

Intelligence MEMOS



From: Michael Wernick
To: Public Service Observers
Date: June 3, 2025
Re: CANADA POST ISN'T THE ONLY FEDERAL INSTITUTION IN NEED OF AN OVERHAUL

The Canada Post labour dispute has resurfaced some old and unresolved issues related to the Crown corporation's failure to keep up in a fast-changing environment for delivery services. Whether they are addressed this time will depend largely on the appetite of politicians to take risk and put in the effort – in other words, to spend some political capital.

But the same holds true for several other venerable federal entities. Government transformation has many facets and there are issues and remedies that cut across those organizations. Sometimes, getting the ball rolling on reform means taking a single organization and thoroughly renovating it. To continue delivering value to Canadians, these organizations will need political leadership to give them fresh mandates, structures and tools.

Experience tells us that a broad expenditure review can provide context and the best cover for a detailed overhaul of specific organizations, so perhaps that time is now.

A window may be open to overcome internal and external resistance and the risk aversion of politicians who are more comfortable kicking problems down the road with endless consultations or papering over cracks with money.

Here is an arbitrarily chosen set of the most egregious fixer-uppers.

Canada Post: For decades, tepid political leadership and municipal NIMBYism have shackled and fettered Canada Post Corp.'s management by blocking innovation in delivery and the shedding of old assets and costly practices. Rather than a binary choice between the status quo and privatization, the government could take off the shackles and empower Canada Post to reinvent postal service for the 2020s and beyond.

CBC: Enough consultation already. The Canadian Broadcasting Corp. is being asked to do too many things for too many goals with too few resources. Pick a lane, choose a model and get on with the transition. I would go with a narrower focus on news and information and get out of advertising. If CBC isn't renovated soon, its future is either irrelevance or defunding.

RCMP: There must be 20 reports of various kinds about the Royal Canadian Mounted Police conveying dozens of recommendations on how to reform it. There is a strong case in this age of limited resources to narrow its mandate to "federal policing" that can't be done by others. Give the RCMP the resources and tools to do that job and to play a role that supports local and provincial policing.

Coast Guard: The Canadian Coast Guard is currently embedded as a "special operating agency" within Fisheries and Oceans Canada, which is a thin administrative structure no longer adequate to support the vital economic and security role of the guard. It is long overdue to create a distinct Coast Guard Act to clarify its mandate, give it much greater autonomy and voice, and finally give it adequate law enforcement and interdiction powers.

The pattern of these four examples is clear. These decades-old federal entities have been overstretched in trying to meet rising expectations without the structural and legislative base to do the job in a modern context. They are obliged to retain practices, costs and assets that could be shed to free up people and money for better use.

A path forward for each would start with Parliament better defining a mandate and purpose, and updating the toolkit of powers and authorities. I would advocate for a "federal first" test, giving priority to the roles and functions that can't be done well by someone else and then properly equipping and resourcing them. Shed as much of the rest as politically feasible.

Structural renovation is hard work and sometimes means a bit of investment. It often leads to fractious labour relations. It will run into stakeholder resistance. It needs firm political leadership that won't flinch. But the alternatives of slow neglect (rotting out) or trimming budgets without trimming the scope and expected results (cosmetic work) just don't work. Don't settle. Renovate, baby, renovate.

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