a modern decentralized government and capital city model

It's time to move beyond the Ottawa capital city model that grew out of efforts to unify Upper and Lower Canada. The size of government in Ottawa has grown to 42.3% of public servants working in the National Capital Region (NCR).² By contrast, the entire Ottawa-Gatineau area, which is larger than the NCR, accounts for just 4.0% of the Canadian population.³

Create a more decentralized government and capital city model that rationalises departments, agencies, and collective bargaining units, in a way that responds to the needs of today. Re-imagine government institutions, their people, and their location to best serve the public through a clear identification of the most important areas of focus for Canada. They should include:

- National security.
- Self-sufficiency in IT development, energy generation, innovation, manufacturing and infrastructure.
- Resource (environmental) development and protection.
- Individual/family/community resiliency and capacity to support others facing disease and disaster.
- Labour and training/education.

A renewed capital city model has the potential to:

- Demonstrate how logical solutions build, attract and make it easier to recruit talent.
- Appropriately temper public service mobility (reduce re-training and increase corporate knowledge).
- Enhance security and improve emergency responses.
- Build hubs of competency across sectors and improve local public engagement.
- Increase non-partisanship in public servant ranks by locating them among communities more representative of the breadth of Canadian politics.
- Leverage remote work arrangements, private office space and technical hubs to put public servants next to the general public who have shared and leading-edge expertise.

(b) Empower Canada's federal organizations to evaluate, fulfil, and change their current mandates.

Fundamental services including but not limited to translation, real-property management, and acquisitions for front line departments are administered centrally through Public Services and Procurement Canada (PSPC). Similarly, other central services are provided by Shared Services Canada (SSC) as well as Innovation Science and Economic Development (ISED). Many of these arrangements, once born out economies of scale, centralized management of expertise, or integrity-inspired public servant oversight of other public servants, no longer serve their purpose.

Acquisition and real-property management thresholds and authorities should be increased for all front-line departments. This may be achieved without legislation (see guidelines⁴) and can support maximizing the use of front-line staff over those in central service agencies.

Remove restrictions on the hiring of translation staff and the use of electronic translation tools by front line departments. This will end a government-created centralization of translation services (Translation Bureau, PSPC) that dates back to 1934 and that was contested by French parliamentarians and front-line departments at the time.⁵ Their concerns with the distance between linguistic professionals and front-line departments were borne out and remain to this day. In addition, the cost of government administered translations have risen to more than double that of Canada's private sector.

All defense procurement responsibilities should be centralized within the Department of National Defense (DND), with Treasury Board oversight. Canada's current administrative burden on our defense acquisition process is greater than that of both allied and adversary nations. This must end. The Canadian government will never be capable of honouring the protection of the Canadian public nor any allied defense agreement if this gap remains. A separate department of defense procurement is not required.

Canada's government has remained paralyzed in its ability to address the challenges documented in multiple public and private examinations of our defense procurement. Understanding *how* to act on decades of recommendations is part of this paralysis. Alternative service delivery models and evaluating the real-world benefit of operations are critical to understanding how to improve defense procurement.

Using these methods and others, the value proposition of removing both PSPC and ISED from defense procurement processes can be rapidly realized. Specifically:

- All PSPC defense procurement responsibilities should immediately be moved to DND and duplicative oversight, procurement, and administrative roles eliminated.
 - For example, public servant 'fairness monitoring' of discussions between other public servants and service providers could be replaced with basic video/audio recording devices and the use of existing auditing or performance management of results.
- Oversight over defense Industrial and Technical Benefits (defense contractor obligations to invest in Canada) and other procurement features administered by ISED should be modernized to eliminate their prerequisite formats and heavy administrative burdens.
 - Focus should be on results achieved post-acquisition by building confidence in, and relationships with Canada's defense manufacturers. For example: using reporting, and industry engagement for any feature of acquisition that is complementary to the primary goal of buying what we need.

(c) Start at the top - focus on executives

The Canadian public should never pay the price for 'testing' the skills of senior public servants.

Between 2010 and 2024, the federal public service workforce grew by 30.0%, while the executive population grew by 35.2% over this same period. There are now more than 9,000 executives, the majority of whom are located in Ottawa.⁶

The government must address head-on the likelihood that widespread unvalidated performance metrics, heterogeneity in experience, skills, decades of compartmentalized practices and severe limits on management tools will contribute to ineffective change management by these senior officials.

Ineffective change management can include one-size fits all austerity measures such as staffing freezes, unmanaged attrition and common savings targets across programs. These insensitive measures paired

with unprepared executives drive unintended losses of competency, reinforcement of poor operational practices, delays to performance management, and talent departures.

Many federal public service performance metrics have been adapted to 'avoid surprises', simplify definitions of success, and ultimately create distance from valid public opinion measures. This has caused important constraints on senior management competencies and comprehension of alternative service delivery models (models that achieve the same or better outputs through an operational integration with society).

