

RECORD OF DECISIONS

**NATIONAL LABOUR-MANAGEMENT CONSULTATION COMMITTEE
(NLMCC)
VETERANS AFFAIRS CANADA (VAC)
and
THE UNION OF VETERANS AFFAIRS' EMPLOYEES (UVAE)**

Wednesday, April 17, 2013

Chairperson:

Yvan Thauvette
UVAE National President

In attendance:

UVAE

Kim Coles
Debi Buell
Edie Boyles
Michelle Bradley
Daniel Allard
Jayne Auranen
Bonnie Heidt
Pat Mason
Ray Bailey
Anne Howard
Benoit Frigon
Paul Shortt

Management:

Mary Chaput
Anne-Marie Smart
John Larlee
Keith Hillier
Lieutenant-General Walter Semianiw
Don Love
Krista Locke
Charlotte Bastien
Rachel Gravel
David Robinson
Deborah Bethell

1. Welcoming Remarks

The Chairperson, Y. Thauvette, opened the meeting by welcoming new people at the table.

In his opening remarks, Y. Thauvette recognized that the changes over the last year have been difficult for both employees and managers; however, he felt that some managers don't seem to understand the impact and the toll the last year has taken on employees, both those who have been affected, as well as those who remain behind. He informed management that employees are not feeling supported, and despite the love of the work, are looking for jobs elsewhere.

He further stated that the Department's assertion that client services are not affected by these workforce reductions is untrue, and that both the Service Canada partnership and Medavie Blue Cross contracts are prime examples of how we have traded a 'cadillac service' for a lower level of service.

The DM, in her opening remarks, acknowledged Y. Thauvette's comments with respect to impacts on employees over the last year and assured him that she understood that, for every individual in the workforce, what has transpired or is transpiring is a unique and different experience for each. She further stated that the challenges over the past year have been somewhat untraditional, and the next year will stress/test us in much the same way. Technological advancements will change the way we do work.

The DM then acknowledged the union for their assistance over the past year with respect to the downsizing exercise and formally recognized them as fair and strategic partners.

The Chair, VRAB, in his opening remarks stated that he was pleased to be included in these meetings as they are an excellent opportunity to share information. He reported that his staff, 78 of which are UVAE members, are all located in Charlottetown and that this facilitates management's good, open relationship with all staff, including the Local President and NVP.

In his closing remarks, Y. Thauvette asked that management consider morale in the workplace and what improvements can be made when implementing the next round of workforce reductions.

2. Approval of Minutes and Review of Follow-up Items from Sept 18, 2012

Minutes approved with no changes.

Action Item: ADM SD to follow-up with union on when the business process for the VIP Grants will be provided to the NCCN staff.

3. Branch Updates

a) Corporate Services and Human Resources

The ADM, CS and HR Branch shared the following update:

- Two significant projects have been added to the regular business - the procurement of the Federal Health Claims Processing Service contract and the transfer of Ste. Anne's Hospital.
- The Public Service Employee Survey (PSES) action plan, which addresses, for the most part, internal communications, was distributed to employees in March. The action plan was developed by a working group of representatives from across the branch.

The union asked for confirmation from management that the new regional structure and reporting relationships have been/would be communicated to staff. Management confirmed the information was communicated to all staff. The union also inquired as to when the switch from WordPerfect to Microsoft Word would be implemented.

Action Item: ADM CS & HR to provide the WordPerfect to Microsoft Word implementation schedule to K. Coles.

The DM, at this point, asked that the ADM PCC take a moment as the PSES champion, to explain the PSES Action Plan. He explained that:

- A working group was established to develop an action plan.
- The plan received a good grade from TBS as well as employees.
- The implementation plan is an ongoing effort and includes such things as town hall meetings, ad hoc meetings with the DM at different locations.

Action Item: ADM PCC to share PSES action plan with the union.

The union asked what the impact of VAC staff transferred to Shared Services Canada had on our own reduction numbers. The DG, HR explained that with the transfer of these staff, our reduction obligation was reduced by 20 FTEs.

b) Service Delivery

The ADM SD shared the following update:

- There are organizational changes and restructuring taking place within the branch. The number of DGs in the field has been reduced to one. The position, DG, Field Operations, is held by Charlotte Bastien. Nancy McRae, DG COD, will be retiring on June 21, 2013. There will be a

process to fill that position. Brigadier General Hilary Jaegar has retired and a replacement is being sought. There is work being done in Program Delivery to reduce the number of EXs there. Raymond Lalonde will continue on as Director of the OSI National Network.

