

## **Union Management Consultation Committee (UMCC)**

4 June 2012 1330hrs – 1600hrs, Conference Room “B”, 13ST  
National Defence Headquarters, 101 Col By

- Co-Chairs:** Mr. R. Fonberg, Deputy Minister  
Mr. D. Rogers, President, Federal Government Dockyard Trades and Labour Council (West) (FGDTLC-W)
- Members:** Mr. M. King, Associate Deputy Minister  
VAdm A.B. Donaldson, Vice Chief of the Defence Staff  
Cmdre J.F. Newton, Commander, Royal Canadian Navy  
LGen P.J. Devlin, Commander, Canadian Army  
BGen N.P. Russell, representing Commander, Royal Canadian Air Force  
Mr. D. Ross, Assistant Deputy Minister (Materiel)  
Mr. K. Lindsey, Assistant Deputy Minister (Finance and Corporate Services)  
Mr. J. Turner, Assistant Deputy Minister (Information Management)  
RAdm A.M. Smith, Chief of the Military Personnel  
Ms. C.L. Binnington, Assistant Deputy Minister (Human Resources-Civilian)  
Mr. S. Stevenson, Assistant Deputy Minister, (Infrastructure and Environment)  
Dr. M. Fortin, Assistant Deputy Minister (Science and Technology)  
Mr. J. MacLennan, National President, Union of National Defence Employees (UNDE)  
Mr. L. Brown, President, Federal Government Dockyards Trades and Labour Council (East) (FGDTLC-E)  
Mr. T. Denault, President, Federal Government Dockyard Chargehands Association (FGDCA)  
Mr. M. Isaacs, Association of the Canadian Financial Officers (ACFO)  
Dr. J-M. Noël, President, Canadian Military College Faculty Association (CMCFA)  
Mr. F. Murphy, Representing National President, Public Service Alliance of Canada (PSAC), Agriculture Union  
Mr. G. Maxwell, President, National Consultation Team, Professional Institute of the Public Service of the Canada (PIPSC)  
Mr. D. Boulet, Business Manager, International Brotherhood of the Electrical Workers (IBEW Local 2228)  
Mr. M. Boucher, President, Canadian Merchant Service Guild (CMSG)
- Regrets:** VAdm P. Maddison, Commander, Royal Canadian Navy  
LGen J.P.A. Deschamps, Commander, Royal Canadian Air Force  
Mr. B. Kingston, National President, Public Service Alliance of Canada (PSAC), Agriculture Component

## **ITEM 1: OPENING REMARKS**

1. Mr. Fonberg welcomed the participants. He commented on the Special April UMCC and thanked Mr. Milt Isaacs for acting as Co-Chair during the April meeting. He noted that the Department had begun communication on the Government wide spending reviews, including notifying employees.
2. Mr. Fonberg advised that the work on support mechanisms for employees had begun and details would be provided during the meeting. He also remarked on the Department's continued commitment to treating employees with respect, fairness and humanity, in addition to providing them with ongoing support and assistance.
3. Mr. Rogers also welcomed the participants. He remarked that while he had attended the April meeting by teleconference, he observed it was a productive meeting and expressed his hope this would be repeated during the present meeting.

## **ITEM 2: ACCEPTANCE OF PREVIOUS MINUTES / ACCEPTANCE OF AGENDA**

4. Mr. Rogers asked for the Committee's acceptance of the 21 October 2011 meeting minutes. UNDE raised a question on funding for apprenticeship program. Ms. Binnington responded submissions had been provided to the VCDS, who then confirmed there would be dedicated funding to key areas. The October minutes were then accepted.
5. Mr. Rogers asked for the Committee's acceptance of the 3 April 2012 Special UMCC meeting minutes. The April minutes were accepted.
6. Mr. Rogers asked for the Committee's acceptance of the agenda, which was also accepted.

