

Union Management Consultation Committee (UMCC)

3 June 2013 1300hrs
Conference Room "B", 13ST
National Defence Headquarters, 101 Col By

Co-Chairs: Richard Fadden, Deputy Minister
Milt Isaacs, President, Association of the Canadian Financial Officers (ACFO)

Members: VAdm Bruce Donaldson, Vice Chief of the Defence Staff
VAdm Mark Norman, Commander Royal Canadian Navy
BGen Karl McQuillan, Representing Commander, Canadian Army
Col Russ Konyk, Representing Royal Canadian Air Force
Cynthia Binnington, Assistant Deputy Minister (Human Resources-Civilian)
Scott Stevenson, Assistant Deputy Minister, (Infrastructure and Environment)
John Turner, Assistant Deputy Minister (Materiel)
Len Bastien, Acting Assistant Deputy Minister (Information Management)
Mylène Ouellet, Representing Assistant Deputy Minister (Science and Technology)
MGen Bob Bertrand, Representing Assistant Deputy Minister (Finance and Corporate Services)
BGen Matthew Overton, Representing Chief of Military Personnel
John MacLennan, National President, Union of National Defence Employees (UNDE)
Glenn Maxwell, President, National Consultation Team, Professional Institute of the Public Service of the Canada (PIPSC)
Tom Denault, President, Federal Government Dockyard Chargehands Association (FGDCA)
Lorne Brown, President, Federal Government Dockyards Trades and Labour Council (East) (FGDTLC-E)
Des Rogers, President, Federal Government Dockyard Trades and Labour Council (West) (FGDTLC-W)
Mark Boucher, President, Canadian Merchant Service Guild (CMSG)
Jean-Marc Noël, President, Canadian Military College Faculty Association (CMCFA)
Bob Kingston, National President, Agriculture Union (PSAC)
Paul Cameron, Representing Business Manager, International Brotherhood of Electrical Workers (IBEW Local 2228)

ITEM 1: OPENING REMARKS

1. Mr. Fadden welcomed the participants and introduced himself. He welcomed Mr. Isaacs as the new co-chair and thanked Mr. Rogers for his time as the previous co-chair. Mr. Fadden encouraged everyone to keep open lines of communication. He commented that a variety of undertakings needed to be accomplished and expressed that DND cares about its people.
2. Mr. Fadden explained that the organization was going through significant changes, some of which the members had heard about in the past and some of which they would hear more about today which included implications and impacts of the budget decisions in addition to the major restructuring in a number of areas. Mr. Fadden stated that the budget reductions would result in FTE reductions in addition to the changes that were resulting from new priorities.
3. Mr. Isaacs expressed his appreciation for being nominated as the co-chair acknowledged that it was Mr. Denault's last meeting and he thanked Mr. Rogers for being the previous co-chair. He expressed his confidence in the committee and stated that he felt that freedom of speech was the essence of why labour and management work well together within DND.

ITEM 2: ACCEPTANCE OF PREVIOUS MINUTES / ACCEPTANCE OF AGENDA

4. Mr. Isaacs requested the Committee's acceptance of the minutes of the 3 December 2012 UMCC meeting. The December minutes were accepted.
5. The agenda was accepted by the Committee members.

ITEM 2 (continued): PREVIOUS BUSINESS

6. Mr. Fadden advised that the only action item was the need for a follow-up on the Defence Renewal Team (DRT) which he advised was the next item on the agenda.

ITEM 3: BRIEFING ON THE DEFENCE RENEWAL TEAM

7. Mr. Fadden introduced Mr. Lindsey and RAdm Smith, co-leads of the DRT, to present the item.
8. Mr. Lindsey stated that he and RAdm Smith would share the time presenting to the group. Mr. Lindsey explained that the DRT had been stood up last summer and its goal was to pursue and capitalize on ideas to find better, more effective and efficient ways to do our work. The DRT was not an exercise to find reductions but was about using those ideas to achieve savings for internal re-investment on priorities

9. Mr. Lindsey remarked that since the initiation of the DRT, there had been 12 Townhalls across the country that communicated the vision and initiatives. He explained that after each presentation, the team always provided a way for employees to provide feedback in person the same day or afterward through e-mail. Mr. Lindsey reiterated that the goal was to do business smarter and reinvest in operational capabilities and readiness.