- Management remains committed to working with CSAs to resolve issues. A joint team has been set up to review business processes and the workload allocation tool is progressing and remains a priority, with an expected completion date of June 30, 2013.
- "My VAC" account is another priority. The Department has seen a good uptake to date, with close to 6,000 clients taking advantage of the technology. The goal is 60,000.
- Building on the success of the hearing loss program, the disability benefits process re-engineering program continues to be a priority.
- As a result of the Ombudsman's report, an action plan has been developed and implemented which includes Disability Adjudicators contacting clients directly to obtain required application information.
- Letters continue to be generated through Canada Post. This move will provide Veterans with the choice of receiving information in paper format or electronic format via e-post.
- Service levels, both internal and with contractors, will continue to be monitored.

The union commented that, with the centralized mail approach, it seems that it is taking longer for clients to receive letters.

Management explained that there is a learning curve with the centralized mail approach but that the Department is working through it.

Action Item: DG Field Operations to confirm Canada Post mail-out times.

Action Item: DG Field Operations to sit down with the union to provide details before and after comparisons re: Centralized Mail operations.

The union asked if there were changes made to eligibility with respect to funeral and burial funds. The ADM PCC explained that the eligibility criteria have not changed; however, there is now more flexibility around how that money can be used.

c) Policy, Communications and Commemoration

The ADM PCC shared the following update:

- Derek Sullivan, DG, Canada Remembers (CR), has retired and a process is underway to fill that position.
- There are currently two main projects ongoing in CR, the first being the Korean Veteran; the second, the first and second World Wars. These

- projects will occur between 2014 and 2020 and will include events across the country.
- On the policy side of the house, the review of all policies continues, with a focus on plain language and cutting red tape. It is anticipated that these revised policies will be online in the very near future.
 - The DG, Communications is currently on assignment to TBS. A process is underway to find a replacement. It was confirmed that the position will reside in Charlottetown.
 - The ADM PCC will remain in uniform until the summer of 2014.

d) Veterans Review and Appeal Board

The Chair, VRAB shared the following update:

- VRAB continues to be busy, with an especially heavy workload this quarter. Accomplishments are largely due to the commitment and dedication of the staff.
- VRAB has seen another significant improvement in its performance against its service standards since the last fiscal year thanks to the commitment of everyone involved in the VRAB redress process. 87% of reviews and 89% of appeals were issued within six weeks of the hearing, a 6% and 4% increase respectively over last year.
- A new standard will be introduced this year to have cases finalized within 16 weeks of the applicant scheduling his/her hearing.
- The decision writing improvement initiative has been implemented. It ensures that decisions are written in plain language and have clear reasons for the decision result.
- The standing committee on Veterans Affairs issued a report in December on VRAB and the Government response was tabled on Monday. VRAB has a significant number of initiatives underway to respond to the recommendations and further improve upon its client service.
- The Business Process Redesign project continues to move forward.
- New VRAB mission, vision and values statements will be published shortly. These were developed with the input of staff and members.
- A lot of work in outreach to stakeholders as well as communications and information exchanges with staff is currently being conducted.
- An exit survey was implemented earlier this month to obtain feedback from Veterans on how they felt about their hearing experience.
- An organization structure and resource allocation review is currently underway to identify if changes are required to respond to the many changes (e.g., becoming a department, technology and changes to the workload).

The union asked who is responsible for completing Veteran surveys. The Chair advised that the exit survey is being administered by the Core Commissionaires that are contracted with VRAB at the hearing site. In the past, the results of the

surveys were directly influenced by the results of the hearing. The new approach should yield more accurate results since the questionnaire is responded to immediately following the event and prior to the receipt of the decision.

4. VRAB Updates

a) Business Process Redesign

It is expected that several pilots will be completed at the end of the month followed by a meeting of the steering committee and confirmation on the next priorities for the project.

b) Budget 2012

- The VRAB 2013-14 budget was not decreased, and any increases were as a result of funds received for collective bargaining or other statutory items.
- The opening budget for 2013-14 was about \$9,995,067, with \$8,975,067 assigned to personnel and the remaining \$1,020,000 assigned to operating costs.
- The 'carry forward' estimate from 2012-13 in to 2013-14 is \$426,462. This is a result of saving measures on discretionary items such as travel, members not being reappointed as anticipated and other forecast expenditures that did not occur as planned.
- The Board always tries to carry forward due to the uncertainties around member appointments.