## **ITEM 2 (continued): PREVIOUS BUSINESS**

### 21 October 2011 UMCC

7. Mr. Fonberg reviewed the previous business items arising from the 21 October 2011 meeting.
8. VAdm Donaldson noted that actions flowing from paragraphs 18 and 22 of the October minutes had been completed. He remarked that D Safe G continued to receive information regarding the NHSPC inventory of DND/CF Health and Safety Workplace Committees across the country. VAdm Donaldson added that the inventory had been reported at the 26 April 2012 NHSPC meeting, and would be reported on again at the 15 June 2012 NHSPC meeting. Finally, VAdm Donaldson confirmed that the Term Sheet had been prepared and completed in consultation with the unions.

9. Mr. Maxwell requested that the actions flowing from paragraph 18, concerning the committee inventory, remain open because work was ongoing. Mr. Denault remarked that a comprehensive list had been provided, and that completion of the list was a “moving target”.

10. Mr. Fonberg advised that these actions could be reviewed following the next NHSPC meeting and would remain open.

11. Mr. Fonberg noted that the action related to paragraph 27, regarding the distribution of labour relations training available for managers, had been sent to the Unions. The item was closed.

12. Mr. Fonberg advised that actions on the apprenticeship program would be addressed during item 4 of the meeting.

13. Mr. Fonberg advised that the action related to paragraph 57, on the dissemination of government vessel information to the Guild, was completed.

### 3 April 2012 Special UMCC

14. Mr. Fonberg reviewed the action flowing from paragraph 47 of the 3 April 2012 Special UMCC. Mr. Fonberg confirmed that further information on the Government wide spending reviews would be provided during item 3 of the meeting’s agenda.

### **ITEM 3: UPDATE ON THE IMPLEMENTATION OF THE CHANGE AGENDA**

15. Mr. Fonberg invited VAdm Donaldson to present this topic. VAdm Donaldson introduced Mr. Peter Linkletter, Director General, Executive Coordination to present an update on the implementation of the change agenda.

16. Mr. Linkletter advised that implementation had commenced for the Strategic Review (SR) and the Deficit Reduction Action Plan (DRAP). He explained that for SR, there were 56 divestments, 16 which had civilian workforce reduction implications. He indicated the savings for fiscal year 2012/13 were \$525 M, and \$1B for fiscal year 2013/14. Mr. Linkletter also advised on the DRAP reduction initiatives, noting three which had civilian workforce reduction implications. He indicated the savings for fiscal years 2012/13, 2013/14 and 2014/15 as \$319M, \$692M, and \$1.1B respectively.

17. Mr. Linkletter’s presentation also provided updates on other change initiatives, specifically Shared Services Canada (SSC), Canadian Forces Transformation and Headquarters Rationalization, Primary Reserve Employment Capacity Study (PRECS), Force Capability Plan (FCP) / Multi Year Establishment Plan, Investment Plan, Future Defence Campus, and Canada First Defence Strategy – Reset (CFDS-R).

18. VAdm Donaldson remarked on the work which continued for the SSC transfer. He explained that SSC had determined that too many positions had been transferred, and some transfers were being reversed. VAdm Donaldson added that they were ensuring employees were minimally impacted by the change, as much as possible.

19. VAdm Donaldson advised that work continued on the amalgamation of the operational commands and noted that the focus of PRECS was not the civilian workforce.

20. Mr. Maxwell asked if lists of the employees transferred back to DND from SSC could be provided. He also remarked on the number of stewards PIPSC had lost as a result of the transfer. Ms. Binnington responded that DND was aware of the shifts and would follow up with him. **Action Item: ADM (HR-Civ) will follow up with the PIPSC and the other unions representing employees affected by the transfer.**

21. Mr. Denault requested copies of the presentation. VAdm Donaldson confirmed this could be provided. *Secretarial note: The presentation and details were distributed at the end of the meeting.*

22. Mr. MacLennan commented on the lack of clarity over employee representation at SSC and remarked that the Department (SSC) was still not in a position to consult. VAdm Donaldson responded that, as appropriate, the Department would remind SSC of this requirement, but noted that Defence does not have a structural role in SSC. Mr. MacLennan further remarked on the importance of representation, and cited health and safety as an example. VAdm Donaldson remarked on the importance that health and safety work continue until the SSC structure is established, and advised that health and safety issues could be raised with DND health and safety officers. Mr. Turner advised that he would raise the concerns identified when meeting with SSC.