10. Mr. Lindsey expressed the need for military and civilians to be engaged. He noted that individuals at all levels had felt free to speak and be candid, if not in a meeting by another avenue.

11. RAdm Smith described some examples of possible initiatives, such as CAT operational training and the use of virtual simulation, management of spare parts, fuel and ammunition and building maintenance as DND was the largest landlord in the country. He also commented on the great Union representation at the townhall meetings.

12. RAdm Smith expressed his desire for management and labour to work together to increase the department's flexibility. He explained that the Renewal Charter and Plan would be finalized in June and rolled out in July.

13. Mr. Fadden explained that the DRT file was the one that had been the focus of much of his attention since joining the Department. Finding savings internally was the only means to fund the enhancements and the improvements to the Defence Team of the future. He explained that it is important that everyone support it. Mr. Fadden also discussed that the work of the DRT was also in culture change.

14. Mr. MacLennan noted that people now felt good that business cases that had been put forward would now be reviewed. He asked if and where savings would be found using outside agencies and contracting out. He stated the importance was to free up SWE so that more people can be hired. Mr. Lindsey thanked Mr. MacLennan for the recognition. However Mr. Lindsey explained that see this is not an outsourcing exercise but rather an efficiencies one. Mr. MacLennan wanted to know how Unions could present their members' proposals. Mr. Lindsey replied that he would be happy to receive the Union proposals directly.

15. Ms. Binnington explained that progress on achieving the reductions but we need to continue meet the required overall size by 2015. She explained that the apprentices are no longer part of the controlled hiring, and that students and casuals could be hired.

16. VAdm Donaldson explained that everyone would need to live within the assigned FTE count and that DND needed to focus on putting the right people in the right jobs. He expressed the view that outsourcing might be helpful in some cases. He also remarked that DND would need management tools and foresight to move forward and be successful.

17. Mr. Brown stated that his comments were positive as he had participated in the first Townhall and that employees had expressed their appreciation for the openness and the ability to get and give feedback. Mr. Brown invited Mr. Lindsey and RAdm Smith to expand on the implementation plan as they had at the Townhalls as it provided further insight.

18. RAdm Smith explained that the DRT was a continuous improvement program and needed to be set up to track improvement. He stated that it was important for the members of the department to see what the efficiencies were and what needed to be implemented, specifically that the focus is on a cultural change and not a business change.

19. Mr. Fadden summarized by saying that everyone needed to work together on this initiative. He stated that the DRT was seeking ideas and not expecting fully thought out business cases. Employees, managers and unions could provide suggestions and they would be reviewed by the DRT and senior leaders.

ITEM 4: CANADIAN ARMY RESTRUCTURING

20. Mr. Fadden asked BGen McQuillan to provide an overview of the Army Restructuring.

21. BGen McQuillan explained that the restructuring was based on the SQFT functional model and was more efficient as it would maintain a high level of institutional support within the context of resource limitations. He explained there would be more four major bases in this model with the move of the headquarters.

22. BGen McQuillan further explained that with the rebalancing of the areas, it would address both Strategic Review and Reserve employment requirements. He stated that the new model would reduce the Army FTE's by 11 and additional reductions would need DM approval. He explained there may be some WFA due to change in work locations at all levels.

23. Mr. MacLennan commented the fact that the Unions were seeing each part of the country unfold but at different times.

24. Mr. Kingston asked if the issue was between money and FTE numbers.

25. Mr. Fadden explained that the government's aim was to achieve a reduction in both areas. He stated that internally reductions would be managed and decisions based on the best business sense.

ITEM 5: INFRASTRUCTURE AND ENVIRONMENT TRANSFORMATION

26. Mr. Stevenson introduced LCol Henley, Chief of Staff, Real Property Operations Group, to provide an update on Infrastructure and Environment Transformation.

27. LCol Henley stated that he had met with Bargaining Agent representatives a number of times to keep them apprised of the process of the transformation. He explained that ADM (IE) deals with nine Level 1s that have property management responsibilities.

28. LCol Henley introduced the concept and first steps of the Transformation noting that the IE business model would transition from the current nine custodian business model to a single portfolio manager with four custodians by 31 July 2014 as initial operating capability. He elaborated to say there would also be a single custodian, single portfolio manager as full operating capability. He also stated that a planning team would be established to design the governance model required to manage the revised portfolios.