Action Item: Chair, VRAB to provide budget to Y. Thauvette.

c) Current and Future Staff Reductions

- While there were no specific items in Budget 2012 for VRAB, it is reviewing its resource allocations and organizational structure to ensure it has the right skills, in the right places as well as the right amount of resources to effectively deal with the work.
- VRAB continues to use attrition where possible to deal with any needed reductions, but recognizes there may be situations where it will need to apply the Work Force Adjustment Directive. Employees are aware.
- As positions become vacant due to attrition, a review will be undertaken to assess whether the position should be staffed.

d) Budget 2013

- There were no specific items in the budget for VRAB; however, like all organizations in the federal government, it will be working on government-wide initiatives, be it reductions in travel, greater use of video

conferencing and other government initiatives underway such as Shared Services Canada, etc.

5. Transformation

The DG, Transformation provided the following update:

- The first two years of transformation focussed on individual projects and strengthening project management and governance, both of which have resulted in significant departmental change.
- As the Department enters year 3, Transformation is no longer just 'a plan' - employees are now seeing their work and workplaces changing.
- An analysis of progress, measured against original commitments, yields the following:
 - As of April 1, 2103, 52% of Transformation deliverables have been completed.
 - It is now time to shift from individual projects to outcomes, results and performance of the integrated package of projects.
 - There is a need to strengthen internal communications.

The DM further explained that there is a Project Management Committee, with representation from each area, chaired by C. Stewart, that oversees each and every project. In the course of this year, this committee took those projects that fell within transformation and added the projects that came out of budget 2012. This resulted in a total of 33 projects, which have now been combined into one agenda. The committee reports to the Transformation Steering Committee, who then makes various decisions as required. Two Treasury Board Secretariat representatives form part of this committee as well.

With respect to the budget, every project is slightly different. There has been some slippage; however, it is not significant. Once a project is completed, it becomes part of the core business. Fact sheets are produced on the VAC Today website and are available for many of the Transformation projects.

Action Item: DG Transformation to provide union with a list of closed transformation projects.

The union sought clarification on the following Transformation projects:

Mobile Technology Project

The union requested an update on the mobile technology project, how this will impact help desk jobs, and whether or not telework will be an option available to staff.

Management explained that the mobile technology pilot project is coming to a close and that the technology, which consists of ultra-thin laptops, will be rolled out initially to all Case Managers and potentially Client Service Agents conducting transition interviews. The technology will provide employees with the opportunity to assist clients in setting up a "My VAC" account. With respect to help desk jobs, given that this new technology is cheaper to replace than it is to support, these employees may take on a different role in the future.

The subject of telework was deferred.

ICE System and First Contact Resolution (FCR)

In response to issues and concerns raised by the union regarding the ICE System and First Contact Resolution (FCR), management provided the following:

- ICE System is the technology that is currently being used in approximately 16 offices.
- While the FCR pilot project is complete, there has been no decision made at this time to roll it out to the rest of the country. Recommendations will be put forward to the ADM SD followed by Senior Management Committee (SMC).
- Issues that have been identified are being addressed.
- A joint working group has been established. Any issues identified should be brought forward to either the CSTM or AD, so that they can be raised with the working group and addressed.
- ICE System training was scheduled for a ½ day.
- Service Canada (SC) operates on the ICE System but do not have access to our ICE System, nor are there any plans to provide SC with access to our ICE System as SC employees have no authority to make decisions.
- The last client satisfaction survey was completed in 2010 and there are no plans to conduct another one at this time as the Department is looking to other indicators to assess client satisfaction (i.e., number of appeals, calls, file review, etc.).

Action Item: DG Field Operations to confirm duration of ICE System training in Regional and District Offices.

Action Item: ADM SD to provide cost for Service Canada contract, including start-up and training.

6. Departmental Budget Update

The ADM, CS and HR provided the following update on the departmental budget:

- The Department's third quarterly report for 2012-13 was published March 1, 2013.

