



Public Service Commission
of Canada

Commission de la fonction publique
du Canada

Regulatory Red Tape Review

Public Service Commission of Canada's Progress Report



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- *Rapport d'étape de la Commission de la fonction publique du Canada*

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For more information, contact

Public Service Commission of Canada
22 Eddy Street
Gatineau (Quebec) K1A 0M7

Email: cfp.infocom.psc@cfp-psc.gc.ca

Website of publisher: <https://www.canada.ca/en/public-service-commission.html>

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Context

The Public Service Commission of Canada (PSC) is an independent agency responsible for promoting and safeguarding a merit-based, representative and non-partisan public service that serves all Canadians.

The *Public Service Employment Act* provides the PSC with regulatory authority to:

- establish requirements to enhance merit-based staffing
- provide priority entitlements to certain groups in the hiring process to support continued employment (for example, people released from the Canadian Armed Forces for medical reasons)
- exclude, with the approval of the Governor in Council, provisions of the *Public Service Employment Act* to certain groups of positions or people where the PSC has determined that applying them is not practical or not in the best interest of the public service
- establish requirements related to political activities to protect non-partisanship in the public service
- permit mobility across the federal public administration to allow access to broader employment opportunities

The PSC's regulatory instruments apply mainly to departments and agencies that hire under the *Public Service Employment Act*. As a result, employees of the federal public service are the key community most affected by the PSC's regulatory framework.

In July 2025, in response to the Red Tape Reduction initiative, the PSC completed a comprehensive review of its regulatory framework to support its mandate and improve regulatory efficiency. As the PSC deemed several of its regulatory instruments to be already effective in simplifying staffing requirements, the review focused on identifying remaining opportunities to reduce administrative burden and streamline red tape. This report summarizes the results of this review.

Executive summary

As an independent agency with regulatory authorities, the PSC completed a comprehensive review of its regulatory framework.

The progress achieved and reported in this report reflects efforts to modernize outdated requirements, improve clarity and align regulations with current staffing practices.

Moving forward, the PSC will further streamline appointment processes and support more effective hiring, in line with broader government priorities to improve efficiency and reduce operational costs. These efforts will help ensure a modern, high-performing public service that reflects Canada's diversity and commitment to excellence.

Expected outcomes include eliminating obsolete requirements, simplifying processes, modernizing regulatory tools, protecting non-partisanship and improving overall regulatory effectiveness.

Progress achieved

Locally Engaged Staff Exclusion Approval Order and related regulations

Context

Locally engaged staff are appointed and employed outside Canada to perform diverse functions in support of government operations abroad, within Global Affairs Canada and the Department of National Defence.

From 1967 until recently, locally engaged staff have been excluded from the operation of the *Public Service Employment Act* pursuant to the *Locally-Engaged Staff Exclusion Approval Order*, and have instead been governed by the related *Locally-Engaged Staff Employment Regulations*.

Over time, these regulations became outdated, no longer meeting the operational needs of Global Affairs Canada and the Department of National Defence.

Actions

To address these concerns, the PSC recently reviewed the exclusion approval order and related regulations. The review included consultations with key stakeholders to:

- ensure alignment with the current *Public Service Employment Act*
- strengthen the Government of Canada's ability to efficiently and effectively employ a locally engaged workforce in support of its international operations

The review resulted in:

- the repeal of the outdated regulatory instruments
- the creation of 2 modernized regulatory instruments:
 - *Locally Engaged Staff Exclusion Approval Order (SI/2024-7)*
 - *Locally Engaged Staff Employment Regulations, 2024*

Outcomes

The new regulatory regime maintains the exclusion of locally engaged staff from the *Public Service Employment Act*, while establishing a modernized employment system tailored to their unique context.

The regulations provide relevant senior officials with appointment flexibilities comparable to those available under the *Public Service Employment Act*, such as:

- establishing the qualifications needed for the work to be performed rather than prescribing specific selection criteria
- providing flexibility in selecting a meritorious candidate rather than using the previously prescribed rigid process
- providing flexibility on how the appointment will be made, that is, determining whether to advertise the appointment opportunity

The regulations also clarify accountability for the employment of locally engaged staff. Oversight and reporting requirements will enable the PSC to provide tailored advice and guidance, share its expertise and assess the effectiveness of the new framework.

Next steps

Public Service Part-time Regulations

Context

The *Public Service Part-time Regulations* were created in 1967 to help departments and agencies hire people who ordinarily work no more than one third of the usual full-time hours for similar positions.