Executives who lack a connection with the public through valid performance metrics or integrated service delivery models risk becoming detached from the people they serve. This risk is reflected in the work environment they create for their staff.

Many new public servants (as well as new recruits to our armed forces) face work environments unprepared for their arrival as well as training in antiquated or 'work-around' operational models. The gap between public servants and the public has also contributed to the proliferation of prerequisite operational models that hold services and decisions hostage to in-house policies or ad-hoc operations.

These are models that do not contribute to respect among peers nor satisfy career ambitions anywhere but within the Canadian government. This is a serious deterrent to talent. These key gaps must be closed.

Executives must be able to describe and understand with absolute clarity the measurable benefit their roles, programs and actions bring to the public.

Executives should be trained in, and given the freedom to explore with peers, international and private counterparts, as well as other public entities, alternative service models for all programs.

Executives must face appropriate but clear consequences based on the analysis of their work, their altruism when faced with ending programs, and their capacity to find alternative modern solutions to the way they currently work. This should include demotions, terminations, and transitions to new roles.

2. Grow public trust through compelling intelligence and technology adoptions that a government with over 150 years of governance should demonstrate.

The knowledge our government derives from over 150 years of governing should be compelling, inspiring, open and effective. It must also harness the power of technology to maximize the value and power of our national knowledge in order to maintain public trust in government. That trust is in jeopardy as Canadians navigate a world of readily available false information and propaganda.

The adoption of modern technology solutions doesn't necessarily mean Artificial Intelligence (AI). Many systems and operations would benefit from what could be considered basic automations.

Regardless, fundamental forms of automation are heavily burdened in Canada's government by its own processes. So much so that their adoption faces untenable timelines, costs, and limitations on functionality. As a result, many if not all new initiatives immediately default to the hiring of public servants over automatic or electronic systems.

The government should engage in an exercise that considers the functional intersections and operational goals of existing programs that govern the archiving, release, protection and access to information and information technology. They should include: SSC, the Information Commissioner, the Privacy Commissioner, Libraries and Archives Canada, Treasury Board 'open government', and recent leads in Artificial Intelligence.

Updates to the Access to Information Act (ATIA) and other information management laws may be critical to reflect current access demands. This is not only for the protection of information, but to compel greater proactive sharing of information between government institutions at all levels and the general the public. For example, compel the publication of all information previously released under the ATIA. The government already has the authority to do this, but it rarely happens. It's time to make this commitment to transparency a requirement under the law.

An exercise that considers our national knowledge should be carried out in concert with the Canadian Security Establishment and Statistics Canada. It should include updating approaches to outward facing all-of-government contact points such as, 1-800-O-Canada, the Government Electronic Directory Services or GEDS, and websites. For example, remove confusing work-arounds that drive relevant information into online archives in order to avoid accessibility or translation requirements).

Maximizing the use of, and growing Canada's capacities in, Artificial Intelligence is necessary and should support modernizing the public service. In particular, ensuring senior public servants understand how to lead organizations that feature AI within operations.

(b) Adopt Modern and Engaging Approaches to Official Languages

The use of Official Languages should never feel oppressive, unattainable, or burdensome. Now more than ever, Canada can demonstrate how respect for *Our Languages* can be achieved in a way that is accessible, elegant and engaging.

The field of language translation has been on the leading edge of machine learning systems (that form part of AI) for decades. As far back as 1984 the Translation Bureau of PSPC observed: "Machine translation no longer belongs to the world of science fiction. The computer age is coming to translation...."⁷

However, this has not led to realization of modern translation systems in Canada. Instead, our federal government manages one of the largest complements of human-based translation services in the world in a way that ties the optics of human resources for translators, interpreters and language training to presumed levels of respect for official languages.

This approach has hindered the adoption of language technologies, use of private sector services, and reinforced trepidation among public servants who would otherwise explore available avenues of official language adoption and expression.

Canada must overhaul policies to drop autocratic human resource approaches and aspire for greater bilingualism, focusing on approaches that are fluid, pragmatic, and leverage technology as well as on-the-fly options for official language communication.

A modern decentralized form of linguistic services can be achieved by maximizing the proximity and relationships of translators and interpreters with front line departments while preserving Canada's electronic translation knowledge base (the 'corpus') and existing linguistic tools (such as 'Termium').

Canada's repository of language knowledge is unique to our country's heritage and captures decades of translation and interpretation precedence.

The government should partner with a sophisticated language technology provider to introduce language tools for all Canadians as well as public servants. It should also introduce 'just in time' translation for certain government documents and contracts (in particular, those related to defense procurement).

#3 Reform manufacturing oversight to exemplify integrity in purpose and performance.

Our ability to make things and government respect for those of us who do, is linked to our cost of living, national skills, resiliency, security, and our relationship with consumerism.