23. Mr. Fonberg then invited Ms. Binnington to provide an update on the status of the civilian workforce. Ms. Binnington indicated that external hiring had ceased in January 2012, except in situations involving health and safety issues. She advised that on 31 March 2012, the Department had 26,682 full time equivalents (FTEs), and it had begun implementing workforce adjustment (WFA). She added that DND remained committed to continued employment, where possible, and that approximately 900 WFA situations had been identified. Ms. Binnington advised that 1,674 affected letters and 122 opting letters had been sent and commented on the care with which WFA was being rolled out. She noted that unions would be kept apprised of new WFA situations and administrative changes. She further advised that the majority of SERLOs were expected to be completed by October, and that a significant number of employees had volunteered for opting packages. She commented on the creation of the DND Alternation program. Ms. Binnington also indicated further detail on WFA, including the Alternation Program, would be provided during the upcoming National WFACC meeting on 8 June 2012.

24. Finally, Ms. Binnington noted that if new WFA situations arose, the Department would ensure unions were advised and were provided the list of names of potentially affected employees in accordance with the timeframes of the Workforce Adjustment Directive (WFAD) or applicable collective agreement.

25. A discussion followed where concerns on the Alternation program were raised. These concerns included awareness of the program, interdepartmental alternations, cooperation of human resources and managers, and the 120-day time limit, verification of the lists submitted to the bargaining agents, and cases where employees were on long term leave. Mr. MacLennan remarked on the stress and frustration of employees, and the increase use of sick leave.

26. Ms. Binnington requested that the unions advise human resources officers if they became aware of actions or situations where alternation was not being considered or implemented in accordance with the spirit and intent of the collective agreements and WFAD. She also confirmed that the Department was reviewing the WFA situations involving leave without pay on a case by case basis. Finally, Ms. Binnington confirmed that the Department's flexibility was limited to the commencement of the 120-period as a result of the WFAD and collective agreement provisions.

27. Mr. Brown asked when staffing delegation would return to Level 3. Mr. King responded that the Civilian Workforce Management Board (CWMB) had begun evaluating when staffing delegation could be returned to lower levels. He indicated that attrition rates would have to be evaluated over the summer. Mr. King advised that the Department did not want a staffing freeze for longer than necessary. Ms. Binnington remarked that while there was a freeze on the term roll overs apprentices could still be appointed to available positions.

28. Mr. Rogers remarked on the importance of growing the trades internally as the market demand for trades increased.

29. Mr. Isaacs remarked on the importance of an Alternation Program in meeting the attrition rate, and of raising awareness of the program. He also acknowledged the challenges of matching employees and across regions. Finally, he advised that ACFO had created an FI alternation program.

30. Mr. King remarked that reductions were planned over a three year period.

31. Mr. Denault reminded the Committee of the six percent equivalency for positions.

32. Mr. Rogers advised that while his group was a small affected area, the Navy and Army had managed the situation well. He expressed his appreciation of the consultation, the assistance of the Civilian Human Resources Service Center, and management's flexibility throughout the process.

#### **ITEM 4: APPRENTICESHIP PROGRAM UPDATE**

33. Mr. Ross provided an analysis on the impact of the shipbuilding contracts announced in October on the apprenticeship program. He noted that there may be little skill similarity between the shipbuilding and ship repair and maintenance activities. However, with shipbuilding there would surge requirement for specific trade skills which may result in breaks in employment once the building phase was complete. Mr. Ross also clarified that the National Shipbuilding Procurement Strategy (NSPS) had resulted in two umbrella agreements, not shipbuilding contracts. He remarked that the apprenticeship program would probably not be affected for two to three years.

34. Mr. Brown remarked on the high demand for trades' people across the country, and the predication that there would be further shortages. He cited a recent article in the *Globe and Mail*. He added that the apprentice program traditionally had a very high retention rate.