The regulations have not been updated since 1981 and contain outdated provisions, such as the requirement to recruit exclusively through Canada employment centres or PSC staffing offices, that no longer align with current staffing practices.

Actions

The PSC will review the regulations, in consultation with stakeholders, to assess their effectiveness and ensure they remain relevant and aligned with evolving legislation, policy objectives and priorities.

Outcomes

Through the review, the PSC will ensure departments and agencies are offered a clear and flexible way to hire people for small workloads or short-term needs, thereby supporting public service productivity and efficiency.

Public Service Employment Regulations

Context

The PSC recently reviewed the *Public Service Employment Regulations*, which had remained almost unchanged for over a decade while the staffing system had evolved. The goal was to ensure the regulations continued to support the *Public Service Employment Act* and to meet the current and emerging needs of departments and agencies.

As a result of the review, amendments to the regulations were made. Amendments related to red tape reduction included:

- harmonizing various priority entitlements, such as expanding their duration
- eliminating requirements that were no longer necessary
- clarifying key regulatory provisions, including:
 - the intent of some priority entitlements
 - the definition of acting appointment
 - requirements for identifying and selecting employees for lay-off

These recent amendments aim to ensure priority entitlements are administered fairly and cohesively, and to support people coping with unexpected career transitions. They also improved transparency and communication during lay-offs, while addressing biases and barriers in the assessment process, contributing to a more competent and inclusive public service.

Actions

The PSC has made only minor amendments to the acting appointment provisions in the *Public Service Employment Regulations*. The PSC will continue to monitor their relevance

in the context of broader human resources transformation initiatives, including efforts to simplify staffing and pay processes.

The PSC will also assess ways to simplify the current model related to official languages in acting appointments, which is complex and inconsistently applied across departments.

As part of its assessment, the PSC will consult key stakeholders to determine potential regulatory changes.

Future improvements will aim to reduce red tape while ensuring the regulations align with the objectives of recent changes to the *Official Languages Act*.

Outcomes

Potential future amendments to these regulations may include introducing a more consistent and operationally effective model for managing acting appointments as well as strengthening official language requirements related to such appointments.

Public Service Official Languages Exclusion Approval Order and related regulations

Context

Generally, people appointed to bilingual positions must meet the official language proficiency requirements. However, through the *Public Service Official Languages Exclusion Approval Order* and related regulations, people can be hired without meeting the official language proficiency requirements under established exceptions (for example, language training, medical exclusion). When this happens, measures must be put in place to ensure the language obligations of the position are still met.

Actions

The PSC is currently reviewing these instruments to assess their effectiveness and ensure they remain relevant and aligned with evolving legislation, policy objectives and priorities.

This review will examine the rules related to medical exclusions to maximize opportunities for individuals while ensuring official language obligations are respected.

In fall/winter 2025, the PSC will consult key stakeholders on the proposed regulatory direction.

Outcomes

Through this review, the PSC intends to reduce red tape by removing the requirement for people who have already received a medical exclusion to be re-assessed for subsequent appointments; this will simplify the appointment process for these people and hiring managers.

Student Employment Programs Participants Exclusion Approval Order and related regulations

Context

Students are a vital source of renewal for the public service, offering new skills and knowledge while serving as a strategic pipeline of diverse talent to meet future workforce needs.

The *Student Employment Program Participants Exclusion Approval Order* and related regulations facilitate the appointment of students to student employment programs established by the Treasury Board of Canada Secretariat, enabling them to gain valuable work experience.

To align with changes to the *Public Service Employment Act* and support diversity and inclusion, the regulations were amended in 2022 to provide students who are permanent residents the same appointment preference as Canadian citizen students. This change broadens access to federal student employment opportunities and promotes a more inclusive hiring process by allowing a wider range of students to be considered equally for positions.

Actions

The PSC will review these instruments, in consultation with stakeholders, to ensure they continue to align with Treasury Board of Canada Secretariat policy direction and other initiatives in relation to student employment.

In the meantime, the PSC has worked to modernize student recruitment. For example, it has developed a pilot project to enable departments and agencies to quickly hire students through the Federal Student Work Experience Program in remote locations, for specialized skills or in support of diversity objectives.

Outcomes

Through student recruitment modernization efforts, the PSC intends to ensure its recruitment:

- is modern, flexible, inclusive and user centric
- promotes public service renewal, diversity, equity and inclusion
- taps into students' new skills and knowledge