29. LCol Henley explained that the next steps would be to develop the Master Implementation Plan for changes to the IE Business Model, initiate the Inter-capability component transfer processes, develop and implement a Communication Strategy, and develop and implement the associated HR Strategies.

30. LCol Henley explained that senior ADM (IE) representatives had gone across the country to explain the new plan and also to initiate dialogue with the local Construction Engineering community and Base-level leadership. He stated that one of the drivers on centralizing Real Property Management was Budget 2013/DRAP.

31. Mr. MacLennan noted that savings were not evident or proven. He argued that savings were not achieved by centralization, rather centralization led to contracting out which would lead to increased costs. He questioned if the rank of Base Commanders would be negatively impacted. Mr. Stevenson explained that it would have a neutral effect.

32. Mr. Stevenson explained the main reason for centralization would be to give DND the ability to manage its real property more effectively and efficiently.

33. Mr. Stevenson stated he intended to keep the dialogue with the bargaining agents open and wanted the IE Transformation consultation forum to be the place for open and frank discussion.

34. Mr. Kingston asked what the effect of centralization would be on positions. Mr. Stevenson explained that the IE Transformation does not have a target for reducing positions. Mr. Fadden asked if the authority at the local level would change if they needed to act on something for their area, such as changes to the property. Mr. Stevenson responded that the delegated authorities at the Base-level would not be directly affected by the transformation.

ITEM 6: LEVEL 1 UPDATES

35. Mr. Fadden asked all the L1's and Commanders to provide an update on their area.
36. ADM (IE): Mr. Stevenson advised that the IE group had been talking locally with the Union representatives had been working with Human Resources to create a new internal organizational chart and to work on integration strategies for the end of August.
37. ADM (Fin CS): MGen Bertrand indicated the ADM (Fin CS) group was growing and their business process review was taking place. He advised that ADM (Fin CS) group supported alternations.
38. CA: BGen McQuillan stated the Army had reached its FTE targets for SR and DRAP.
39. VCDS: VAdm Donaldson reported that 90% of the positions to be reduced to date have been reconciled and that he was comfortable with the civilian reductions. He mentioned that his area would continue to look for efficiencies through shared services.
40. VAdm Donaldson expressed that he was optimistic about the campus fit up for the NCR.
41. VAdm Donaldson explained that the training mission for Afghanistan would be finished at the end of March next year.
42. Finally VAdm Donaldson thanked all the members for creating a collaborative environment where both management and unions were able to present issues and discuss them. He advised that this would be his last meeting as VCDS.
43. ADM (Mat): Mr. Turner advised that the ADM (Mat) reduction target was 373 and the group had already reduced by 172 FTE's. He explained that the group was focusing on realignment and targeted workforce adjustment remained a possibility.
44. ADM (IM): Mr. Bastien reported that there 105 affected notices had been rescinded after 32 positions were successfully reduced through attrition. He also explained that there were 10 alternations that had been supported throughout DND and across government. Mr. Bastien elaborated to say he did not anticipate any further needs for reductions.
45. Mr. Bastien noted that 550 people had moved to SSC with 250 from the IM group and that he was working with HR-Civ on this initiative.
46. RCAF: Col Konyk explained that the majority of the rest of the reductions for the RCAF would be done through attrition, but that if required, affected individuals would be notified in accordance with the collective agreements.

47. RCN: VAdm Norman advised that through workforce management the Navy was ahead of its targets. He reported that the Navy had reduced by 130 people beyond where it would like to be and had an imbalance that needed to be addressed. There is currently flexibility to hire approximately 80 new people. VAdm Norman also observed that alternation had been working well. He also spoke to the fact that the Navy is always considering hiring for the apprenticeship program.

48. ADM (HR-Civ): Ms. Binnington mentioned the TBS announcement on performance management which would take affect on 1st April 2014. The focus is to ensure that employees understood their goals. She explained the form for performance management would be standardized across government and that managers would be required to complete the mandatory training.

49. Ms. Binnington advised that the UMCC HR Sub and WFACC meetings would be at the end of the week. She outlined the agenda for both meetings.

50. CMP: BGen Overton remarked that it had been a difficult year for everyone and he appreciated the input from the bargaining agents at both the National and Local levels. He stated that CMP had achieved 89% of its reduction goal for 2014 to 2015 but there was still a need for realignment.