35. Mr. Rogers noted there were clear distinctions between shipbuilding and ship repair, and that shipbuilding in Canada still required a significant amount of development. Finally, Mr. Rogers advised that the increased demand for trades in British Columbia was not yet directly related to the shipbuilding program, but to multiple massive industrial projects in BC, as well as the oil sands in northern Alberta.

36. Mr. Fonberg remarked that if the wage gap became significant, individuals would move on. He noted the importance to assess the apprenticeship program in the future if retention rates decrease, and then assess what could be done to retain them.

#### **ITEM 5: LEVEL 1 UPDATES**

37. VCDS: VAdm Donaldson advised that the VCDS Group had identified 75% of the changes they were proposing in order to achieve their end state.

38. RCN: Cmdre Newton advised that the Navy had for the most part met its targeted FTE reduction target through the RCN staffing controls implemented almost two years ago. However, the task now has transitioned more to ensuring that the RCN has the right people in the right positions. It was highlighted that the next important step is for all levels of RCN business plans to clearly demonstrate their adjustment to the SR and DRAP changes against critical and priority work. The RCN is noting strong volunteer response for alternation and optimistically highlighted that one alternation case has occurred between ADM (S&T) and Fleet Maintenance Facility Cape Scott.

39. Mr. Denault asked about the staffing of a safety officer position. VAdm Donaldson advised that while the position could not be filled at this time, the work had been assigned elsewhere.

40. CA: LGen Devlin commented on the impacts of SR and DRAP on the Army, including their civilian employees. He advised that all was being done to treat employees fairly and in accordance with collective agreements, legislation, and they were working closely with ADM (HR-Civ) and managers across the country. LGen Devlin also indicated that a revised list had been sent to the union representatives on 30 May 2012.

41. LGen Devlin indicated that an extension to the National Maintenance Contract (NMC) had been requested. He explained that the extension request was tied to the rotation of the vehicle fleet and a lack of skilled labour.

42. Mr. MacLennan remarked on the need for a NMC during a time of cutbacks, noting other options the Army could explore. LGen Devlin responded that the Army would be work with ADM (Mat) to explore options.

43. Mr. Isaacs requested information on where the affected FI employees in Army were as he was aware of another department which may have placement opportunities.

44. RCAF: BGen Russell advised that the Air Force remained confident their current targets under SR and DRAP would likely be met without workforce adjustment.

45. ADM (Mat): Mr. Ross indicated that the Material Group would use natural attrition and workforce management controls to achieve their targets, and would avoid workforce adjustment measures when possible. He added that renewal activities would take time, and they would be aware in the fall whether workforce adjustment would be required.

46. ADM (Fin CS): Mr. Lindsey stated that their organization had no affected civilians, and confirmed their commitment to the alternation program.

47. ADM (IM): Mr. Turner advised that 228 civilian employees and approximately 30 military members had been transferred from IM Group to SSC. He indicated that from a DRAP perspective, they would continue to make efforts to manage through attrition and higher priority allocation. He indicated that if targets do not align ADM (IM) may explore further workforce adjustment in the fall.

48. ADM (HR-Civ): Ms. Binnington provided an update on the Service Delivery 2015 Vision, and the implementation of streamlined new processes: fast track staffing and low risk classification. She also noted that they were working with L1s on how human resources services were delivered across the organization to ensure the best use of the investments in human resources management.

49. CMP: RAdm Smith commented on the impact of SR and DRAP on his team, noting that the remainder of letters should be issued by the end of the month. He advised CMP was using attrition where possible to manage the reductions; however, there could be potential for further workforce adjustment in the fall if targets were not achieved.

50. ADM (IE): Mr. Stevenson advised that ADM (IE) was exploring centralizing real property management. He advised that, as appropriate, unions would be consulted on the process.

51. Mr. Stevenson also commented on the low attrition rate in ADM (IE) and that the group was reviewing how best to meet the targets.

52. Regarding CFHA, Mr. Stevenson advised that resources were being reviewed to ensure family housing support was as efficient as possible. Again, he committed to consulting with unions as appropriate.

