



**SUBMISSION OF THE TREASURY BOARD
TO THE ARBITRATION BOARD
IN RESPECT OF THE FINANCIAL MANAGEMENT GROUP**

CHAIRPERSON: Michel Picher

MEMBERS: Ryan Wood
Phillip Hunt

OTTAWA

April 5, 2013

IN THE MATTER of the *Public Service Staff Relations Act* and a dispute affecting the Association of Public Service Financial Administrators and Her Majesty in Right of Canada as represented by the Treasury Board in respect of all of the employees in the Financial Management Group bargaining unit as determined in the certificate issued by the Public Service Staff Relations Board on June 3, 1999.

FOREWORD

This brief is presented without prejudice to the Employer's right to present any additional facts or arguments it considers appropriate and relevant during the proceedings of the Board.

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EXECUTIVE SUMMARY

This brief presents the Employer's perspective concerning the unresolved issues in this round of bargaining for the Financial Management (FI) bargaining unit.

The characteristics of the FI bargaining unit, as of March 31, 2011, can be summarized as follows:

Number of Employees:	4,157
% Male Employees	43.4%
% Female Employees	56.6%
Average Salary:	\$76,119
Payroll:	\$316,425,967
Average Age:	40.1
Average Years of Service:	10.0
Expiry Date of Agreement:	November 6, 2011

The parties have resolved and signed a number of articles. In addition to pay, the following elements remain outstanding: Call-Back, Severance Pay, Vacation Leave With Pay, Leave Without Pay for the Care of Immediate Family, Leave With Pay for Family-Related Responsibility, Bereavement Leave, Sexual Harassment, Duration and Appendix "B" Memorandum of Understanding – Chief Financial Officer Transitional Allowance. Information on these can be found in Part IV of the brief.

Recent economic and compensation indicators, as well as the current economic situation, suggest that modest economic increases would be appropriate for settlements concluded in the near to medium term for the Financial Management (FI) Group. This assessment is consistent with the legislated factors provided in Section 148 of the *Public Service Labour Relations Act*.

"the state of the Canadian economy and the Government of Canada's fiscal circumstances"

- The Canadian economy is operating below capacity. Forecasters expect that a fragile global economic environment will continue to be reflected in only modest growth in Canada over the near term. The global economic environment remains highly uncertain and the outlook is characterized mainly by risk and uncertainty. There are significant risks to the outlook which could quickly derail the economic recovery, resulting in a weakening of labour markets and wage growth. Specifically, the unsustainable fiscal situation of Canada's trading partners in Europe and the U.S. has the potential to significantly derail global growth.
- In the current environment, affordability has become a dominant consideration in all aspects of government operation. The commitment to manage public finances in a responsible manner is a key element of the Government's comprehensive agenda to foster strong, sustainable, long-term economic growth, building on Canada's key advantages. At the federal government level, expected deficits from 2008-09 to 2015-16 will reach a cumulative \$174 billion and the federal debt will climb to over \$636¹ billion. The government needs to exercise fiscal restraint to protect against the risk of a further economic deterioration, and, if needed, to preserve the flexibility to stimulate the economy again.
- Given the uncertain economic and fiscal context, most provincial and territorial governments have announced specific restraint measures to ensure sound management of public sector spending. In Ontario, for example, Budget 2012 included a commitment to manage public sector compensation by seeking an agreement from unions for a two-year compensation freeze. In September 2012, the Government announced it would consult on draft legislation to freeze salaries, with the intent of passing it if the negotiations with unions are unsuccessful. The Government has also proposed reforms to the framework of public-sector defined benefit pension plans to make them more sustainable and affordable for plan members as well as all Ontarians. In order to reduce the

¹ Finance Canada, Update of Economic and Fiscal Projections, Nov. 2012

growth in the cost of providing these benefits, the Ontario government is seeking to move all jointly sponsored pension plans to 50-50 funding between employers and employees. Several other reforms are also being proposed, including, in the case of a deficit, a requirement to reduce future benefits or ancillary benefits before further increasing employer contributions. Details on restraint measures taken by the provincial/territorial governments are provided in Annex K.

- Recognizing the economic and fiscal risks that confront it, the federal government has taken action across the full range of its responsibilities to restore fiscal balance and ensure sound public finances. This includes tax integrity measures that will generate over \$2.5 billion in annual savings by 2014-15, placing transfers to the provinces and territories on a sustainable track, making changes to the Old Age Security Program (OAS) to ensure that it remains sustainable, and taking action to reduce the rate of growth of its operating expenditures.
- In contrast to many provinces, the federal government has taken a measured approach to managing compensation growth, guided by the principle of bringing federal public service compensation in line with that of private and other public sector employers. The elimination of any further accumulation of severance pay benefits for voluntary resignation and retirement is one example of how the government aims to achieve this goal.
- On March 12, 2009, in response to the global economic recession, the *Expenditure Restraint Act* (ERA) came into force ensuring that compensation for the federal public sector would reflect the current economic and fiscal situation (i.e. affordable and appropriate).
- In the fall of 2010, in order to bring predictability to employees, departments and agencies, the government engaged in expedited bargaining with bargaining agents. Since then, agreements have been reached with a number of bargaining agents, thereby setting the terms and conditions of employment for more than 280,000 unionized and non-unionized federal government employees, including

members of the Royal Canadian Mounted Police, the Canadian Forces and all executives in the core public administration. The pattern of economic increases settled thus far has been 1.5% in year 1 (2011-12), 1.5% in year 2 (2012-13), and 1.5% in year 3 (2013-14). Additional to these increases are an extra 0.25% in year 1 and an additional 0.50% in year 3 to compensate for the termination and further accumulation of severance pay for voluntary resignation and retirement. Other federal public sector employers are pursuing similar approaches.

- Under the cost containment measures announced in Budget 2010, departmental salary and operating budgets were effectively frozen at their 2010-11 level for the 2011-12 and 2012-13 fiscal years. Departments are required to fund wage increases provided by collective bargaining agreements through reallocation, internal efficiencies and – if needed – labour force reductions.

“the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians”

- Current evidence indicates that compensation levels for the FI group are sufficient, as evidenced by competitive salary levels and the Employer's ability to attract and retain a sufficient number of employees. The results of the recruitment and retention analysis show that there are a sufficient number of high quality applicants per job advertisement, population growth, and low voluntary (non-retirement) separation rates.

“the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant”

- The FI group's last settlement provided gains in a two-year agreement. The wage increases of 1.5% in 2008-09 and 1.5% in 2009-10 provided for wage increases above inflation, thereby ensuring growth in real wages.

- A market compensation study shows that Financial Management salary levels, as well as salary growth, compare well to those of their external comparators. As a result, FI salaries have kept up with inflation and would continue to compare very favourable to the external market with moderately low monetary increases.

“the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service”

- An analysis of total cumulative increases shows that, in terms of salary increases, the Financial Management bargaining unit has outpaced cumulative increases in public and private sector settlements.
- Furthermore, when considering our ability to recruit and retain a number of qualified employees, it is clear that the appropriate relationship exists for this group.

PART I

GENERAL INFORMATION

INTRODUCTION

This Arbitration Board has been established to deal with the items in dispute between the Employer and the Association of Canadian Financial Officers – Financial Management (FI) Group.

Part I of the Employer's brief gives general background information with respect to this group such as the definition and characteristics of this bargaining unit including its population and payroll distribution.

Part II of the brief deals with the history of the current negotiations.

Part III presents the Employer's position on rates of pay.

Part IV deals with the other remaining outstanding issues.

Prior to proceeding to examine the specific issues in dispute, the Employer wishes to submit comments concerning what the Employer views as fundamental to its approach during the collective bargaining process and, to the proceedings before this Board of Arbitration.

SECTION 148 OF THE *PUBLIC SERVICE LABOUR RELATIONS ACT (PSLRA)*

Section 148 of the PSLRA sets out the factors that an arbitration board must consider in arriving at an award. It is our intention that the information and arguments contained herein assist this Board in the performance of its duty as contemplated by Section 148 of the Act.

Accordingly, included below are the provisions of Section 148 for ease of reference:

In the conduct of its proceedings and in making an arbitral award, the arbitration board must take into account the following factors, in addition to any other factors that it considers relevant:

- (a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;
- (b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;
- (c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;
- (d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and
- (e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.

EMPLOYER'S POLICY ON COMPENSATION

The Treasury Board has approved the Policy Framework for the Management of Compensation, effective February 22, 2007. This framework is reproduced in Appendix A. It is consistent with previous articulation of the Employer's compensation policy. The Policy Framework establishes that all compensation decisions should be guided by four (4) overarching principles:

1. **External Comparability:** Compensation should be competitive with, but not lead compensation provided for similar work in relevant labour markets;
2. **Internal Relativity:** Compensation should reflect the relative value to the Employer of the work performed;

3. **Individual/Group Performance:** Compensation should reward performance, where appropriate and practicable, based on individual or group contributions to business results; and,
4. **Affordability:** The cost of compensation must be affordable within the context of the commitments to provide services to Canadians, the fiscal circumstances, and the state of the Canadian economy.

Furthermore, the Policy Framework notes that these guiding principles need to take into account relevant legislation and be balanced against other government responsibilities such as its economic policy objectives, social policy objectives and public expectations and pressures.

In addition, the Policy Framework for the Management of Compensation defines compensation as a “total compensation” concept. External comparability with relevant labour markets is therefore to be based on all the elements of compensation, including benefits.

EMPLOYER BARGAINING TEAM

NAME	TITLE AND DEPARTMENT
Ted Leindecker	Negotiator Treasury Board Secretariat
Karine Renoux	Negotiator Treasury Board Secretariat
Muriel Lamothe	Analyst Treasury Board Secretariat
Eddy G. Reitberger	Director General, Financial Policy, Internal Control and Business Services Human Resources and Skills Development Canada
Alfred Chalhoub	Director, Financial Services Public Works and Government Services
Jonathan Hood	Director, Corporate Submissions and Financial Arrangements National Defence
Karen Cahill	Director General, Strategic Finance & Financial Arrangements National Defence
Stéphann-Bach Pelletier	Senior Labour Relations Advisor Public Works and Government Services Canada
Patrick Amyot	Senior Director General, Corporate Accounting and Reporting Human Resources and Skills Development Canada

GROUP DEFINITION

The Financial Management Group comprises positions that are primarily involved in the planning, development, analysis, delivery or management of internal Public Service financial policies, programs, services or other related activities.

Inclusions

Notwithstanding the generality of the foregoing, for greater certainty, it includes positions that have, as their primary purpose, responsibility for one or more of the following activities:

- (a) the development, delivery, interpretation, recommendation or revision of financial management policies, practices, principles, systems or techniques;
- (b) the provision of advice on the financial implications of policy and program proposals and actions, including risk management and performance information and management, and the approval of the adequacy of financial safeguards in programs and activities;
- (c) the planning and conduct of internal financial audits;
- (d) the development and delivery of cost accounting models;
- (e) the financial planning, analysis and reporting;
- (f) the financial operations and services, such as the management of the accounting process and reporting of expenditures, revenues, assets or liabilities;
- (g) the provision of services in two or more administrative fields, one of which is financial, when the financial work is, in the opinion of the employer, of primary importance. In allocating a position to the appropriate group, the purpose of the position must be assessed according to all of the following criteria:

- (i) the impact of the financial aspects of the advice and recommendations made on the overall achievement of the organization's programs and objectives;
 - (ii) the degree of responsibility and complexity of the financial work of the position, including the availability of, and the need to provide, financial functional direction; and
 - (iii) the degree of specialized knowledge, skill and experience required in the work; and
- (h) the leadership of any of the above activities.

Exclusions

Positions excluded from the Financial Management Group are those whose primary purpose is included in the definition of any other group or those in which one or more of the following activities is of primary importance:

- (a) the provision of administrative services in support of Public Service policies, programs, services or other activities dealing with financial management;
- (b) the planning, development, delivery or management of the internal comprehensive audit of the operations of Public Service departments and agencies; and
- (c) the application of a comprehensive knowledge of generally accepted accounting principles and auditing standards to the auditing of the accounts and financial records of individuals, businesses, non-profit organizations, or provincial or municipal governments to determine their accuracy and reasonableness, to establish or verify costs, or to confirm the compliance of transactions with the provisions of statutes, regulations, agreements or contracts.

BARGAINING UNIT CHARACTERISTICS

Employee population and payroll

For the purposes of collective bargaining, the payroll and group demographics as of March 31, 2011 were used. As of this date, there were 4,157 employees in the FI bargaining unit with a mean salary of \$76,119 and total payroll of \$316,425,967. There are four (4) classification levels in addition to a developmental level. The distribution of employees by level and mean salary are shown in the table below.

Appendix B provides a detailed breakdown by actual salary.

FI Level	No. of Empl.	% of Total	Range Minimum (\$)	Range Maximum (\$)	Mean Salary (\$)
Dev.	0	0.0	25,895	47,606	0
1	1,210	29.1	48,430	67,937	58,397
2	1,357	32.6	58,951	79,951	71,389
3	1,164	28.0	74,592	96,160	89,633
4	423	10.2	83,308	107,547	104,670
Salary Protected	3	0.1			94,244
Total	4,157	100.0			\$76,119
Payroll	\$316,425,967				

Demographic data

Departmental Distribution

The Financial Management (FI) bargaining unit is employed within 67 departmental organizations, the two largest being Public Works and Government Services (PWGSC) and Human Resources and Skills Development Canada (HRSDC). For the complete departmental distribution, see Appendix B.

