



UNION OF NATIONAL DEFENCE EMPLOYEES

a component of the Public Service Alliance of Canada



UNION DES EMPLOYÉS DE LA DÉFENSE NATIONALE

un élément de l'Alliance de la Fonction publique du Canada

October 23rd, 2025

The Honourable François-Philippe Champagne
Minister of Finance
Government of Canada

Dear Minister Champagne,

As the Government prepares its November 4th budget, I write on behalf of the Union of National Defence Employees (UNDE), representing over 20,000 workers who ensure Canadian Armed Forces personnel have the reliable, professional support they need at home and abroad. To strengthen these essential services and deliver fairness for the workers who provide them, we urge you to prioritize the following commitments:

1. End the costly and harmful practice of contracting out at National Defence.

The government has signaled a massive upcoming investment in Canada's defence capacity. We urge you to make a strong and clear commitment in this budget to end contracting out at National Defence and to reinvest in building the public service capacity we need. Civilian defence work — from maintaining critical infrastructure to providing daily support for military personnel — should be performed by public servants, with the transparency and accountability that Canadians expect.

Decades of reliance on private contractors at the Department of National Defence have drained internal expertise and hollowed out capacity. Reports by UNDE and PSAC have shown that contracting out delivers less service at a higher cost, undermines accountability, and creates risks to health, safety, and national security. Facilities maintenance contracts, for example, have left bases operating in "breakdown mode," where infrastructure is only fixed after it fails. Private firms like Serco, Aramark, and Dexterra profit while CAF members and Canadians bear the consequences of reduced service quality, weakened operational readiness, and economic harm to local communities. Further, employees of these private firms don't receive recognition or remuneration as public servants, leaving many subjected to low wages, precarious working conditions and labour violations, the impacts of which resonate into our base communities. Workers who deliver public services should be public servants. The safety of our Forces and the security of Canadians depend on a well-resourced, accountable public service inside DND.

2. Bring Non-Public Fund (NPF) workers into the core public service.

Canadian Forces Morale and Welfare Services employees provide essential programs that sustain the mental, physical, and financial well-being of military members, veterans, and their families. Yet these workers — most of them women and military family members — continue to face low wages, no pensions, and substandard benefits.

It is unacceptable that the very people who help sustain Canada's military community are treated as second-class employees. Moving NPF staff into the core administration would not only correct a long-standing injustice, but it would also strengthen the continuity and quality of services for military families, simplify negotiations by reducing 20+ separate agreements, and make transfers between

bases more efficient. This shift would even help the government meet its NATO 2% defence spending target without new expenditures, since NPF staff costs could be rolled into the DND budget line. This is a common-sense measure with both fiscal and human benefits.

3. Honour the promise of “25 and Out” for federal firefighters and other frontline safety workers.

We are glad that your government announced that it will be providing a fair “25 and Out” retirement option to our members — a right federal firefighters and other frontline safety and security personnel have been denied for over a decade. This reform has been endorsed across party lines. The groundwork is complete. We urge you to implement this change without delay by including it in the Budget Implementation Act of this fall

This decision will improve recruitment by attracting qualified candidates, strengthen retention by ensuring experienced workers do not leave prematurely, and honour the dignity and respect owed to those who risk their health and safety for Canadians. Without this option, burnout grows, morale drops, and vacancies increase.

4. Invest in people, not cuts.

At a time when Canadians face rising costs of living, housing shortages, public services are not a cost to be cut but an engine of economic resilience. Research by IRIS shows that every dollar invested in the public service brings between \$1.09 and \$1.28 back into the economy, creates stable jobs in communities across the country, and supports a stronger middle class. Cuts, by contrast, deepen inequality, destabilize services, and ultimately cost more in the long run.

Instead of short-sighted cuts, we call on you to invest in people and services: housing, affordable groceries, and reliable public services. These investments will yield far greater value for Canadians than austerity measures that weaken communities. This budget must continue the progress made with national pharmacare, ensuring Canadians can access life-saving medications without financial barriers. A universal pharmacare program will reduce costs for households, improve health outcomes, and deliver long-term savings to the health care system.

The choice is clear: protect and strengthen frontline services or repeat the mistakes of the past with rushed cuts that harm Canadians and undermine trust in government.

Minister, these are practical, achievable steps that will deliver fairness to workers, ensure readiness for our military, and build stronger communities across Canada. We ask that your budget honour these commitments and finally deliver the results that workers and their families have been promised.

Sincerely,

June Winger

National President

Union of National Defence Employees (UNDE)