Manufacturing and business competencies make us self-reliant and capable of helping ourselves and others down to the individual level. This should never be lost. Unfortunately, common issues that flow from the federal government are impacting the whole of Canada's manufacturing sectors (defense, commodities, and transportation).

Manufacturers' experiences of increasing regulatory burden are not subjective. Since the introduction of the one-for-one rule nearly a decade ago—a policy meant to balance new regulations by removing existing ones—the number of federal administrative requirements has surged by 14.6%, reaching 148,770 in June 2022.⁸

Our federal government has progressively departed from practices once held as fundamental regulatory competencies such as defensible risk management, consistency and nation-wide impacts.

These three matters alone are not only of fundamental importance for legitimate business in all of Canada's manufacturing sectors, but necessary to mitigate black markets and maintain the reputation of Canada as a rational place to conduct business.

Black markets grow in the space between law makers and law enforcement when their risk tolerances don't match. That is, poorly crafted laws (such as those that project zero risk tolerances) breed inconsistency in their application and create a cumulative burden of unintended enforcement discretions. This clouds the acceptable standards for marketplace behaviour.

It's not just the manufacturing industry that has borne the brunt of government mismanagement of regulation. It has increased burdens on courts and created opportunities for competing legal precedence that can further hamper the ability of government to enforce laws.

Canadians also bear the brunt of regulator oversight that has become overtly paternalistic, untenable, and intolerant of risk, whether real, imagined, quantifiable, or subjective. This has confused public risk tolerances and made Canada a 'hostile' investment environment.

Ultimately our government may no longer understand public demands to 'cut red tape'.

(a) Reform law and policies so that they can be enforced and achieve results that matter.

Repeal laws that allow regulatory bodies to avoid the necessity of clear risk identification or measurement of the law's effectiveness.

Engage in holistic or comparative risk analysis across sectors when making laws to avoid overregulating one area while incubating ignorance towards greater risks in others.

Establish defensible priority setting based on real/measurable risks. If our government cannot characterize a risk and link it to a root cause using tangible means, then the public loses any hope of determining if the related law making will be effective. This practice must stop.

(b) Reform operations to enforce laws based on real risk, nation-wide, and in a way that doesn't favour imports.

Marry standard setting risk tolerances and resources with the bodies who must enforce the standards. This includes filling the operational gaps between federal regulatory bodies, the CBSA and RCMP.

Marry manufacturing inspection practices and oversight of Canadian manufacturers across all agencies and against the oversight of foreign manufacturing (imports).

The federal government must focus on criminal acts, not civil liability, in regulatory practices, but consider civil liability when developing alternative service delivery models.

These actions should be complemented by building private-public partnerships with Canada's retailers, importers, transportation, and distribution groups to appreciate their role in compliance and enforcement as well as their insights into innovation.

(c) Create opportunities to bridge sectors (defense, transportation, commodity manufacturing and natural resources)

The government should deepen relationships with the public to create an on-going and holistic analysis of Canada's capacity to produce its own raw materials, make what we need from them, and balance the impact our consumption and innovation has on natural resources.

The government must end compartmentalized thinking in order afford public servants something better than simplified operating environments that do not reflect the realities of day-to-day life. Canadians require a government that understands how to be dynamic, allowing itself and private sectors to repurpose in response to progressive and critical shifts in future priorities.

Canada can take unique approaches offsetting our security and defense spending against the needs of other sectors. We should mitigate emerging shortfalls in research and education through targeted funding models that function without active government administration and that focus on pragmatic outputs.

Canada has the capacity to rally citizens towards a promising future by testing the limits of our strength, intelligence and risk tolerances. We can be leaders in the world by demonstrating how we balance the preservation of all life with acceptance of death, and always overcome despair with hope.

Please contact True Moderation Inc, for further elaboration of the concepts within this proposal or to discuss on-going efforts in their development.

¹ <https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter>

² [https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/people/.--\(panel_key.--'employee_prov\)](https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/people/.--(panel_key.--'employee_prov))

³ <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/fogs-spg/page.cfm?lang=E&topic=1&dguid=2021S0503505>
<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?LANG=E&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=1&SearchText=Canada&DGUIDlist=2021A000011124>

⁴ <https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32692§ion=procedure&p=A>
<https://www.canada.ca/en/treasury-board-secretariat/services/federal-real-property-management/transaction-approval-limits-conditions-acquisition-disposition-real-property.html>

⁵ Bridging the Language Solitudes, Secretary of State, Translation Bureau 1934-84 (Government of Canada hard copy publication).

⁶ <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/demographic-snapshot-federal-public-service-2024.html#toc-5>

⁷ Insight and Outlook, Secretary of State, Translation Bureau 1934-84 (Government of Canada hard copy publication)

⁸ Canadian Manufacturers & Exporters, Regulate Better, Grow Faster: CME 2024 Regulatory Burden and Red-Tape Survey, 2024.