Major Employing Departments As of March 31, 2011		
Departments	Number of Employees	% of Total
Public Works and Government Services Canada (PWGSC)	454	10.92%
Human Resources Skills Development Canada (HRSDC)	431	10.37%
National Defence	371	8.92%
Health Canada	211	5.08%
Correctional Service of Canada	205	4.93%
Others departmental organizations (62)	2,485	59.78%
Total	4,157	100.0%

Geographical Distribution

The majority of the bargaining unit is employed in Quebec and Ontario, as shown below, with 68.9% of employees working in the National Capital Region (Appendix B).

Geographical Distribution as of March 31, 2011							
Atlantic	Quebec	Ontario	Prairies	B.C.	Territories	Outside	Total
254	1,285	2,063	310	219	14	12	4,157
6.1%	30.9%	49.6%	7.5%	5.3%	0.3%	0.3%	100.0%

Gender Distribution

Gender Distribution as of March 31, 2011	
No. of Males	No. of Females
1,803	2,354
43.4%	56.6%

Age Distribution

Age	Number of Employees	% of Total
21-30	835	20.1%
31-40	1,373	33.0%
41-50	1,196	28.8%
51-60	678	16.3%
61 +	75	1.8%
Total	4,157	100.0%
Average Age	40.1	

More detailed data on gender and age distribution can be found in Appendix C.

Years of Service

Years of Service	NUMBER OF EMPLOYEES	% of Total
Less than 1	236	5.7
1 – 5	1,416	34.1
6 – 10	1,068	25.7
11 – 15	529	12.7
16 – 20	294	7.1
21 – 25	268	6.4
26 – 30	244	5.9
31 – 35	78	1.9
36 +	24	0.6
TOTAL	4,157	
Average Years of Service	10.0 years	

More information on years of service can be found in Appendix D.

Previous Rounds of Bargaining

The history of negotiations cannot be adequately described without reference to the legislation introduced during that period. The statute which had the greatest impact on terms and conditions of employment in the 1990's was the *Public Sector Compensation Act* (PSCA). It ended strike action and extended all types of compensation plans in the Public Service for a period of six years.

November 7, 1997 to November 6, 1999

Since the end of PSCA, the parties have engaged in seven rounds of bargaining. The first round of bargaining, initiated in 1997, was settled through negotiations and resulted in a two-year agreement expiring November 6, 1999. Economic increases of 2.5% in the first year of the agreement (November 7, 1997) and 2.0% in the second year (November 7, 1998) were negotiated, as was the norm for the rest of the Public Service.

In addition, an increase to the annual salaries of 3.45% was negotiated, effective April 1, 1999, in conjunction with an increase to the weekly hours of work from 36 ¼ to 37 ½ . This was beneficial to the employees in that it increased their annual salaries and beneficial to the employer in that the hours of work were brought up to the standard hours for the majority of the Public Service.

November 7, 1999 to November 6, 2001

The second round of post-restraint bargaining was resolved at the conciliation board stage. This also covered a two-year period, which commenced November 7, 1999 and expired November 6, 2001. The settlement included economic increases of 2.0% in the first year and 2.5% in the second year. A new provision was introduced which for the first time in the Public Service granted the reimbursement of membership fees (to a maximum of \$800) to specified professional associations. As such, all employees in the group received a lump sum payment of \$800, which equated to approximately 1.5% of the average salary in the group. In addition, benefit improvements to vacation leave as well as other types of leave were negotiated in line with enhancements at other bargaining tables.

November 7, 2001 to November 6, 2004

The third round of bargaining was resolved by arbitration. The Arbitral Award provided for a three-year agreement. It covered the period from November 7, 2001 to November 6, 2004. The agreement provided for economic increase of 2.8% for the first year, 2.5% for the second year, 2.3% for the third year with a restructure of 0.9% effective on November 7, 2002. The penological factor allowance was increased from \$1,600 to \$2,000 and the Professional Allowance was increase from \$800 to \$1,000. In addition, there were improvements to vacation leave as well as other types of leave.

November 7, 2004 to November 6, 2007

The fourth round of bargaining was resolved by conciliation. It covered a three-year period, which commenced on November 7, 2004 and ended on November 6, 2007. The settlement included economic increases of 2.25% in the first year, 2.4% in the second

year and 2.5% in the third year. It further allowed effective November 7, 2005, for a CFO transitional Allowance of 2% to all employees at the maximum of the FI-01 and FI-02 levels, 3% to employees at the maximum of the FI-03 level and 4% to employees at the maximum of the FI-04. It also allowed for a lump sum payment of \$300 to employees at the FI-01 and FI-02 levels. The Professional Allowance was increased from \$1,000 to \$1,100.

November 7, 2007 to November 6, 2009

The fifth round of bargaining was resolved by negotiation. It covered a two-year period, which commenced on November 7, 2007 and ended on November 6, 2009 with economic increases of 2.3% each year. In addition, effective on November 7, 2008, a roll-in of 2.0% of the CFO Transitional Allowance was negotiated at the maximum rate of pay of each level with the maintenance of an annual allowance of 1% for FI-03 and 2% for FI-04 employees at the maximum rate of pay. The Professional Allowance was increase from \$1,100 to \$1,250.

November 7, 2009 to November 6, 2011

The sixth round of bargaining was also resolved by negotiation. However, on March 12, 2009, in response to the global economic recession, the *Expenditure Restraint Act* (ERA) came into force ensuring that compensation for the federal public sector would reflect the current economic and fiscal situation and set the economic increases to 1.5% for each year of the 2 year agreement starting November 7, 2009 and ending November 6, 2011.

The current round of bargaining is discussed in Part II of this brief.

Summary of Salary Adjustments

41. For ease of reference, increases to the annual salaries and other monetary adjustments negotiated from 1997 to 2010 are shown in tabular form.

Date of Increase	Salary Increase	Other Monetary Adjustments	CPA (average salary increase)
November 7, 1997	2.50%		2.30%
November 7, 1998	2.00%		2.00%
April 1, 1999	3.45%	\$800 lump sum payment (1.5%)	
November 7, 1999	2.00%		2.00%
November 7, 2000	2.50%		3.00%
November 7, 2001	2.80%		2.70%
November 7, 2002	2.50%	0.9% restructure	2.60%
November 7, 2003	2.30%		2.50%
November 7, 2004	2.25%		2.30%
November 7, 2005	2.40%	Introduction of CFO Transitional Allowance of 2% to FI-01 and FI-02 (at max), 3% to FI-03 (at max) and 4% to FI-04 (at max). Lump sum of \$300 to FI-01 and FI-02.	2.40%
November 7, 2006	2.50%		2.50%
November 7, 2007	2.30%		2.30%
November 7, 2008	2.30%	Roll-in of 2% of the CFO Transitional Allowance at the maximum rate of pay of each level. The maintenance of an annual allowance of 1% for FI-03 and 2% for FI-04 at the maximum of rate of pay.	1.50%
November 7, 2009	1.50%		1.50%
November 7, 2010	1.50%		1.50%

Settlements in the Public Service

The Employer believes that arbitration boards should consider the level of settlements pertaining to groups for which the Treasury Board is the Employer.

This Employer's view is that arbitration boards should not ignore the reality of the times nor current settlements. To do so would be a detriment to voluntary settlements achieved expeditiously without resort to third parties. Nonetheless, these settlements must be viewed in the context and timeline in which they were reached.

The table above contains a column that outlines a summary of average salary increases for settlements reached since 1997 with employees from whom Treasury Board is the Employer next to what was provided to the FI group.

Agreements have been reached and signed with a number of Bargaining Agents, thereby setting the terms and conditions of employment for more than 280,000 unionized and non-unionized federal government employees, including members of the Royal Canadian Mounted Police, the Canadian Forces and all executives in the Core Public Administration. The pattern of economic increases settled thus far has been 1.5% in year 1 (2011-12), 1.5% in year 2 (2012-13), and 1.5% in year 3 (2013-14). Additional to these increases are an extra 0.25% in year 1 and an additional 0.50% in year 3 in return to compensate for the termination of severance pay for voluntary resignation and retirement. Other federal public sector employers are pursuing similar approaches. Appendix E demonstrates the population of the Public Service where Severance Pay for voluntary separations has ceased.

As can be seen in the table below, a negotiated settlement was achieved with thirteen (13) groups in the CPA in 2011-2012. The increase was 1.75% for 2011, 1.5% for 2012 and 2% for 2013 in addition to the elimination of the accrual of severance benefits for resignation and retirement.

Bargaining Agent	Group
Public Service Alliance of Canada	<ul style="list-style-type: none"> • Program and Administrative Services (PA) Group • Operational Services (SV) Group • Education and Library Science (EB) Group
Professional Institute of the Public Service of Canada	<ul style="list-style-type: none"> • Architecture, Engineering and Land Survey (NR) Group • Health Services (SH) Group • Computer Science (CS) • Audit, Commerce and Purchasing (AV)
Canadian Military Colleges Faculty Association	<ul style="list-style-type: none"> • University Teaching (UT) Group
Canadian Auto Workers	<ul style="list-style-type: none"> • Air Traffic Control (AI) Group
Canadian Auto Workers, Local 2182	<ul style="list-style-type: none"> • Radio Operations (RO) Group
Communications, Energy and Paperworkers	<ul style="list-style-type: none"> • Non-Supervisory Printing Operations (PR (NS)) Group

Bargaining Agent	Group
Union of Canada.	
Federal Government Dockyards Trades and Labour Council (Esquimalt)	<ul style="list-style-type: none"> • Ship Repair (West) (SR-W)
Association of Justice Counsel	<ul style="list-style-type: none"> • Law (LA) Group

Further, five (5) recent arbitral awards have been rendered awarding the same pattern. On July 12, 2012, an arbitral award was rendered with respect to the Economics and Social Science Services (EC) Group. The economic increases were 1.75% in 2011, 1.5% in 2012 and 2% in 2013 for a three-year deal expiring in 2014, in addition to the elimination of the accrual of severance benefits for resignation and retirement. A copy of this arbitral award is attached to this Brief as Appendix F.

On July 25, 2012, an arbitration board awarded to the Electronics (EL) Group increases of 1.5%, 1.75%, 1.5% and 2%, and eliminated the accrual of severance benefits for resignation and retirement. This was a four-year award, expiring in 2014 as well. A copy of this arbitral award is attached to this Brief as Appendix G.

On August 10, 2012, an arbitration board awarded to the Translation (TR) Group increases of 1.5%, 1.75% and 2%, and eliminated the accrual of severance benefits for resignation and retirement. This was a three-year award, expiring in 2014 as well. A copy of this arbitral award is attached to this Brief as Appendix H.

On October 15, 2012, an arbitration board awarded to the Ship Repair Chargehands and Production Supervisors (SR- C) Group increases of 1.75%, 1.5% and 2% and eliminated the accrual of severance benefits for resignation and retirement. This was a three-year award, expiring in 2014 as well. A copy of this arbitral award is attached to this Brief as Appendix I.

On November 7, 2012, an arbitration board awarded to the Research (RE) Group increases of 1.5%, 1.75%, 1.5% and 2%, and eliminated the accrual of severance benefits for resignation and retirement. This was a four-year award, expiring in 2014 as well. A copy of this arbitral award is attached to this Brief as Appendix J.

In summary, there is nothing specific or different about the FI Group to indicate that they should be treated differently. The current salary structure does not hinder the achievement of operational goals and objectives. Therefore, no justification exists to warrant the intervention of the Board under Section 148(c) of the PSLRA beyond what is proposed by the Employer in this brief.

PART II

CURRENT NEGOTIATIONS

CURRENT ROUND OF BARGAINING

The current round of bargaining can be summarized as follows:

- The current round of negotiations was initiated on August 12, 2011, when the Association of Canadian Financial Officer (ACFO) served notice to bargain.
- The collective agreement expired on November 6, 2011.
- The parties exchanged proposals on February 6, 2012.
- The first round of negotiations took place from February 21 to February 23, 2012. The parties met again from May 1 to May 3, 2012, from June 4 to June 6 and on September 11, 2012. During those sessions, the parties were able to reach an agreement and sign off on a number of proposals. The Negotiators met on October 1st, 2012 and the Employer provided the Bargaining Agent with a final comprehensive offer. The parties met on October 10, 2012 to discuss the Employer's final comprehensive offer. The Bargaining Agent provided its counter offer on October 11, 2012. An impasse was reached.
- Consequently, on October 19, 2012, the Employer filed a request for the establishment of an Arbitration Board.

MATTERS RESOLVED

The table below contains the list of articles that have been renewed by both parties.