51. ADM (S&T): Ms. Ouellet advised that S&T would reach its reductions of 242 positions by end of the 1st quarter and now need to look into reinvesting. She stated the Group was going through major transformation and changes to the governance. Ms. Ouellet explained the S&T transformation which included the integrating Corporate Services.

ITEM 7: ROUND TABLE

52. FGDTLC-E: Mr. Brown mentioned that the Apprentice Operational Development Program (AODP) working group had national consultation about the apprenticeship program. He mentioned that there was a need to offset the SWE costs to keep the apprentices. He explained that it was increasingly difficult to recruit people into the trades. Ms. Binnington explained that the final report on AODP just came out so the managers within the department would need to review it before deciding next steps.

53. Agriculture component: Mr. Kingston discussed the issue of casual staffing at Saint-Jean. He asked that this be discussed at the UMCC HR Sub or WFACC meetings. Mr. Kingston expressed his disapproval of the new performance management initiative as he stated that this gave the appearance that no one in the department had ever received an appraisal.

54. PIPSC: Mr. Maxwell expressed his concerns relating to the EAP program and the issue that terms could not be rolled over.

55. CMCFA: Mr. Noël had no issues to raise.

56. UNDE: Mr. MacLennan expressed his concern that 55 Term employees employed at 7 CFSD will not be renewed beyond August 2013 who were hired to support the Return of Stores from Afghanistan. The work is not scheduled to be finished before the spring 2014. UNDE is requesting funding to be found to keep these workers employed so they may continue supporting the mission from Afghanistan and not place any extra stress on the existing workers. Mr. Turner expressed that there was no funding to keep them on. VAdm Donald said that this would be looked into. *Action Item: VCDS to review the need for and the funding of term Storepersons.*

57. Mr. MacLennan announced that due to the current climate PSAC/UNDE members were not being encouraged to participate in the National Public Service Week events.

58. Mr. MacLennan wished the minutes to reflect the issue regarding the transmission of sensitive information in an unsecure manner, such as letters of affected status or information regarding affected individuals. Mr. MacLennan reiterated the importance of following proper procedures when transmitting WFA information to Bargaining Agents. Ms. Binnington assured the members that the HR community is very sensitive to the state of mind of those that have been affected by workforce adjustment and they take every opportunity to ensure confidentiality in these matters.

59. IBEW: Mr. Cameron had no issues to raise.

60. FGDCA: Mr. Denault noted that the outside influences such as the TBS and PWGSC's new processes and directives were having an affect on the morale of the department and impact employees. He stated that it had been difficult for people to be happy with these changes.

61. Mr. Fadden explained that the initiatives announced by TBS needed to be implemented. He advised that the department does provide feedback and input when these initiatives are being put forward. He stated the key was to remind people why we were here and do what we could to create a great work environment.

62. FGDTLC-W: Mr. Rogers remarked that he was pleased that the AODP was being reviewed. He noted that it was important to look closer at EAP at the UMCC HR-Sub meeting as many of his members were concerned about the EAP program as they felt it had been neglected. He wished both Mr. Denault and VAdm Donaldson a great retirement and thanked them for their contributions.

63. CMSG: Mr. Boucher stated that the TBS issue on Performance Management had been discussed so he had nothing further to add on the issue and he looked forward to Ms. Binnington's role out of the program. He congratulated Mr. Denault and VAdm Donaldson on their retirement.

ITEM 7: NEXT MEETING AND CLOSING REMARKS

64. Mr. Isaacs wished VAdm Donaldson all the best and expressed his appreciation for his time at the table. He spoke to the EAP program and the fact that Unions had worked hard for the EAP program upon its creation.

65. Mr. Isaacs explained that employees were talking about how to do things smarter but they were hoping that did not mean contracting out the work. He stated that employees were committed to the defence program. He finished by thanking everyone for their patience for his first meeting as co-chair.

66. Mr. Fadden asked Ms. Binnington to ensure the minutes formally reflected the appreciation of the Committee for the contribution of both Mr. Denault and VAdm Donaldson.

67. Mr. Fadden observed that the department was going through difficult times and understood the Unions' frustration. He stated that it was important to resolve issues through dialogue so that we could do our best in the current environment. He explained that both the department and Unions have done the best they can in the current environment.

68. Mr. Fadden advised that the next meeting would be held on the 2 December 2013 and he looked forward to speaking with everyone again.

Approved by:



R.B. Fadden
Deputy Minister
Co-Chair



M. Isaacs
President, ACFO
Co-Chair