- A departmental HR/Finance committee, chaired by DM, exists to review all staffing transactions.
- During the year, the Department received a bit of additional money, mostly related to NVC program.
- As the Department moves forward, the opening budget for 2013-14 was about 2% larger, again, mostly related to an increase in demand for NVC programs.
- The Department continues to implement Budget 2012 measures to achieve the proposed savings.

Action Item: ADM CS & HR to provide union with the Corporate Performance Report (where each branch stands with respect to budget).

7. Current and Future Staff Reductions

The DG, HR provided the following report on current and future staff reductions:

- The majority of discussions around current and future staff reductions take place at the Joint Workforce Adjustment (WFA) Committee meetings which are held every two weeks.
- To date, the Department has realized approximately 247 reductions out of the 784 required.
- Reductions from this point forward can come from a variety of sources, including attrition and natural departures.
- The Department is also looking into the status of casual, term and student employee population.
- Once the Department's analysis is completed, it will be in a better position to identify where it needs to pursue WFA departures.
- The Alternation Program is another process that the Department will use to mitigate the impacts felt by employees. The key to this program's success is for those people interested in leaving to step up and say so.
- The feedback that the Department has received from the WFA committee has been invaluable and has allowed it to create a very strong Alternation Program. The union has been invaluable in the success of this program and it is an example of a good relationship and success story on cooperation.
- Relocation requests by employees are also being considered and approved.
- Pension waivers are available to those who qualify.
- The union will be informed when the next wave of reductions will occur.
- Management will continue to work with the union to match alternations.
- With regards to Ste. Anne's Hospital, assuming the transfer is successfully negotiated, the Department would work with the Centre to absolve it of any reductions associated with Ste. Anne's Hospital.

8. Budget 2013

The ADM, CS & HR reported that Budget 2013:

- Resulted in an increase to the Department's Funeral and Burial program, from \$3600 to \$7376 per funeral.
- Includes a \$5 million contribution to help fund the construction of a permanent Visitor Centre at the Canadian National Vimy Memorial in France.
- Confirmed total investments of \$1.9 billion over seven years related to the calculation of the Service Income Security Insurance Plan (SISIP) Long-Term Disability, the Earnings Loss benefit and the Canadian Forces Income Support benefit.
- Decision not to offset disability pensions will also result in an increase to the Departmental budget.

9. Ste Anne's Hospital

The ADM, CS & HR, as the new responsible ADM for the Ste. Anne's Hospital (SAH) transfer, provided the following update:

- Negotiations are ongoing and while progress continues to be made, they are not final. Current discussions are very focussed around the corporate side of things, which explains the transfer of the file from the ADM PCC to the ADM CS & HR.
- R. Gravel remains the Executive Director at SAH, managing the day-to-day operations as well as ensuring that employees receive the support they need during this challenging time.
- The September 30, 2013 transfer date continues to be the target date for the transfer.
- R. Gravel is working very openly and transparently with all stakeholders, keeping patient care as a primary goal in mind.
- The WFA-ADI committee recently received the roadmap for information sessions. While these information sessions may be more general at the beginning, they will become more specific with time.
- Management acknowledged the union's demand and appetite for more information, and thanked Y. Thauvette and his team for their support to date.

The union raised the following concerns with respect to the transfer:

- Employees need to know, sooner rather than later, what their situation will be with the transfer, particularly as it relates to salary impacts.

- Employees are finding it difficult to cope as they were promised that they would be consulted and kept informed; however, the last information they received was in December 2012.
- Without information, there is a risk that the Hospital will lose its expertise.
- The stress and anxiety have extended beyond employees to families of Veterans.
- Employees continue to provide the best possible care and their professionalism remains impeccable, despite low morale.
- There is less than six months before the transfer. Commitments regarding the provision of information have not been respected.

Management, in response to these concerns, noted the following:

- It appreciates and values the level of professionalism and dedication of teams at Ste Anne's Hospital, particularly given the difficulties they face day after day. It was also noted that the Minister is of the same sentiment.
- Management is negotiating as strategically as possible for employees, as whatever conditions are in place after the transfer will have an impact on the continuing success of the Hospital.
- Neither the Minister, the DM nor the Department have any misconceptions about its ongoing responsibilities to negotiate appropriate working conditions.
- It is further recognized that the performance at the Hospital before the transfer has been stellar and this same level of performance needs to continue following the transfer.
- Management recognizes the union's position with respect to demonstrations and appreciates that those demonstrations to date have been organized in a respectful manner.