ARTICLE	TITLE	STATUS
1	Preamble	Renewed
3	Application	Renewed
4	State of Security	Renewed
5	Precedence of Legislation	Renewed
6	Employee Representatives	Renewed
7	Use of Employer Facilities	Renewed
8	Check Off	Renewed
9	Information	Renewed
10	Employees on Premises of other Employers	Renewed
11	Restriction on Outside Employment	Renewed
13	Illegal Strikes	Renewed
14	Suspension and Discipline	Renewed
15	Health and Safety	Renewed
16	Joint Consultation	Renewed
23	Religious Observance	Renewed
27	Part-Time Employees	Renewed
28	Leave – General	Renewed
31	Medical Appointment for Pregnant Employees	Renewed

ARTICLE	TITLE	STATUS
32	Injury on Duty Leave	Renewed
33	Maternity Leave Without Pay	Renewed
34	Maternity-Related Reassignment of Leave	Renewed
35	Parental Leave Without Pay	Renewed
38	Leave Without Pay for Personal Needs	Renewed
39	Leave Without Pay for Relocation of Spouse	Renewed
41	Court Leave	Renewed
42	Personnel Selection Leave	Renewed
43	Development Leave	Renewed
44	Leave With or Without Pay for Other Reasons	Renewed
45	Technological Change	Renewed
46	No Discrimination	Renewed
48	Penological Factor Allowance	Renewed
49	Statement of Duties	Renewed
50	Employee Performance Review and Employee Files	Renewed
52	Job Security	Renewed
55	Acting Pay	Renewed
56	Agreement Reopener	Renewed

The following table indicates items that were agreed to and formally signed off by the parties during the negotiation process:

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
2	Interpretation and Definitions	<p>2.01 For the purpose of this Agreement:</p> <p>“continuous employment” has the same meaning as specified in the existing Public Service Directive Directive on Terms and Conditions of Employment Regulations on the date of signing of this Agreement (emploi continu).</p>
12	Leave With or Without Pay for Association Business	<p>Leave for Elected Officials</p> <p>12.01 When operational requirements permit, Tthe Employer will grant leave without pay to an employee who is elected or appointed to a full-time Association office within one month after notice is given to the Employer of such election or appointment by the Association. The duration of such leave shall be for the period the employee holds such office. For a period in excess of three (3) months.</p> <p>Complaints made to the Public Service Labour Relations Board (PSLRB) pursuant to section 190(1) of the <i>Public Service Labour Relations Act (PSLRA)</i>.</p>
12	Leave with or Without Pay for Association	Representatives' Training Courses

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
	Business	<p>12.15</p> <p>a) When operational requirements permit, the Employer will grant leave without pay to employees who exercise the authority of a representative on behalf of the Association to undertake training sponsored by the Association related to the duties of an Employee Representative.</p> <p>b) When operational requirements permit, the Employer will grant leave with pay to employees appointed as Employee Representatives by the Association, to attend training sessions concerning Employer-employee relations sponsored by the Employer.</p>
17	Grievance Procedure	<p>17.10 There shall be no more than a maximum of threefour (34) levels in the grievance procedure. These levels shall be as follows:</p> <p>(a) Level 1 - first level of management;</p> <p>(b) Levels 2 and 3 in departments or agencies where such a levels are established - intermediate level(s) of management;</p> <p>(c) Final Level - Chief Executive or deputy head or an authorized representative.</p> <p>Whenever there are four (4) levels in the grievance</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		procedure, the grievor may elect to waive either Level 2 or 3.
18	Hours of Work	<p>18.01 Day Work</p> <p>a. The normal work week shall be thirty-seven point five (37.5) hours from Monday to Friday inclusive, and the normal work day shall be seven point five (7.5) consecutive hours, exclusive of a lunch period, between the hours of 7 a.m. and 6 p.m.</p> <p>b. Subject to operational requirements as determined from time to time by the Employer, an employee shall have the right to select and request flexible hours between 6 a.m. and 6 p.m. and such request shall not be unreasonably denied.</p> <p>18.02 Within five (5) days of notification of consultation served by either party, the Association shall notify the Employer in writing of the representative authorized to act on behalf of the Association for consultation purposes.</p> <p>18.03 An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of 7 a.m. and 6 p.m., as provided in clause 18.01, and who has not received at least</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>five (5) days' notice in advance of the starting time of such change, shall be paid for the first (1st) day or shift worked subsequent to such change at the rate of one point five (1.5) times the employee's hourly rate of pay. Subsequent days or shifts worked on the revised hours shall be paid for at the straight-time rate, subject to the overtime provisions of this Agreement.</p> <p>18.04</p> <p>a. Notwithstanding the provisions of this Article, upon request of an employee and the concurrence of the Employer, an employee may complete the employee's weekly hours of employment in a period other than five (5) full days provided that over a period of fourteen (14), twenty one (21) or twenty eight (28) calendar days the employee works an average of thirty seven point five (37.5) hours per week. As part of the provisions of this clause, attendance reporting shall be mutually agreed between the employee and the Employer. In every fourteen (14), twenty one (21) or twenty eight (28) day period such an employee shall be granted days of rest on such days as are not scheduled as a normal work day for the employee.</p> <p>b. Notwithstanding anything to the contrary</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>contained in this Agreement, the implementation of any variation in hours shall not result in any additional overtime work or additional payment by reason only of such variation nor shall it be deemed to prohibit the right of the Employer to schedule any hours of work permitted by the terms of this Agreement.</p> <p>General</p> <p>18.05 The Employer may require employees to register their attendance in a form or in forms to be determined by the Employer.</p> <p>18.06 The Employer will provide two (2) rest periods of fifteen (15) minutes each per full working day.</p> <p>Variable Hours of Work</p> <p>18.07 The Employer and the Association agree that the following conditions shall apply to employees for whom variable hours of work schedules are approved pursuant to the relevant provisions of this Agreement.</p> <p>18.08 It is agreed that the implementation of any such variation in hours shall not result in any additional expenditure or cost by reason only of</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>such variation.</p> <p>18.09 General Terms</p> <p>a. The scheduled hours of work of any day as set forth in a work schedule, may exceed or be less than the regular workday hours; starting and finishing times, meal breaks and rest periods are subject to the approval of the Employer and the daily hours of work shall be consecutive.</p> <p>b. For day workers, such schedules shall provide that an employee's normal workweek shall average thirty-seven point five (37.5) hours per week over the life of the schedule. The maximum life of a schedule shall be fifty-two (52) weeks.</p> <p>c. Whenever an employee changes the employee's variable hours or no longer works variable hours, all appropriate adjustments will be made.</p> <p>18.10 Specific Application</p> <p>For greater certainty, the following provisions shall be administered as provided herein:</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>a. Interpretation and Definitions "Daily rate of pay" - shall not apply.</p> <p>b. Overtime Overtime shall be compensated for all work performed:</p> <ul style="list-style-type: none">i. in excess of an employee's scheduled hours of work on a scheduled working day in accordance with the provisions of this Agreement;ii. on days of rest at the rate of one point five (1.5) times the employee's hourly rate of pay except that if the overtime is worked by the employee on two (2) or more consecutive and contiguous days of rest, the employee shall be paid at two (2) times the employee's hourly rate of pay for each hour worked on the second and subsequent days of rest. "Second and subsequent days of rest" means the second and subsequent days in an unbroken series of consecutive and contiguous calendar days of rest. <p>c. Travel Overtime compensation referred to in</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>clause 24.04 shall only be applicable on a normal day for hours in excess of the employee's daily scheduled hours of work.</p> <p>d. Designated Paid Holidays</p> <p>i. A designated paid holiday shall account for seven point five (7.5) hours.</p> <p>ii. When an employee works on a Designated Paid Holiday, the employee shall be compensated, in addition to the normal daily hours', at the rate of one point five (1.5) times the employee's hourly rate of pay up to the employee's regular scheduled hours worked and at the rate of two (2) times the employee's hourly rate of pay for all hours worked in excess of the employee's regular scheduled hours.</p> <p>iii. When an employee works on a Designated Paid Holiday, which is not the employee's scheduled day of work, contiguous to a day of rest on which the employee also worked and received overtime in accordance with this Article, the employee shall be paid in addition</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>to the pay that the employee would have been granted had the employee not worked on the holiday, two (2) times the employee's hourly rate of pay for all time worked.</p> <p>e. Acting Pay The qualifying period for acting pay as specified in Article 55 shall be converted to hours.</p>
19	Overtime	<p>19.06</p> <p>a. Overtime shall be compensated in cash except where, u Upon application by the employee and at the discretion of the Employer, or at the request of the Employer and with the concurrence of the employee overtime shall be compensated in cash except where, upon mutual agreement between the employee and the Employer, overtime may be compensated in compensatory leave with pay. The duration of such leave will be equal to the overtime worked multiplied by the applicable overtime rate. The rate of pay to which an employee is entitled during such leave shall be based on the employee's hourly rate of pay as</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		calculated from the classification prescribed in the employee's certificate of appointment on the day immediately prior to the day on which leave is taken.
20	Call-Back Pay	20.01 a. If an employee is called back to work: i. on a designated paid holiday which is not the employee's scheduled day of work, or ii. on the employee's day of rest, or iii. after the employee has completed the employee's work for the day and has left the employee's place of work and returns to work at his or her normal place of work or at another work location designated by the Employer, the employee shall be paid the greater of, iv. the minimum of three (3) hours' pay at the applicable overtime rate of pay for each call-back to a maximum of eight (8) hours' pay in an eight (8)-hour period. Such maximum shall include any reporting pay pursuant to

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>clause 22.08 and sub-clause 19.03(b), or</p> <p>v. compensation at the applicable rate of overtime compensation for time worked, provided that the period worked by the employee is not contiguous to the employee's normal hours of work.</p> <p>b. The minimum payment referred to in subparagraph (a)(iv) does not apply to part-time employees. Part-time employees will receive a minimum payment in accordance with clause 27.11.</p> <p>c. Upon application by the employee and at the discretion of the Employer, or at the request of the Employer and with the concurrence of the employee, payments earned under this Article may be compensated in cash or in compensatory leave.</p> <p>d. The Employer shall grant compensatory leave at times convenient to both the employee and the Employer.</p> <p>e. Compensation leave earned in a fiscal year and outstanding on 30 September of the following fiscal year, as determined by the Employer shall be paid at the employee's rate of pay as calculated from the classification prescribed in the employee's</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		certificate of appointment on the 31 March of the previous fiscal year.
21	Standby	<p>21.06</p> <p>Compensation earned under this Article may be taken in the form of Compensatory Leave at the applicable rate.</p> <p>(a) Upon application by the employee and at the discretion of the Employer, or at the request of the Employer and with the concurrence of the employee, payments earned under this Article may be compensated in cash or in compensatory leave.</p>
22	Designated Paid Holidays	<p>22.06 When an employee works on a holiday, which is not the employee's scheduled day of work, contiguous to a day of rest on which the employee also worked and received overtime in accordance with paragraphs 22.05 the employee shall be paid in addition to the pay that the employee would have been granted had the employee not worked on the holiday, two (2) times the employee's hourly rate of pay for all time worked.</p> <p>(a) Upon application by the employee and at the discretion of the Employer, or at the request of the Employer and with the concurrence of the employee, payments referred to in</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>clauses 22.05 and 22.06 may be compensated in cash or compensatory leave with pay.</p> <p>(b) The Employer shall grant compensatory leave at times convenient to both the employee and the Employer.</p> <p>(c) Compensatory leave earned in a fiscal year and outstanding on 30 September of the following fiscal year, as determined by the Employer, shall be paid at the employee's rate of pay as calculated from the classification prescribed in the employee's certificate of appointment on the 31 March of the previous fiscal year.</p>
24	Travelling Time	<p>24.05 Compensation earned under this Article may be taken in the form of Compensatory Leave at the applicable overtime rate.</p> <p>(a) Upon application by the employee and at the discretion of the Employer, or at the request of the Employer and with the concurrence of the employee, payments earned under this article may be compensated in cash or compensatory leave with pay.</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
26	Variable Hours of Work	This Article has been deleted and its content moved to Article 18.
29	Vacation Leave with Pay	<p>29.06 Where, in respect of any period of vacation leave with pay, an employee:</p> <p>(a) is granted bereavement leave, or</p> <p>(b) is granted leave with pay because of illness in the immediate family, or</p> <p>(c) is granted sick leave on production of a medical certificate, or</p> <p>(d) is granted court leave in accordance with clause 41.01,</p> <p>the period of vacation leave with pay so displaced shall either be added to the vacation period, if requested by the employee and approved by the Employer, or reinstated for use at a later date.</p> <p>29.14</p> <p>a. Employees shall be credited a one-time entitlement of thirty-seven decimal five (37.5) hours of vacation leave with pay on the first (1st) day of the month following the employee's second (2nd) anniversary of service, as defined in clause 29.02(h).</p> <p>b. The vacation leave credits provided in</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		clauses 29.154(a) above shall be excluded from the application of paragraph 29.07 dealing with the Carry-over and/or Liquidation of Vacation Leave.
30	Sick Leave with Pay	30.08 The Employer agrees that an employee shall not be terminated for cause for reasons of incapacity pursuant to paragraph 12(1)(e) Section 12(1)(d) of the <i>Financial Administration Act</i> at a date earlier than the date at which the employee will have utilized the employee's accumulated sick leave credits, except where the incapacity is the result of an injury or illness for which Injury on Duty Leave has been granted pursuant to clause 32.01.
51	National Joint Council Agreements	51.01 Agreements concluded by the National Joint Council (NJC) of the Public Service on items which may be included in a collective agreement, and which the parties to this Agreement have endorsed after December 6, 1978, and as amended from time to time , will form part of this Agreement, subject to the <i>Public Service Labour Relations Act (PSLRA)</i> and any legislation by Parliament that has been or may be, as the case may be, established pursuant to any Act specified in Section 113 of the <i>PSLRA</i> .

