



Notes for a Submission

By

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**To the
Law Amendments Committee
On
Bill 62 -
Shared Services Act**

November 3, 2014

Introduction

Thank you, Madam Chairperson and members of the Committee for the opportunity to speak to you about Bill 62 – *Shared Services Act*. My name is Keiren Tompkins and I am the Executive Director of NSGEU, and with me is Ian Johnson, who is our Servicing Coordinator/Policy Analyst.

The Nova Scotia Government and General Employees Union (NSGEU) is the largest union in the province representing more than 30,000 workers across the public sector in the provincial government, corrections, health care, public schools, community colleges, universities, municipalities, and community organizations.

Over the last 20 years, NSGEU members have faced an almost endless stream of reorganizations, restructuring, amalgamations, mergers and devolutions. This has included several different groups who transferred in and out of the civil service such as the following:

- Department of Health employees designated to the Queen Elizabeth II Health Sciences Centre – 1996;
- Department of Education employees designated to the Nova Scotia Community College – 1996;
- Public Health and Drug Dependency employees in Department of Health designated to Regional Health Boards – 1997;
- Economic Development employees (civil service) designated to NSBI – 2001;
- Property Assessment employees (civil service) designated to the Property Valuation Services Corporation – 2006;
- Children's Aid Society employees transferred into Department of Community Services (civil service) – 2006-2011;
- Continuing Care employees transferred to the District Health Authorities – 2009;
- NSAC employees (civil service faculty and staff) designated to Dalhousie University – 2012.

Now, we have Shared Services. For us, this initiative goes back to August 2012 when the former government announced it was issuing a request for proposals “to improve collaboration and share services across government”. The RFP was

awarded to Ernst and Young in November 2012, and it was to be conducted between that November and March 2013. Apparently, that review found the potential for millions of dollars of savings and the opportunity for what was called "more consistent delivery of services" in the five key areas of IT, financial services, human resources, building infrastructure and asset management, and strategic procurement.

Since that time, we have had periodic information meetings with Treasury Board officials every few months, but nothing seemed to be happening until June 2014, when it was announced that this government would be moving forward with the creation of shared services. A project management office was to be established by the new Internal Services Department, and an advisory committee was to be created. Further details were not revealed until we heard about this legislation.

We are not fundamentally opposed in principle to the concept of providing public services more effectively and efficiently to Nova Scotians, and we would welcome the idea of achieving cost savings associated with greater efficiencies in the delivery of these services. However, throughout this process (as we have with all earlier similar initiatives), we have been concerned about how the services of our members will be affected, will there be any job reductions, what will happen to the rights and protections of all employees including our members, and is there a possibility of outsourcing or contracting out.

Bill 62 provides a few more details than what we previously had, but it also leaves a great deal yet to be decided in regulations. It seems to be essentially enabling legislation to allow the government to begin to proceed with Shared Services. We have some idea of the overall intent of the legislation and the move to designate shared service organizations, rather than one new independent entity as was earlier contemplated. After more than two years, there is very little basic information available about the number of employees, types of positions, and where they may be transferred and by when. We have heard about 200 to

500 positions being affected over a two, three or five-year period for estimated savings of \$50 to \$60 million. But it all seems very vague and unclear at this point.

In addition, unlike earlier legislation for these types of initiatives, one key missing piece in this Bill are provisions to protect employees affected by these reorganizations, especially for any employees being transferred into the Civil Service. These provisions would usually protect any accrued rights of the affected designated employees and address their service and seniority. There would also need to be a reference to Section 31 of the Trade Union Act to deal with the transfer of employees from a predecessor employer to a successor employer, should there be any issues related to bargaining unit status or composition, for example. This would be of particular importance to school board and District Health Authority employees who would be transferred into the Civil Service.