10. FHCPS

The ADM, CS & HR provided the following update on the FHCPS Contract:

- The FHCPS Contract will expire in July 2015.
- The final Request for Proposals (RFP) was posted on MERX in January 2013.
- The posting period for the RFP is scheduled to close on April 30, 2013 and the evaluation of submitted bids will take place over the summer.
- The outcome of the procurement process will be finalized by the end of 2013.
- PWGSC will be engaged throughout the entire process.
- The Department is looking for a model that reflects existing standards in the industry as opposed to a highly customized approach.

11. Medavie Blue Cross

The union advised that Medavie statistics provided to them recently conflicts with their data and requested an explanation. They further requested clarification on the criteria used in calculating the numbers.

The ADM, SD provided the following:

- Medavie is required to provide the same grade of service as that of the Department, which is a 90% response rate and 80% grade of service.
- Medavie is currently meeting these requirements.
- The turn-around time for VIP annual follow-ups is ten days.
- The average turn-around time for Health-Related Travel (HRT) is 13 days.
- When the work was transferred to Medavie, the backlog was transferred as well. Of the work currently being processed by Medavie, 240 pieces are considered 'backlog'. 5,451 follow-ups were processed in February and fewer than 10% were referred back to an area office.
- An internal, independent audit was conducted and confirmed that the numbers were accurate. These audits are conducted every two years and the reports are made public.

Due to the discrepancies, management is committed to organizing a small team to identify and resolve the issues.

Action Item: ADM SD to establish a committee to review and resolve Medavie Blue Cross issues/discrepancies.

12. Workload Management in District Offices

The union advised that they are receiving a number of calls with regards to compressed work schedules, telework, and flex hours no longer being approved, and those currently in place, being removed. They indicated that employees are threatening to file grievances in order to get managers to recognize and appreciate work-life balance.

ADM SD responded that issue of telework was recently reviewed, particularly in those locations where it is expected that employees be at the workplace the majority of their time due to the type of work that they do. In some offices, for example, there were more teleworkers than there were people in the office. The DM further explained that many of these people are working with very personal information that is required to be secured.

Area Directors were also asked to review flexible work hours in their offices as the current situation was not providing the best level of client service. Management confirmed that telework is not an option at this time for anyone delivering direct client service.

The union raised concerns that the commitment to telework is moving in the opposite direction and requested that it be looked at on a case-by-case basis with consideration given to work-life balance. Management agreed that it would revisit the issue in the future.

The union also raised concerns with respect to the CSA workload. The ADM SD advised that work is being transferred and/or absorbed by additional resources and, in some offices, additional resources may be required. He further stated that the CSA workload tool is a priority. Further to that, he stated that standard business processes need to be followed in order to ensure consistency across offices.

The union requested an update on the Charlottetown District Office closure and the new Access Centre. Management confirmed that no District Offices will close before late 2013 and that the Access Centre will be in place prior to the Charlottetown District Office closing. The Access Centre will provide general information only. The union noted that this is contrary to the announcement made by the Minister and that it understood that the Access Centre would provide the same level of service as the District Office currently provides, including case management.

Management also confirmed that there are currently 12 area offices that report to the DG, Field Operations, and there are no plans to reduce that number to 5 by 2015-16.

13. Other Items

a) Yvan Thauvette advised that he has, and will continue to, visit offices across the country. His next stop will be at the Regional Office/District Office in Vancouver, followed by the District Office in Victoria. The purpose of the visits are:

- To speak to members about morale and to discuss possible improvements to the workplace.
- To provide members with information about Bill C377.
- To provide members with information about a bill introduced at the House of Commons to abolish the Rand Formula.
- To discuss with members information related to sick leave and disability insurance in the federal public service in response to recent media attention.

b) The ADM SD advised that he and the Associate DM will be visiting Pembroke on April 22, 2013. He further announced that Krista Locke, A/DG, Field Operations would soon be moving onto other challenges and thanked her for her contribution to the committee as well as to the Department and its clients.

c) The union requested that the ADM SD and DM visit the Sydney office.

d) The union indicated that it was surprised to hear that the Charlottetown District Office was closing and reported that employees in that office were not thanked for their hard-work and support. Management acknowledged the information.

14. Next Meeting

The next meeting is tentatively scheduled for September 26, 2013.