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>51.02 The NJC items which may be included in a collective agreement are those items which the parties to the NJC agreements have designated as such or upon which the Chairperson of the Public Service Labour Relations Board has made a ruling pursuant to clause (c) of the NJC Memorandum of Understanding which became effective December 6, 1978, as amended from time to time.</p> <p>51.03</p> <p>(a) AllThe following directives, policies or regulations which the Association has opted to take part in consultation, as amended from time to time by National Joint Council recommendation and which have been approved by the Treasury Board of Canada, form part of this Agreement:</p> <p>(1) Bilingualism Bonus Directive (2) Commuting Assistance Directive (3) First Aid to the General Public – Allowance for Employees (4) Foreign Service Directives (5) Isolated Posts and Government Housing Directive (6) Memorandum of Understanding on Definition of Spouse (7) NJC Integrated Relocation Directive (8) Public Service Health Care Plan Directive (9) Travel Directive (10) Uniforms Directive (11) Workforce Adjustment Directive Occupational Health and Safety (12) Motor Vehicle Operations Directive (13) Occupational Health and Safety Directive (14) Pesticides Directive</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		<p>(b) During the term of this Agreement, other directives, policies or regulations may be added to the above noted list.</p> <p>51.04 Grievances in regard to the National Joint Council directives, policies or regulations shall be filed in accordance with clause 17.01 of the Grievance Procedure Article this Collective Agreement.</p>
53	Professional Allowance	<p>53.02 Upon receipt of proof of payment, the Employer shall reimburse an employee's annual membership fees paid to either the Institute of Chartered Accountants (CA), the Society of Management Accountants (CMA), or the Association of Certified General Accountants (CGA), or the Ordre des comptables professionnels agréés du Québec, when the payment of such fees is a requirement for the continuation of the performance of the duties of the employee's position.</p>
54	Pay Administration	<p>54.03 (c) (iv) for promotions, demotions, deployments, transfers or acting situations effective during the retroactive period, the rate of pay shall be recalculated, in accordance with the Public Service Directive Directive on Terms and Conditions of Employment Regulations, using the revised rates of pay. If the recalculated rate of pay is less than the</p>

RESOLVED PROPOSALS		
ARTICLE	TITLE	AGREED LANGUAGE
		rate of pay the employee was previously receiving, the revised rate of pay shall be the rate, which is nearest to, but not less than the rate of pay being received prior to the revision. However, where the recalculated rate is at a lower step in the range, the new rate shall be the rate of pay shown immediately below the rate of pay being received prior to the revisions;

OUTSTANDING ISSUES

The table below contains the list and the nature of the outstanding issues, with the exception of pay and duration. These issues are discussed in more details in Part IV of this brief.

ARTICLE	NATURE OF ISSUE
Article 20 – Call-Back Pay	20.01 (a) iv The Employer is proposing to introduce language to clarify the payment of the minimum compensation for multiple call-backs.
	20.02 (b) The Employer is proposing to introduce language to amend the minimum payment in the case where the work is performed from a remote location.
Article 25 – Severance Pay	The Employer is proposing to delete severance pay provisions for voluntary resignation and retirement and offers a severance termination pay-out as well as an enhancement of the severance provision for lay off.
Article 29 – Vacation Leave with Pay	<p>29.02 (a) Accumulation of Vacation Leave Credits</p> <p>The Bargaining Agent is requesting additional vacation Leave entitlements. The Employer does not agree with the Association's proposal and proposes that this clause be renewed without changes.</p>
	29.02 (h) Accumulation of Vacation Leave Credit

ARTICLE	NATURE OF ISSUE
	The Employer is proposing to add to the language under this clause if the proposed language from the Employer under article 25 – Severance Pay is part of the arbitral award.
Article 36 – Leave Without Pay for the Care of Family	36.03 The Employer is seeking language that will allow managers greater flexibility to respond to the operational requirements of their organization.
Article 37 - Leave With Pay for Family-Related Business	37.03 The Bargaining Agent is proposing to expand the situations where a leave under this article can be taken. The Employer does not agree with the Association and proposes that this clause be renewed without changes.
Article 40 – Bereavement Leave	40.02 The Bargaining Agent is proposing to increase the quantum for bereavement. The Employer does not agree with the Association's proposal and proposes that this clause be renewed without changes.
Article 47 Sexual Harassment	47.01 The Bargaining Agent is seeking to change the context of this article. The Employer does not agree with the Association's proposal and proposes that this clause be renewed without changes.
Appendix B – CFO Transitional Allowance (Memorandum of Understanding)	The Bargaining Agent is seeking the roll-in of the CFO Transitional Allowance. The Employer does not agree with the Association's proposal and proposes that

ARTICLE	NATURE OF ISSUE
	this clause be renewed without changes.

PART III

RATES OF PAY

Analysis for the Financial Management (FI) Group

Summary

The Canadian economy is operating below capacity. Forecasters expect that a fragile global economic environment will continue to be reflected in only modest growth in Canada over the near term. The global economic environment remains highly uncertain and the outlook is characterized mainly by risk and uncertainty. There are significant risks to the outlook which could quickly derail the economic recovery, resulting in a weakening of labour markets and wage growth. Specifically, the unsustainable fiscal situation of Canada's trading partners in Europe and the U.S. has the potential to significantly derail global growth.

In the current environment, affordability has become a dominant consideration in all aspects of government operation. The commitment to manage public finances in a responsible manner is a key element of the Government's comprehensive agenda to foster strong, sustainable, long-term economic growth, building on Canada's key advantages. At the federal government level, expected deficits from 2008-09 to 2015-16 will reach a cumulative \$174 billion and the federal debt will climb to over \$636² billion. The government needs to exercise fiscal restraint to protect against the risk of a further economic deterioration, and, if needed, to preserve the flexibility to stimulate the economy again.

Given the uncertain economic and fiscal context, most provincial and territorial governments have announced specific restraint measures to ensure sound management of public sector spending. In Ontario, for example, Budget 2012 included a commitment to manage public sector compensation by seeking an agreement from unions for a two-year compensation freeze. In September 2012, the Government announced it would consult on draft legislation to freeze salaries, with the intent of passing it if the negotiations with unions are unsuccessful. The Government has also proposed reforms to the framework of

² Finance Canada, Update of Economic and Fiscal Projections, Nov. 2012

public-sector defined benefit pension plans to make them more sustainable and affordable for plan members as well as all Ontarians. In order to reduce the growth in the cost of providing these benefits, the Ontario government is seeking to move all jointly sponsored pension plans to 50-50 funding between employers and employees. Several other reforms are also being proposed, including, in the case of a deficit, a requirement to reduce future benefits or ancillary benefits before further increasing employer contributions. Details on restraint measures taken by the provincial/territorial governments are provided in Appendix K.

Recognizing the economic and fiscal risks that confront it, the federal government has taken action across the full range of its responsibilities to restore fiscal balance and ensure sound public finances. This includes tax integrity measures that will generate over \$2.5 billion in annual savings by 2014-15, placing transfers to the provinces and territories on a sustainable track, making changes to the Old Age Security Program (OAS) to ensure that it remains sustainable, and taking action to reduce the rate of growth of its operating expenditures.

In contrast to many provinces, the federal government has taken a measured approach to managing compensation growth, guided by the principle of bringing federal public service compensation in line with that of private and other public sector employers. The elimination of any further accumulation of severance pay benefits for voluntary resignation and retirement is one example of how the government aims to achieve this goal.

On March 12, 2009, in response to the global economic recession, the *Expenditure Restraint Act* (ERA) came into force ensuring that compensation for the federal public sector would reflect the current economic and fiscal situation (i.e. affordable and appropriate).

In the fall of 2010, in order to bring predictability to employees, departments and agencies, the government engaged in expedited bargaining with bargaining agents. Since then, agreements have been reached with a number of bargaining agents, thereby setting the terms and conditions of employment for more than 280,000 unionized and non-unionized federal government employees, including members of the Royal Canadian Mounted Police, the Canadian Forces and all executives in the core public administration. The pattern of economic increases settled thus far has been 1.5% in year 1 (2011-12), 1.5% in year 2 (2012-13), and 1.5% in year 3 (2013-14). Additional to these increases are an extra 0.25% in year 1 and an additional 0.50% in year 3 to compensate for the termination of further accumulation of severance pay for voluntary resignation and retirement. Other federal public sector employers are pursuing similar approaches.

Under the cost containment measures announced in Budget 2010, departmental salary and operating budgets were effectively frozen at their 2010-11 level for the 2011-12 and 2012-13 fiscal years. Departments are required to fund wage increases provided by collective bargaining agreements through reallocation, internal efficiencies and – if needed – labour force reductions.

Current evidence indicates that compensation levels for the FI group are sufficient, as evidenced by competitive salary levels and the Employer's ability to attract and retain a sufficient number of employees. The results of the recruitment and retention analysis show that there are a sufficient number of high quality applicants per job advertisement, population growth, and low voluntary (non-retirement) separation rates.

The FI group's last settlement provided gains in a two-year agreement. The wage increases of 1.5% in 2008-09 and 1.5% in 2009-10 provided for wage increases above inflation, thereby ensuring growth in real wages.

In this context, modest economic increases are appropriate for the FI group.

1.0 Policy Framework for the Management of Compensation

Public Service Labour Relations Act (PSLRA) and Policy Framework for the Management of Compensation

The PSLRA provides for factors an Arbitration Board must take into account in rendering an award. These are contained in Section 148 of the PSLRA. As shown in the table below, those factors are clearly reflected in the Employer's Policy Framework for the Management of Compensation. The Policy Framework outlines four overarching principles that are to guide compensation decisions by the Treasury Board in its various roles: External Comparability, Internal Relativity, Affordability, and Individual/Group Performance.

PSLRA	Employer's Compensation Policy Framework
(a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;	Stated Objective of Policy Framework: Compensation serves, with other key frameworks, to attract, retain, motivate and renew the workforce required to deliver results to Canadians.
(b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;	External Comparability: Compensation should be competitive with, but not lead compensation provided for similar work in relevant external labour markets.
(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an	Internal Relativity: Compensation should reflect the relative value to the employer of the work performed.

occupation and as between occupations in the public service;	
(d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and	Addressed through the application of External Comparability and Internal Relativity principles.
(e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.	Affordability: The cost of compensation must be affordable within the context of the commitments to provide services to Canadians, the fiscal circumstances, and the state of the Canadian economy.
	Individual/Group Performance: Compensation should reward performance, where appropriate and practicable, based on individual or group contributions to business results.

The Policy Framework notes that these guiding principles need to take into account relevant legislation and be balanced against other government responsibilities such as its economic policy objectives, social policy objectives and public expectations and pressures. Furthermore, the Policy Framework defines compensation as a "total compensation" concept. Thus, the external comparability with relevant labour markets is based on all the elements of compensation including, for example: wages, salaries, overtime, pensions, employer-paid insurance, health, and dental premiums, as well as severance pay.

The analysis presented in this brief has been developed in accordance with the factors and principles outlined in the PSLRA and the Employer's Framework.

2.0 Economic and Fiscal Circumstances

The PSLRA identifies the state of the Canadian economy and the Government of Canada's fiscal circumstances as considerations that must be taken into account in rendering an award.

Compensation arrangements must be affordable and consistent with the broader objectives of sustainable finances and ongoing economic growth.

The global recovery is fragile. Forecasters expect that this fragile global economic environment will continue to be reflected in only modest growth in Canada over the near term. As well, the global economic outlook is particularly uncertain. There are significant risks to the outlook which could quickly derail the economic recovery, resulting in a weakening of labour markets and wage growth. Specifically, the continued weakness in the euro area stemming from the sovereign debt and banking crisis and the ongoing uncertainty in the U.S. surrounding the future course of fiscal policy following the partial resolution of the 'fiscal cliff' have the potential to significantly derail global economic growth.

Economic Trends

Real GDP growth

Real GDP growth, which is the standard measure of economic growth in Canada, provides an indication of overall demand for goods, services, and labour. Lower real GDP growth can be expected to reduce demand for employment, increase

Backgrounder: Use of Consensus Economics and the Bank of Canada Forecasts

The employer has chosen to use the forecasts by Consensus Economics and the Bank of Canada as its principal indicator of future economic prospects.

Consensus Economics, a UK forecasting firm, develops economic forecasts for major industrialized countries by surveying the prominent economic forecasters in each country. The Canadian forecasts are based on a survey of 16 firms, including the Conference Board of Canada, Toronto Dominion Bank and the University of Toronto. The Consensus Economics forecast is widely regarded as one of the most reliable and unbiased indicator of future economic prospects. By taking the average of many different viewpoints, it is not unduly influenced by the particular assumptions of individual forecasting firms. It is also transparent, as the forecasts of each firm are available.