53. Mr. MacLennan inquired further into the process of centralizing real property and remarked on the importance of consultation and not notification. Mr. Stevenson responded that they would meet with unions affected to ensure consultation throughout the process and appropriate notification would be provided. He added that there was no centralized model at this time, and work continued on centralizing real property.

54. ADM (S&T): Dr. Fortin indicated that DRDC had implemented a review process under which all groups, centers and activities were being reviewed. He commented on the major impact of SR and DRAP on the ADM (S&T) group, with 584 positions declared affected in April 2012. Dr. Fortin advised that they would continue working within the department and across departments to place employees and advised on the health and support measures implemented. Finally, he noted they would continue working with unions.

#### **ITEM 6: ROUND TABLE**

55. FGD TLC-E: Mr. Brown remarked on the value of the apprenticeship program.

56. Agriculture component: Mr. Murphy had no issues to raise.

57. CMSG: Mr. Boucher had no issues to raise.

58. CMCFA: Dr. Noël had no issues to raise.

59. UNDE: Mr. MacLennan had no issues to raise.

60. FGDCA: Mr. Denault acknowledged and thanked the Department for the good work done in respecting articles of the Chargehands collective agreement pertaining to technological change and consultation. He noted the value of consultation which provides to opportunity to give and receive feedback.

61. IBEW: Mr. Boulet had no issues to raise.



62. ACFO: Mr. Isaacs recognized Mr. Rod Monette for his contribution to finance in the public service and his lifetime achievement award.

63. PIPSC: Mr. Maxwell expressed his appreciation for the information provided, noting the review of efficiencies. He indicated that further information on the review of contractors would be appreciated so that unions could communicate the information with their members.

64. Mr. Fonberg responded that further work had to be done on contractor review. VAdm Donaldson indicated that contracting savings would occur over the next four years. He indicated there would be an assessment of the work performed, the cost of the work, and where reductions could be made. He also indicated that the Department would be reviewing contracts in the context of the current environment, including submission for reduction, realignment and business process reviews received.

#### **ITEM 7: NEXT MEETING AND CLOSING REMARKS**

65. Mr. Rogers reflected on the discussion on contractors heard during the meeting, noting that when workforce adjustment was occurring it was difficult for their members to have work contracted out. He remarked on the value the work remaining in-house. Mr. Rogers also reported on a recent meeting regarding the Employee Assistance Program (EAP) and indicated the importance of valuing people.

66. Mr. Fonberg commented on the stresses in the organization and the affects in the workplace. He remarked on the tone of the meeting, which demonstrated we all had the common and collective interest for our employees, and the union members.

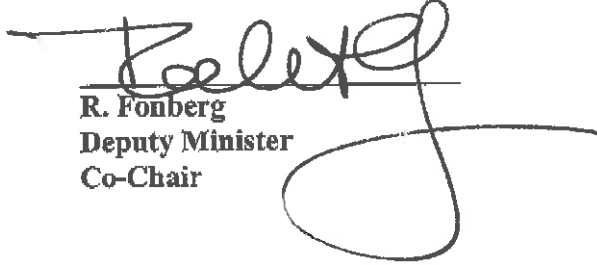
67. He remarked on the comments raised on contractors and the apprenticeship program. Mr. Fonberg indicated there was further work to be done on the review of contractors. Regarding the apprenticeship program, he noted the challenges ahead and advised that should the viability of the program arise, these challenges and modernization of the program would need to be assessed.

68. Mr. Fonberg also thanked Mr. Rogers for his leadership as Co-Chair.

*Secretarial Note: The next meeting will be held on 3 December 2012 and a meeting invitation will be sent out closer to the date.*


Approved by:

OCT 15 2012



A handwritten signature in black ink, appearing to read 'R. Fonberg', written over a horizontal line. A large, stylized flourish extends from the bottom of the signature.

**R. Fonberg**  
**Deputy Minister**  
**Co-Chair**



A handwritten signature in black ink, appearing to read 'D. Rogers', written over a horizontal line. The signature is more compact and stylized than the one on the left.

**D. Rogers**  
**President, FGD TLC-W**  
**Co-Chair**