In order to ensure that affected employees are protected to the largest extent possible and to be consistent with most other preceding transfers, we therefore would like to propose the following amendment to this Bill to address this major gap, perhaps, in Section 11, where there is reference to the Minister determining who is a designated employee:

1. Where the Minister designates an employee of a Crown Corporation or public sector entity to become an employee of Her Majesty:
 - (a) The continuity of employment of the employee is not broken;
 - (b) The employee is deemed to have been employed by Her Majesty for the same period of employment that the employee was credited with as an employee of the Crown Corporation or public sector entity;
 - (c) Benefits accumulated by the employee while employed at the Crown Corporation or public sector entity are vested in the employee and the employee is entitled to receive those benefits from Her Majesty.
2. For greater certainty Her Majesty is a transferee under section 31 of the Trade Union Act."

This amendment would give the transferred employees service and seniority in the Civil Service and protect accrued rights such as vacation entitlement, Public Service Award accrual, and perhaps, sick leave benefits. In the last major absorption of employees when Children's Aid Societies were moved to the civil service, NSGEU and the employer agreed to recognize the service and seniority of the Children's Aid employees. Before that, there was a policy of reciprocal agreements between NSGEU and various unions to recognize service and seniority in reorganization. We think the better policy is to recognize both service and seniority when people are moved around by government reorganization. This should be included in the Bill. Section 31 would apply if a school board, health authority, or crown corporation transferred its business or part of its business to the Civil Service. Any questions about the bargaining unit or collective agreement involved could go to the Labour Board

Finally, we are concerned about what will happen to any employees whose positions may be considered to be redundant or no longer needed. Again, we have seen some vague assurances that any changes to positions will be done through attrition or voluntary departures. In our experience, this could mean layoffs, down-sizing, or even, contracting-out. We expect the government and other public sector employers to follow the provisions of their relevant collective agreements with respect to layoffs, downsizing and contracting out.

We also want to remind the government of its signed commitment to observing the "Five Point Quality Public Service Protection Plan" which the Premier signed on September 20, 2013, a copy of which is attached to this submission. This Plan commits the government to not privatizing or contracting out a public service to the private sector:

- without public consultation and demonstrable evidence
- without a full and open review by an independent Review Agency or individual

- without ensuring that public sector workers and their representatives have standing in the review process
- without providing that the reviewing agency or individual issuing a public report, and
- without ensuring that any employees moving to a new employer will be able to maintain all existing rights, benefits and protections.

We thank the Committee for this opportunity to speak with you. We hope you will seriously consider our proposed amendment which addresses a major gap in the legislation, and we welcome any questions and comments.

NSGEU

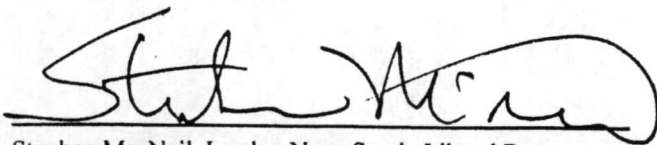
Five Point

Quality Public Service Protection Plan for Nova Scotia

Whereas the trend to privatize public services is increasing in Nova Scotia despite the absence of a mandate or policy to do so, and whereas, Nova Scotians deserve to be fully involved in assessing the impact of privatization on the quality of public services, and on the province's communities and workers, therefore,

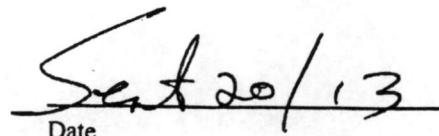
- A provincial public service will not be privatized or contracted to the private sector without public consultation and without demonstrable evidence that privatization will lead to improved services for Nova Scotians.
- A decision to privatize or contract out a service will not be made without a full and open review by an independent and mutually agreed upon Review Agency or individual, who will ensure full cost/ benefit analyses and comprehensive social and economic impact studies are conducted.
- Public sector workers and their representatives and other interested parties shall have standing in the review process.
- The reviewing agency or individual will issue a final report and recommendation and will table the report and all studies or analyses to the House of Assembly and/or the Legislature's Public Accounts Committee.
- In the event that a specific privatization is recommended and found to be in the best interest of Nova Scotians, employees will have the ability to move to the new employer with all existing rights, benefits and entitlements.

I hereby support and endorse the "Quality Public Service Protection Plan,"



Stephen MacNeil, Leader, Nova Scotia Liberal Party

McNeil



Date