The Bank of Canada can influence economic developments through its control of interest rates. The Bank of Canada's view on the economic outlook is a key determinant of its monetary policy. For example, the Bank is likely to raise interest rates (thereby increasing unemployment, and reducing wages) when it perceives that inflationary pressures are developing. Knowledge of the Bank's forecast is important in understanding how it might act to influence the economic outlook.

unemployment and result in lower or -- in severe downturns -- negative wage growth.

The economy was in recession in 2009, shrinking 2.8% before returning to growth in 2010 and 2011. Looking ahead, economic growth is expected to be modest over the near term in Canada. In fact, the Bank of Canada projects that the Canadian economy will continue to operate below capacity until the second half of 2014³, six months later previously forecasted in October 2012. For 2012, the Canadian economy grew 1.8%⁴, below the most recent Consensus forecast for 2012 growth of 2.0%. The Consensus forecast for economic growth in 2013 is a modest 1.8%, followed by growth in 2014 of 2.4%.

The unemployment rate is currently higher and wage growth lower than rates observed before the recession. In 2008, prior to the recession, the unemployment rate was 6.2%, and reached a low of 5.9% in March of that year. The Consensus forecast for the unemployment rate in 2013 is 7.2%, above the most recent monthly February 2013 unemployment rate of 7.0%⁵, and a full percentage point higher than the pre-recession level. The Consensus forecast for the unemployment rate for 2014 is 7.0%, indicating that the unemployment rate is expected to persist around the 7.0% mark for this year and the next.

The Consumer Price Index

The Consumer Price Index (CPI) tracks the price of a typical basket of consumer goods⁶. Inflation, or the change in the CPI index, is an indication of the erosion of purchasing power experienced by consumers over a specific period. Core inflation excludes the prices of gasoline and seven of the other most volatile

³ Bank of Canada, Monetary Policy Report, January 2013

⁴ Statistics Canada, Canadian Economic Accounts, March 2013

⁵ Consensus Forecasts, February 2013

⁶ The basket includes the following items: food, shelter, household operations, furnishings and equipment, clothing and footwear, transportation, health and personal care, recreation, education and reading, and alcoholic beverages and tobacco products. Source: Statistics Canada

components of CPI and is commonly used by the Bank of Canada to see through temporary changes in total CPI inflation and to focus on underlying inflation trends, which are a better indicator of where total CPI inflation is headed.

In 2009 and 2010, average inflation as measured by the CPI, was below the midpoint of the Bank of Canada's 1 to 3 per cent target range (Table 1). While inflation in 2011 was above 2%, this temporary increase in inflation was largely concentrated in energy prices. Inflation slowed to 1.5% in 2012 as energy prices retreated from increases in 2011. Core inflation has averaged 1.7% per year over the last four consecutive years.

CPI inflation rose a very modest 0.5%⁷ year-over-year in January 2013, with gasoline prices falling 1.8%. For the next two years, Consensus Economics forecasters expect inflation rates of 1.5% in 2013 and 2.0% in 2014. The Bank of Canada projects that inflation will remain subdued around 1.0% over the near term, and that it will stay well below the 2.0% target over most of 2013 before returning to the 2.0% target in the second half of 2014.

Table 1

Economic and Labour Market Indicators

	2009	2010	2011	2012	2013*	2014*
CPI (y/y %)	0.3	1.8	2.9	1.5	1.5	2.0
Core CPI (y/y %)	1.8	1.7	1.7	1.7	-	-
GDP (y/y %)	-2.8	3.2	2.6	1.8	1.8	2.4
Unemployment (%)	8.3	8.0	7.5	7.3	7.2	7.0

Source: Statistics Canada and Consensus Economics Inc (February 2013 Forecast)

⁷ Statistics Canada, Consumer Price Index, February 2013

Economic Uncertainty

There are significant downside risks to the outlook. Should these risks come to light, the impact on economic growth would be significant.

Much of the risk to the Canadian economy stems from external sources. There are significant risks to future growth stemming from weakness in the U.S. as well as European markets. A sovereign debt crisis in Europe, fiscal austerity measures, and weakened consumer and investor confidence has resulted in ongoing global economic weakness.

The Euro zone entered into a second recession in the third quarter of 2012, with contractions in The Netherlands, Spain, Italy and Austria. The Bank of Canada forecasts that the economy in the Euro area will contract 0.3% in 2013, followed by modest rebound in growth of 0.8% in 2014. The financial risks in the Euro zone and their impact on investor confidence are fueling further uncertainty as the recession is making fiscal consolidation especially challenging for a number of European economies.

In its January 2013 Monetary Policy Report, the Bank of Canada noted that although immediate risks have diminished, the policy challenges facing Europe remain considerable and a failure to contain the crisis remains the most serious risk facing the global and Canadian economies.

In addition to the external risks to the Canadian economy, on the domestic front, the Bank of Canada noted the risk to economic growth from continuing high household debt levels which could lead to weaker household spending. A sudden weakening in the Canadian housing sector could also have sizable spillover effects on other areas of the economy. According to the Department of Finance's November 2012 Update of Economic and Fiscal Projections, 'a negative external shock to the Canadian economy that would translate into higher unemployment rates could trigger deleveraging on the part of those households holding elevated

levels of debt⁸. The IMF highlighted as a priority to limit the risks related to elevated house prices and household debt levels⁹.

All of these risks and uncertainty have led to continued revisions to the outlook over the past year. The Consensus Economics forecast for economic growth in 2013 for most western economies has been revised repeatedly downwards, including for Canada. The Consensus Economics forecast for Canadian real GDP growth in 2013 has been revised downwards from a high of 2.3% in January 2012 to a low of 1.8% in February 2013. The forecast for U.S. real GDP growth has also been revised down, from 2.5% to 1.9% over the same period.

Going forward, even slower economic growth and lower inflation remains a significant risk. If this were to be the case, labour markets and wage pressures would weaken even further than is currently expected.

Government Fiscal Circumstances

Rationale for the government's current fiscal planning framework

The government's medium-term fiscal plan is founded on returning to balanced budgets. Achieving a balanced budget is not an ideological commitment of a particular government, but rather it has been supported by the actions of previous governments, by other levels of government in Canada, and by a strong public consensus over the past two decades regarding the need for prudent fiscal management. It is based on an assessment of actions required to manage current global economic uncertainty, as well as longer-term fiscal pressures that will emerge with an aging population.

Sound fiscal management, including debt reduction, provides the following benefits:

⁸ Department of Finance, Update of Economic and Fiscal Projections, November 2012.

⁹ International Monetary Fund, World Economic Outlook, October 2012.

- frees up resources that would be otherwise absorbed by interest costs, which can be reinvested in other priorities such as public services or lower taxes;
- helps keep interest rates low, which will in turn encourage businesses to invest, thereby fostering long-term economic growth; and
- provides room to maneuver when the economy is negatively affected by developments outside our borders.

Prudent fiscal management is one reason why the restraint measures required to restore balanced budgets are modest in Canada, and why Canada has avoided the severe action needed by others in the G-7. A relaxation of Canada's prudent approach to fiscal management would put Canada at risk to the same pressures that currently challenge other G-7 countries.

The fiscal forecast and government actions to achieve balanced budgets

The government is currently in a deficit position. In response to the unprecedented global crisis in 2008, the government invested massively in the economy as part of a global effort to stimulate spending and avoid another great depression. This, in combination with deteriorating economic growth, resulted in the government incurring significant budget deficits. These deficits are expected to total \$174 billion from 2008-09 to 2015-16.

The government's ability to achieve fiscal balance is based on its consistent focus on expenditure restraint and sound fiscal management:

- The stimulus measures introduced under the Economic Action Plan were temporary, and were not renewed when they expired.
- Tax integrity measures introduced in recent budgets are expected to provide \$2.5 billion in fiscal savings in 2014-15.
- Budget 2010 and 2011 included actions to restrain the growth in defence spending, cap the International Assistance Envelope, engage in strategic reviews of government spending as well as introducing a freeze on departmental operating budgets.

- The spending review introduced in the 2011 budget and subsequently announced in the 2012 budget is expected to generate ongoing savings of \$5.2 billion.

As a result of these and other measures, the budgetary balance is projected to improve from \$26.2-billion deficit in 2011-12 to a surplus of \$1.7 billion in 2016-17. Over the medium-term, the ratio of debt to GDP is projected to fall from 33.0% in 2011-12 to 28.1% in 2017-18, which is in line with its level before the recession¹⁰.

In the Parliamentary Budget Office (PBO) 2012 Fiscal Sustainability Report, the Parliamentary Budget Officer noted that in the absence of policy changes undertaken by the government such as the spending review, the federal government's fiscal finances would not have been sustainable. The PBO report also noted that other levels of government are facing significant fiscal shortfalls, which highlights the need to remain focused on fiscal responsibility which serves to leave fiscal room for other levels of government.

In the same manner that the government has taken action across all areas of its operation, it needs to ensure that public service compensation growth is modest if it is to achieve its goal of balanced budgets.

Implications of economic uncertainty on the government's fiscal situation

While the government is committed to achieving balanced budgets, it is important to understand how quickly the fiscal situation can be derailed by sudden economic shocks such as that which occurred in advance of the last recession.

The impact of weaker than expected economic growth on the government's fiscal situation was recently demonstrated in the Update of Economic and Fiscal Projections, where federal tax revenues projected in Budget 2012 fell by \$31.7 billion from 2011-12 to 2015-16 due to lower nominal GDP growth.

¹⁰ Department of Finance, Update of Economic and Fiscal Projections, Nov. 2012.

While stimulus spending by governments was crucial to prevent a global economic catastrophe, it was not sustainable. The government has a plan to return to fiscal balance, but this plan must take account of the risks associated with the uncertain global economic outlook. This underlines the need for the government to maintain its focus on prudent fiscal management.

Provincial/Territorial Compensation Restraint Measures

Given the uncertain global economic and fiscal context, provincial and territorial governments have also announced restraint measures to ensure sound management of public sector spending. A review of these actions demonstrates the reasonableness of the federal government's wage proposals.

- In Ontario, Budget 2012 included a commitment to manage public sector compensation by seeking an agreement from unions for a two-year compensation freeze. To this end, the government recently passed legislation affecting Ontario teachers that imposes wage freezes of 2 years, cuts sick days in half and bans striking for two years. In September 2012, the Government announced it would consult on draft legislation to freeze salaries, with the intent of passing it if the negotiations with the union are unsuccessful. The Government has also proposed reforms to the framework of government public-sector defined benefit pension plans to make public sector plans more sustainable and affordable for plan members as well as all Ontarians. In order to reduce the growth in the cost of providing these benefits, the government is seeking to move all jointly sponsored pension plans to 50-50 funding between employers and employees. Several other reforms are also being proposed, including, in the case of a deficit, a requirement to reduce future benefits or ancillary benefits before further increasing employer contributions.
- In British Columbia's 2012 Budget the Government stated that the bargaining mandate will allow public sector employees to negotiate modest compensation increases if equivalent savings can be realized within existing budgets.

Further details concerning restraint measures taken by other provincial and territorial governments are provided in Appendix K.

3.0 Recruitment and Retention

The PSLRA identifies the necessity for the public service to attract and retain competent persons to meet the needs of Canadians as a factor that must be taken in rendering an award.

An effective way to assess whether there are any recruitment and retention problems facing an employer is to examine the hirings and the separations for the occupational group being studied, as well as the changes in population levels for the group.

3.1 Hirings

Table 2 shows that the FI group has experienced healthy levels of internal and external hirings. From 2006-07 to 2009-10, hirings into the FI group have increased by 38%, before declining in 2010-11 and 2011-12. The average number of hirings into the FI group over the five fiscal-year period has been approximately 468 employees per year. With a high average number of qualified applicants per FI job advertisement in 2010-11 and 2011-12 (see table 4), this provides evidence that the reduction in the number of hirings in over the last two fiscal years was most likely due to a reduction in the number of job advertisements, not difficulties in recruitment.

Table 2 - FI Internal and External Hirings

	06/07	07/08	08/09	09/10	10/11	11/12
FI Group						
Internal Hires	130	141	197	223	142	142
External Hires	299	318	373	369	290	184
Total FI Hirings (Internal and External)	429	459	570	592	432	326

Note: Total Hirings refer to the total number of full-time indeterminate, seasonal full-time and term employees of three months or more (active and leave without pay, bargained and excluded; employee types A,C,G,S) hired into the FI bargaining unit.

3.2 Separations

Table 3 indicates that there are no separation problems with the FI group. Separations for the FI group have been lower than hirings over the last six fiscal years.

Another key retention indicator is the number of non-retirement voluntary separations. Table 3 shows that there are currently no voluntary non-retirement attrition problems within the FI Group as the figures have been on a steady decline since 2008-09.

Table 3 - FI Separations¹

	06/07	07/08	08/09	09/10	10/11	11/12
FI Group						
Voluntary Separations (retirements) ²	66	100	106	99	91	100
Voluntary Separations (non-retirements) ²	86	73	85	57	61	59
Non-Voluntary Separations ²	23	18	20	29	26	13
Internal Separations ³	83	120	97	90	95	57
Total FI Separations (Internal and External)	258	311	308	275	273	229

Notes:

¹ Separation rates are calculated by dividing the number of separations in a given fiscal year by the number of employees (active and LWOP employee types; all exclusion codes) as at the end of the previous fiscal year. The bargained employee types are A: Full-time indeterminate, C: Seasonal full-time, G: Specified period of 3 months or more - full-time, and S: Specified period of six months or more - full-time.

² Voluntary: non-retirements include the following reasons: resignation to outside employment; return to school; personal reasons; abandonment of position and movement to an organization where TB is not the employer.

Voluntary: retirements includes all retirements due to illness, age, or elective.

Total Non-voluntary Separations include the following reasons: resignation under the Work Force Adjustment Program; discharge or misconduct; incompetence or incapacity; rejected during probation; lay off and death.

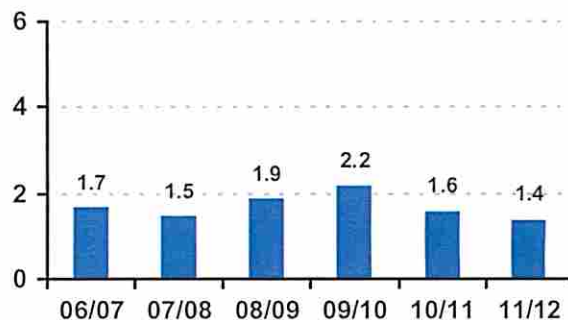
³ Internal separations include the total number of employees (bargained active and LWOP employee types; all exclusion codes).

⁴ Source: Incumbent file as of March 31st of each year. All employees who were full-time indeterminate, full-time seasonal, or term (3 months +) are included.

3.3 Hiring to Separation Ratios

A valuable way to assess whether there are recruitment and retention pressures is to examine the evolution of the 'total hirings to total separations ratio' (Figure 1). This ratio is

Figure 1: Total Hirings-to-Total Separations Ratio: FI Group



Source: Mobility file. All Hirings (internal, external) divided by all separations (except retirement). Indeterminate, seasonal or term (3 months +) employees (all full-time only).

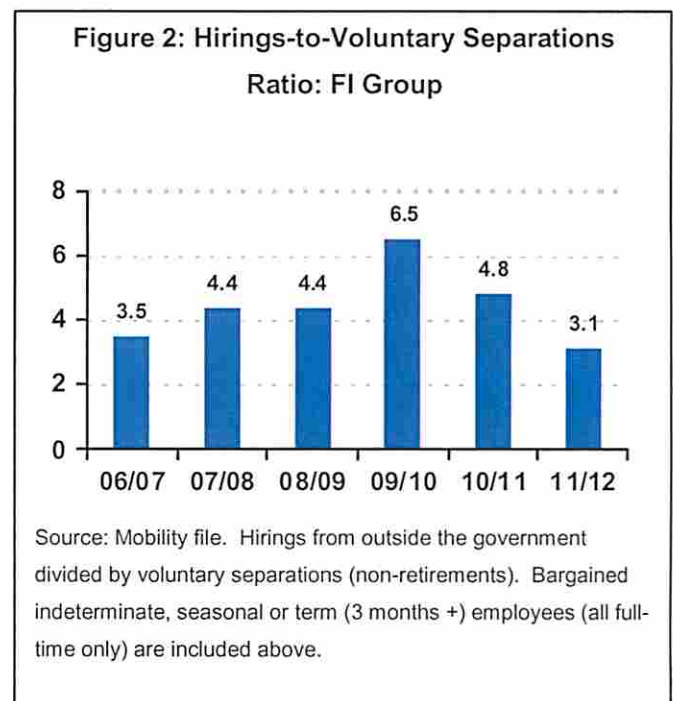
defined as the number of people hired into the FI group divided by the number of people leaving the FI group in that same year¹¹. When this ratio is greater than 1.0, the number of people hired is greater than that of those leaving, and recruitment and retention problems are unlikely. Conversely, when that ratio is below 1.0, separations are greater than hirings, which *may* suggest recruitment and retention problems.

As indicated in Figure 1, the 'total hirings to total separations ratio' has consistently been above 1 indicating that there are currently no recruitment and retention issues as the total hires have been substantial enough to outpace the number of people who leave the group for any reason.

Figure 2 shows the ratio of 'hirings to voluntary separations'. In 2011-12, about three employees are hired from outside government for each FI employee who voluntarily leaves the public service which further indicates the absence of recruitment and retention issues.

3.4 External Job Advertisements

Another way to assess whether recruitment pressures exist is to examine the average number of applications received per external job advertisement for the FI group and the average number of applicants screened in per application. As Table 4 shows, the average number of applications received per external job advertisement for the FI group has averaged 201 over the last six fiscal years. The average percentage of applicants meeting the essential



¹¹ Bargained indeterminate, seasonal or term (3 months +) employees (all full-time only).

requirements of the position has also been very high, averaging 81.5% over the same period.

The results suggest that the government is not having any issues with attracting a sufficient number of high quality applicants to a given job advertisement, which provides further evidence that there are no recruitment pressures within the FI group.

Table 4 - FI External Job Advertisements

	06/07	07/08	08/09	09/10	10/11	11/12	6 Year Average
FI Group							
External Job Advertisement	66	52	59	40	32	16	44
Applications	10,241	11,054	13,955	9,957	7,443	1,969	9,103
Screened-In	8,666	8,875	11,603	8,948	6,199	1,332	7,604
Average Number of Applications per Job	155	213	237	249	233	123	201
Application	84.6%	80.3%	83.1%	89.9%	83.3%	67.6%	81.5%

¹Source: Public Service Commission

3.5 Population

As shown in Table 5, the FI group population has increased each year since 2006-07. The FI population has increased by 36.4% over the last seven fiscal years. This growth in the number of employees in the FI group further supports the notion that there are no recruitment and retention problems.

Table 5 - FI Population

	06/07	07/08	08/09	09/10	10/11	11/12	12/13
FI Group	3,533	3,723	3,886	4,177	4,540	4,733	4,819

Source: Incumbent file as of March 31st of each year. All employees who were full-time indeterminate, full-time seasonal, or term (3 months +) are included above.

4.0 External Comparability

The analysis indicates that the FI group salary levels, as well as recent salary growth, compare well to those of their external comparators. As a result, FI salaries have kept up with inflation and would continue to compare very favourably to the external market with moderately low monetary increases.

4.1 External Comparison: Comparison of Salary Levels

A wage comparability study was completed for the FI group in 2010. The study included an assessment of 14 benchmark positions.

The Employer considers its compensation levels to be competitive if they are comparable to the market data at the 50th percentile, and are within plus or minus 10% of this market positioning. The choice of the 50th percentile as an acceptable benchmark is consistent with the Employer's key guiding compensation principle: compensation in the Public Service should be competitive with, but not lead, that provided for similar work in relevant external labour markets. Appropriate compensation should remain competitive to attract and retain public servants. However, it must be affordable within the context of the Government's commitments to provide services to Canadians, its fiscal situation in the context of competing demands, and the state of the Canadian economy.

Findings of the FI study by position

When reviewing the results by position, Table 6 shows that of the 14 positions surveyed, three positions were deemed to be leading the market while the remaining eleven were comparable with the market.

**Table 6: Comparison of FI Base Salaries with
Base Salaries Offered by Market Comparators**

Level	Position	TBS Max (\$000)	Average of External Base Salary at the 50th percentile (\$000)	TBS Max vs Average of External Base Salary at the 50th Percentile (%)
FI-01	Financial Officer	\$65.9	\$63.5	3.8%
	FORD Financial Analyst	\$65.9	\$63.5	3.9%
	Junior Financial Policy & Systems Analyst	\$65.9	\$56.6	16.4%
FI-02	Senior Financial Analyst	\$77.6	\$77.2	0.5%
	Financial Analyst	\$77.6	\$73.7	5.4%
	Financial Analyst	\$77.6	\$77.5	0.2%
	Senior Financial Officer	\$77.6	\$75.4	3.0%
FI-03	Financial Advisor	\$94.3	\$82.1	14.8%
	Internal Control Team Leader	\$94.3	\$94.9	-0.7%
	Senior Financial Analyst	\$94.3	\$90.5	4.2%
	Senior Financial Analyst	\$94.3	\$85.3	10.5%
FI-04	Director, Accrual Budgeting	\$106.5	\$97.5	9.2%
	Financial Management Advisor	\$106.5	\$106.3	0.2%
	Manager, Financial Services	\$106.5	\$101.7	4.7%

Findings of Overall FI study

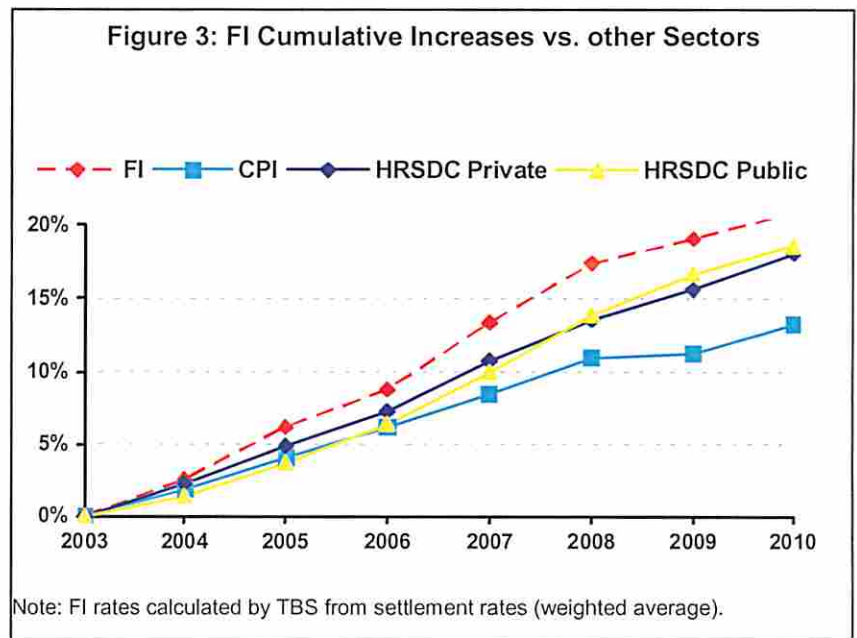
When reviewing the results by level, table 7 shows that all four levels of the FI group are within competitive norms, The FI group is, in fact, ahead of the market, therefore, making them above our benchmarks.

Table 7: Comparison of FI Base Salaries with
Base Salaries Offered by Market Comparators

Level	TBS Max (\$000)	Average of External Base Salary at the 50 th percentile (\$000)	TBS Max vs Average of External Base Salary at the 50 th Percentile (%)
FI-01	\$65.9	\$61.8	6.7%
FI-02	\$77.6	\$76.0	2.2%
FI-03	\$94.3	\$88.2	6.9%
FI-04	\$106.5	\$101.8	4.6%

4.2 Comparison of External Cumulative Increases

Figure 3 shows total cumulative wage increases for the FI group¹² from 2003 to 2010. It is important to note that wage growth across the core public administration has been constrained by the *Expenditure*



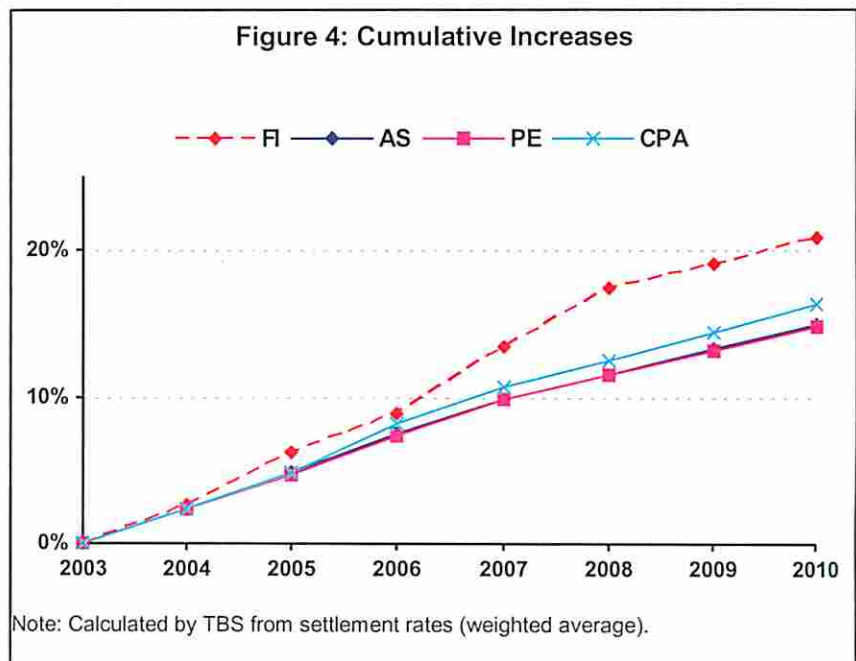
¹² Economic increases, restructures, terminable allowances and other pay adjustments.

Restraint Act (ERA). The ERA set all increases prior to December 8, 2008 that had not yet been set, and provided for all increases to rates of pay due after December 8, 2008 to 1.5% in 2008-09, 1.5% in 2009-10 and 1.5% in 2010-11. As the 2008-09 FI wages were settled before the December 8, 2008 date, the FI group was able to receive increases greater than 1.5% in 2008-09. Taking all that into account, the growth in wages from 2003 to 2010 in the FI group (20.9%) have outpaced cumulative increases in public and private sector settlements (as measured by HRSDC¹³), and cumulative price increases as represented by the change in CPI inflation.

5.0 Internal Relativity

5.1 Comparison of Internal Cumulative Increases

An analysis of total cumulative increases (Figure 4) shows that the FI group has experienced higher increases than those received by their comparator. From 2003 to 2010, total cumulative increases received by the FI group (approximately 20.9%) have outpaced those of the CPA average (16.3%).



¹³ Wage settlements as reported by HRSDC for employers that have more than 500 unionized employees. These data are weighted averages of the annual percentage 'adjustments' in 'base rates' during the period covered by the settlements. The 'base rate' is the wage rate of the lowest paid classification containing a significant number of qualified workers in the bargaining unit. The 'adjustments' include such payments as restructures and estimated cost-of-living allowance.

6.0 Total Compensation

As noted in the Policy Framework for the Management of Compensation, compensation comparisons should be based on a total compensation assessment. That is, all terms and conditions of employment – including supplementary benefits -- need to be taken into account in evaluating external comparability, even if they are not subject to negotiation.

In addition to wages, total compensation is composed of paid and unpaid non-wage benefits, such as employer contributions to pensions, other employee benefit programs (i.e., health and dental) and flexible working arrangements, such as telework, variable work hours (compressed work week), leave with income averaging, and pre-retirement transition leave.

Federal public sector workers enjoy significant advantages relative to private sector comparators, partly due to the generous pension and other benefits offered to federal employees compared to other Canadian workers.

- Pension and other paid benefits represent a higher portion of wages relative to the workers outside the federal public administration. According to Statistics Canada data, the ratio of supplementary labour income to wages and salaries was 25.0% in 2009 for the federal public administration, compared to an average of 13.8% for all other sectors.
- Since pension and benefit programs are largely homogenous across the federal public service, this ratio for the federal public administration is applicable to the FI group.

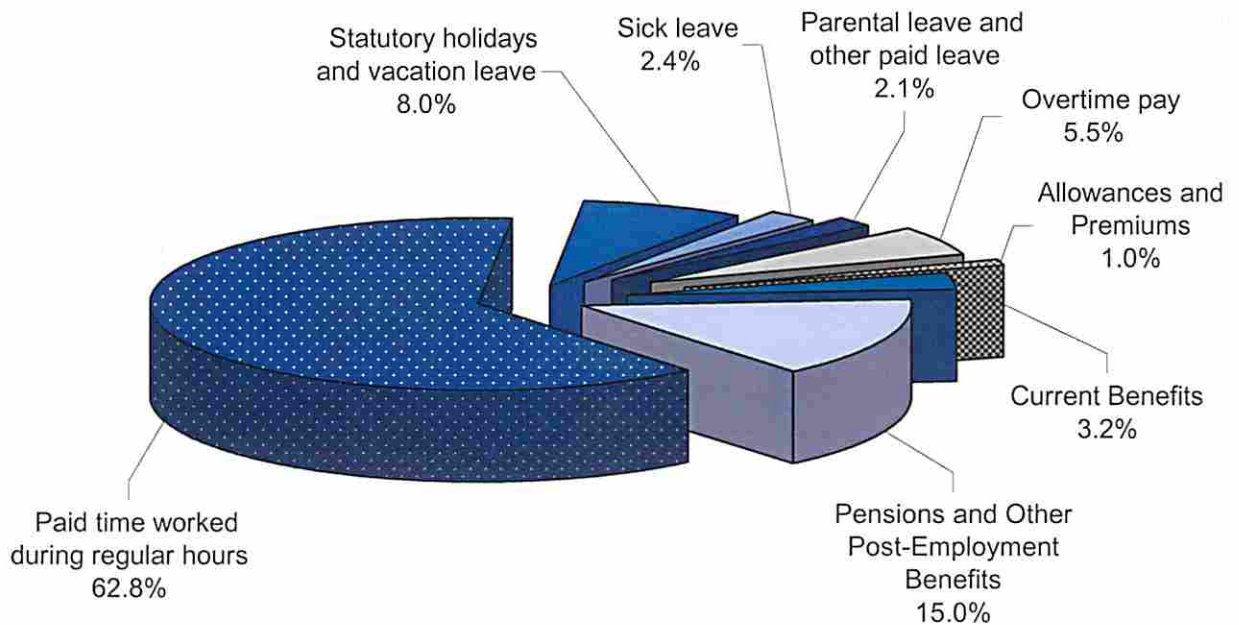
A detailed breakdown of total compensation for a typical employee in the Financial Management (FI) bargaining unit, in fiscal year 2011-12, indicates that base pay represented 75% of total compensation for Financial Management classification group (Figure 5)¹⁴.

¹⁴ The pay elements in Figure 5 are not directly comparable to the Statistics Canada definition of 'wages and salaries' and of 'supplementary income' cited previously, due to conceptual differences. However, a rough correspondence may be made as follows:

- About 18% of total compensation was accounted for by pension and benefits, including life and disability insurance, health and dental plans for a typical FI employee.
- Overtime, allowances and premiums accounted for the remaining 7% of total compensation for FI classification group (Figure 5).

Figure 5: Total Compensation for a typical FI position in FY 2011-12

2011-12 population: 4,541



Note: This pie chart does not include Employment Insurance, Workers Compensation, and employer paid taxes.

Sources: Incumbent System, Entitlement and Deductions System, Leave Reporting System, Pensions and Benefits Sector

- The Statistics Canada definition of wages and salaries includes the following elements from Figure 5: paid time worked during regular hours, paid leave, as well as allowances and premiums. Together these comprise 76.3% of compensation for FI classification group.
- The Statistics Canada definition of supplementary labour income includes pensions and benefits from Figure 5, which represents 18.2% of total compensation for FI classification group. In addition, the Statistics Canada definition includes employer payments for Employment Insurance and Workers Compensation, which are not shown in Figure 5.

Even with employer payments for Employment Insurance and Workers Compensation excluded, the ratio of supplementary labour income to wages and salaries is 24% for FI employees ($0.2385 = 18.2/76.3$).

PART IV

OTHER ISSUES IN DISPUTE

Article 20 Call-Back

Current Provision	Employer Proposal	Union Proposal
<p>20.01</p> <p>(a) If an employee is called back to work:</p> <p style="padding-left: 40px;">(i) on a designated paid holiday which is not the employee's scheduled day of work,</p> <p style="padding-left: 80px;">or</p> <p style="padding-left: 40px;">(ii) on the employee's day of rest,</p> <p style="padding-left: 80px;">or</p> <p style="padding-left: 40px;">(iii) after the employee has completed the employee's work for the day and has left the employee's place of work and returns to work at his or her normal place of work or at another work location designated by the Employer, the employee shall be paid the greater of,</p> <p style="padding-left: 40px;">(iv) the minimum of three (3) hours' pay at the applicable overtime rate of pay for each call-back to a maximum of eight (8) hours' pay in an eight (8)-hour period. Such maximum shall include any reporting pay pursuant to clause 22.08 and sub-clause 19.03(b),</p>	<p>20.01</p> <p>(a) If an employee is called back to work:</p> <p style="padding-left: 40px;">(i) on a designated paid holiday which is not the employee's scheduled day of work,</p> <p style="padding-left: 80px;">or</p> <p style="padding-left: 40px;">(ii) on the employee's day of rest,</p> <p style="padding-left: 80px;">or</p> <p style="padding-left: 40px;">(iii) after the employee has completed the employee's work for the day and has left the employee's place of work and returns to work at his or her normal place of work or at another work location designated by the Employer, the employee shall be paid the greater of,</p> <p style="padding-left: 40px;">(iv) the minimum of three (3) hours' pay at the applicable overtime rate of pay for each call-back to a maximum of eight (8) hours' pay in an eight (8)-hour period except that this minimum shall only apply once during a single eight (8) hour period, starting when the employee first commences the work. Such maximum shall</p>	<p style="text-align: center;">Status Quo</p>

<p>or</p> <p>(v) compensation at the applicable rate of overtime compensation for time worked, provided that the period worked by the employee is not contiguous to the employee's normal hours of work.</p>	<p>include any reporting pay pursuant to clause 22.08 and sub-clause 19.03(b),</p> <p>or</p> <p>(v) compensation at the applicable rate of overtime compensation for time worked, provided that the period worked by the employee is not contiguous to the employee's normal hours of work.</p>	
<p>20.02 An employee who receives a call to duty or responds to a telephone or data line call while on standby or at any other time outside of his or her scheduled hours of work, may, at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, over an eight (8)-hour period which starts the first time an employee commences work, the employee shall be paid the greater of:</p> <p>(a) compensation at the applicable overtime rate for all accumulated time worked within the eight (8)-hour period,</p> <p>or</p> <p>(b) compensation equivalent to one (1) hour's pay at the straight-time rate.</p>	<p>20.02 An employee who receives a call to duty or responds to a telephone or data line call while on standby or at any other time outside of his or her scheduled hours of work, may, at the discretion of the Employer work at the employee's residence or at another place to which the Employer agrees. In such instances, over an eight (8)-hour period which starts the first time an employee commences work, the employee shall be paid the greater of:</p> <p>(a) compensation at the applicable overtime rate for all accumulated time worked within the eight (8)-hour period,</p> <p>or</p> <p>(b) compensation equivalent to one (1) hour's pay at the straight-time rate except that this minimum shall only apply once during a single eight (8) hour period, starting when the employee first</p>	<p>Status Quo</p>

	<p>commences the work.</p>	
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provided that the period worked by the employee is not contiguous to the employee's normal hours of work.

Remarks:

- The Employer is seeking to introduce language to clarify the payment of the minimum compensation for multiple call-backs and to amend the minimum payment in the case where the work is performed from a remote location.
- The proposed language is intended to clarify the payment of the minimum compensation for multiple call-backs and to amend the minimum payment in the case where the work is performed from a remote location is necessary since;
 - The current language has the potential to create a pyramiding effect – an employee could be called many times during a single period of 8 hours and benefit from the minimum each time.
 - It is reasonable that the employer should only pay this minimum premium once in an 8 hour period and then provide appropriate compensation for any remaining time for work performed on a call-back.
- The Employer's proposal recognizes that today's technology permits work to be performed in the comfort of an employee's home or at another off-site location through the use of cell phones, pagers and home computers, rather than suffering the inconveniences involved in physically returning to the work place. Under this proposal, the employee receives overtime for time actually worked at home, or one hour of compensation, whichever is greater.
- The Employer firmly believes that work flowing from phone calls and data line transmissions at home should not incur the same minimum compensation as a physical return to the work place. The three-hour minimum under clause 20.01 was intended to compensate in part for the

additional time and inconvenience involved in physically returning to the workplace.

- The Board should note that similar language to the Employer's proposal is included in other collective agreements such as the Technical Services (TC), Aircraft Operators (AO), Air Traffic Control (AI), Foreign Services (FS), Non-Supervisory Printing Operations (PR-NS), Ships Officers (SO) and Ship Repair Chargehands (SR-C).
- More recently, similar language was awarded by an arbitration board in the July 25, 2012, Electronics (EL) Group arbitral award (Appendix G).
- Consequently, the Employer recommends that the Board amend the current entitlement proposed by the Employer.

Article 25

Severance Pay

Current Provision	Employer Proposal	Union Proposal
<p>25.01 Under the following circumstances and subject to clause 25.02, an employee shall receive severance benefits calculated on the basis of the employee's weekly rate of pay:</p> <p>(a) Lay-off</p> <p>(i) On the first lay-off, two (2) weeks' pay for the first complete year of continuous employment and one (1) week's pay for each additional complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365).</p> <p>(ii) On second or subsequent lay-off one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), less any period in respect of which the employee was</p>	<p>Effective on the date of the arbitral award, paragraphs 25.01 (b) and (d) are deleted from the collective agreement.</p> <p>25.01 Under the following circumstances and subject to clause 25.02, an employee shall receive severance benefits calculated on the basis of the employee's weekly rate of pay:</p> <p>(a) Lay-off</p> <p>(i) On the first lay-off, two (2) weeks' pay for the first complete year of continuous employment, <u>two (2) weeks' pay, or three (3) weeks' pay for employees with ten (10) or more and less than twenty (20) years of continuous employment, or four (4) weeks' pay for employees with twenty (20) or more years of continuous employment,</u> <u>plus</u> and one (1) week's pay for each additional complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365).</p> <p>(ii) On second or subsequent lay-off one (1) week's pay for each complete year of continuous employment</p>	<p style="text-align: center;">Status Quo</p>

granted severance pay under 25.01(a)(i).

- (b) **Resignation**
 - (i) On resignation, subject to paragraph (d) and with ten (10) or more years of continuous employment, zero point five (0.5) week's pay for each complete year of continuous employment up to a maximum of twenty-six (26) years with a maximum benefit of thirteen (13) weeks' pay.
 - (ii) Notwithstanding subparagraph (b)(i), an employee who resigns to accept an appointment with an organization listed in Schedule V of the *Financial Administration Act* may choose not to be paid severance pay provided that the appointing organization will accept the employee's Part I of Schedule I service for its severance pay entitlement.

- (c) **Rejection on Probation**

On rejection on probation, when an employee has completed more than one (1) year of continuous employment and ceases to be employed by reason of rejection during a probationary period, one (1) week's pay.

- (d) **Retirement**
 - (i) On retirement, when an employee is entitled to an immediate annuity under the *Public Service Superannuation Act* or

and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), less any period in respect of which the employee was granted severance pay under 25.01(a)(i).

- (b) **Resignation**
 - (i) On resignation, subject to paragraph (d) and with ten (10) or more years of continuous employment, zero point five (0.5) week's pay for each complete year of continuous employment up to a maximum of twenty-six (26) years with a maximum benefit of thirteen (13) weeks' pay.
 - (ii) Notwithstanding subparagraph (b)(i), an employee who resigns to accept an appointment with an organization listed in Schedule V of the *Financial Administration Act* may choose not to be paid severance pay provided that the appointing organization will accept the employee's Part I of Schedule I service for its severance pay entitlement.

- (c) **Rejection on Probation**

On rejection on probation, when an employee has completed more than one (1) year of continuous employment and ceases to be employed by reason of rejection during a

when the employee is entitled to an immediate annual allowance, under the *Public Service Superannuation Act*,
or
(ii) a part-time employee, who regularly works more than thirteen point five (13.5) but less than thirty (30) hours a week, and who, if the employee were a contributor under the *Public Service Superannuation Act*, would be entitled to an immediate annuity thereunder, or who would have been entitled to an immediate annual allowance if the employee were a contributor under the *Public Service Superannuation Act*,

a severance payment in respect of the employee's complete period of continuous employment, comprised of one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), to a maximum of thirty (30) weeks' pay.

(e) **Death**

If an employee dies, there shall be paid to the employee's estate a severance payment in respect of the employee's

probationary period, one (1) week's pay.

(d) **Retirement**

(i) On retirement, when an employee is entitled to an immediate annuity under the *Public Service Superannuation Act* or when the employee is entitled to an immediate annual allowance, under the *Public Service Superannuation Act*,

or

(ii) a part-time employee, who regularly works more than thirteen point five (13.5) but less than thirty (30) hours a week, and who, if the employee were a contributor under the *Public Service Superannuation Act*, would be entitled to an immediate annuity thereunder, or who would have been entitled to an immediate annual allowance if the employee were a contributor under the *Public Service Superannuation Act*,

a severance payment in respect of the employee's complete period of continuous employment, comprised of one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), to a

complete period of continuous employment, comprised of one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty five (365), to a maximum of thirty (30) weeks' pay, regardless of any other benefit payable.

(f) Termination for Cause for Reasons of Incapacity or Incompetence

(i) When an employee has completed more than one (1) year of continuous employment and ceases to be employed by reason of termination for cause for reasons of incapacity pursuant to Section 12(l)(e) of the *Financial Administration Act*, one (1) week's pay for each complete year of continuous employment with a maximum benefit of twenty-eight (28) weeks.

(ii) When an employee has completed more than ten (10) years of continuous employment and ceases to be employed by reason of termination for cause of reasons of incompetence pursuant to Section 12(l)(d) of the *Financial Administration Act*, one (1) week's pay for each complete year of continuous employment with a maximum benefit of

maximum of thirty (30) weeks' pay.

(e) Death

If an employee dies, there shall be paid to the employee's estate a severance payment in respect of the employee's complete period of continuous employment, comprised of one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty five (365), to a maximum of thirty (30) weeks' pay, regardless of any other benefit payable.

(f) Termination for Cause for Reasons of Incapacity or Incompetence

(i) When an employee has completed more than one (1) year of continuous employment and ceases to be employed by reason of termination for cause for reasons of incapacity pursuant to Section 12(l)(e) of the *Financial Administration Act*, one (1) week's pay for each complete year of continuous employment with a maximum benefit of twenty-eight (28) weeks.

(ii) When an employee has completed more than

twenty-eight (28) weeks.

25.02 The period of continuous employment used in the calculation of severance benefits payable to an employee under this Article shall be reduced by any period of continuous employment in respect of which the employee was already granted any type of termination benefit. Under no circumstances shall the maximum severance pay provided under clause 25.01 above be pyramided.

25.03 The weekly rate of pay referred to in the above clauses shall be the weekly rate of pay to which the employee is entitled for the classification prescribed in the employee's certificate of appointment on the date of the termination of the employee's employment.

ten (10) years of continuous employment and ceases to be employed by reason of termination for cause of reasons of incompetence pursuant to Section 12(1)(d) of the *Financial Administration Act*, one (1) week's pay for each complete year of continuous employment with a maximum benefit of twenty-eight (28) weeks.

25.02 The period of continuous employment used in the calculation of severance benefits payable to an employee under this Article shall be reduced by any period of continuous employment in respect of which the employee was already granted any type of termination benefit. Under no circumstances shall the maximum severance pay provided under ~~clause 25.01 above~~ **this article** be pyramided.

For greater certainty, payments made pursuant to 25.05 to 25.08 or similar provisions in other collective agreements shall be considered as a termination benefit for the administration of clause 25.02.

25.03 The weekly rate of pay referred to in the above clauses shall be the weekly rate of pay to which the employee is entitled for the classification prescribed in the employee's certificate of appointment on the date of the termination of the employee's employment.

25.04 Appointment to a Separate Agency

An employee who resigns to accept an appointment with an organization listed in Schedule V of the *Financial Administration Act* shall be paid all severance payments resulting from the application of 25.01(b) (prior to the date of the arbitral award) or 25.05 to 25.08 (commencing on the date of the arbitral award).

25.05 Severance Termination

(a) Subject to 25.02 above, indeterminate employees on (date of the arbitral award) shall be entitled to severance termination benefits equal to one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), to a maximum of thirty (30) weeks.

(b) Subject to 25.02 above, term employees on (date of arbitral award) shall be entitled to severance termination benefits equal to one (1) week's pay for each complete year of continuous employment, to a maximum of thirty (30) weeks.
Terms of Payment

25.06 Options

The amount to which an employee is entitled shall be paid, at the employee's discretion, either:

(a) as a single payment at the

rate of pay of the employee's substantive position as of (date of arbitral award),

or

(b) as a single payment at the time of the employee's termination of employment from the core public administration, based on the rate of pay of the employee's substantive position at the date of termination of employment from the core public administration,

or

(c) as a combination of (a) and (b), pursuant to 25.07 (c).

25.07 Selection of Option

(a) The Employer will advise the employee of his or her years of continuous employment no later than three (3) months following the official date of signing of the collective agreement.

(b) The employee shall advise the Employer of the term of payment option selected within six (6) months from the official date of signing of the collective agreement.

(c) The employee who opts for the option described in 25.06 (c) must specify the number of complete weeks to be paid out pursuant to 25.06 (a) and the remainder shall be paid out pursuant to 25.06 (b).

(d) An employee who does not make a selection under 25.07 (b) will be deemed to have chosen option 25.06 (b).

25.08 Appointment from a Different Bargaining Unit

This clause applies in a

situation where an employee is appointed into a position in the FI bargaining unit from a position outside the FI bargaining unit where, at the date of appointment, provisions similar to those in 25.01 (b) and (d) are still in force, unless the appointment is only on an acting basis.

(a) Subject to 25.02 above, on the date an indeterminate employee becomes subject to this Agreement after (date of arbitral award), he or she shall be entitled to severance termination benefits equal to one (1) week's pay for each complete year of continuous employment and, in the case of a partial year of continuous employment, one (1) week's pay multiplied by the number of days of continuous employment divided by three hundred and sixty-five (365), to a maximum of thirty (30) weeks, based on the employee's rate of pay of his substantive position on the day preceding the appointment.

(b) Subject to 25.02 above, on the date a term employee becomes subject to this Agreement after (date of arbitral award), he or she shall be entitled to severance termination benefits equal to one (1) week's pay for each complete year of continuous employment, to a maximum of thirty (30) weeks, based on the employee's rate of pay of his substantive position on the day preceding the appointment.

(c) An employee entitled to severance termination benefits under paragraph (a) or (b) shall have the same choice of

options outlined in 25.06, however the selection of which option must be made within three (3) months of being appointed to the bargaining unit.

(d) An employee who does not make a selection under 25.08 (c) will be deemed to have chosen option 25.06 (b).

Remarks

- The Employer proposes to delete severance pay provisions for voluntary resignation and retirement and offers a severance termination pay-out.
- This is in line with the Federal Government budget, *Economic Action Plan 2012 – A Plan for Jobs, Growth and Long-Term Prosperity*¹⁵, and is no different than implementing other provisions that Parliament has provided such as the Compassionate Care benefits and increases to the maternity and parental provisions (Employment Insurance Act).
- Eliminating the accumulation of severance benefits for voluntary resignation and retirement will bring federal public compensation in line with that of other public and private sector employers, such, as the Ontario Provincial Government and those subject to the Canada Labour Code.
- The goal of arbitration is to replicate the results, as closely as possible, which would have been achieved had the parties negotiated a settlement and must base the award on objective factors, such as the terms and

¹⁵ "The Government is also taking specific action to bring federal public service compensation in line with that of other public and private sector employers. This includes eliminating the accumulation of severance benefits for voluntary resignation and retirement, which to date has been eliminated for about 280,000 unionized and non-unionized federal government employees, including members of the Royal Canadian Mounted Police, the Canadian Forces and all executives in the core public administration. Other federal public sector employers are pursuing similar approaches."

conditions of employment freely negotiated within the relevant community and the economic situation.

- For this round of bargaining, thirteen (13) new collective agreements have been ratified, all of which have accepted the elimination of severance benefits for voluntary separation, namely for retirement or resignation. This means that approximately 125,580 unionized employees in the Core Public Administration have accepted the elimination of severance benefits for voluntary separation.
- Further, five (5) recent arbitral awards have been rendered that relate specifically to the Core Public Administration – the Electronics (EL) Group, the Economics and Social Science Services (EC) Group, the Translation (TR) Group, the Ship Repair Chargehands (SR-C) Group and the Research (RE) Group. All five (5) awards have eliminated the voluntary severance provisions, as well as awarding the Employer's proposed economic increases. This represents approximately 17,257 employees.
- The Treasury Board subsequently eliminated severance benefits for voluntary separation for approximately 9,398 executives and non-represented employees for a total of approximately 152,235 employees in the core public administration.
- As of February 2013, more than 97,000 payments have been processed for Core Public Administration employees who have opted for an immediate single payment of their severance entitlement.
- The Employer proposes the following:
 - Severance pay for retirement or resignation will cease to accumulate for employees on date of the arbitral award is rendered.
 - Severance pay continues to accumulate for reasons of death, lay-off, or termination for reasons of incapacity or incompetence. The Employer also proposes to enhance severance pay for Lay-off reasons.
 - Under the severance termination proposal employees will have the option of immediately cashing out the severance accumulated, or keep the accumulated severance and have it paid out at termination of employment, or immediately cash out part of the accumulated severance and keep the balance to be paid out at termination of employment.
 - Indeterminate employees and term employees will be entitled to a severance payment.

Comparison on Severance benefit provision

Under the Current Severance Provision	Proposal on Severance Provision
<p>Indeterminate employees with less than ten (10) years of continuous employment are not entitled to Severance Pay other than in circumstances of retirement with an immediate annuity.</p> <p>Employees who resign before reaching 10 years of continuous employment are not entitled to a severance pay.</p>	<p>Indeterminate employees will have access to severance Pay, in proportion to their years of continuous employment.</p> <p>Indeterminate employees with less than one year of continuous employment are entitled to a pro-rated week for their partial year of continuous employment.</p> <p>For example, with the current provision, an indeterminate employee who has nine (9) years of continuous employment and resigns is not entitled to severance pay. Under the Employer's proposal for severance termination, that employee who is earning \$50,000 per year would be entitled to an immediate single payment of \$8,625.</p> <p>Under the current provision, an indeterminate employee with twenty (20) years of continuous employment earning \$55,000 per year who resigns is entitled to ten (10) weeks severance pay (\$10,540). Under the Employer's proposal for severance termination, the employee would now be entitled to twenty (20) weeks, or \$21,080.</p>
<p>Currently, employees who resign with less than ten (10) years of continuous employment receive no severance at all. If they resign with ten (10) years or more, they receive half (½) week's pay for each year of continuous employment to a maximum of 13 weeks' pay.</p>	<p>Indeterminate and term employees with at least one year of continuous employment will receive a severance payment equal to one (1) week's pay at their substantive pay rate for each complete year of continuous employment.</p> <p>For indeterminate employees with ten (10) years or more of continuous employment who would have resigned before retirement, this represents a doubling of their accumulated entitlement.</p>
<p>Term employees are not eligible to receive severance pay when their terms come to an end.</p>	<p>Term employees who have completed one full year of continuous employment will be eligible for payment in lieu of severance under the severance termination provision.</p>
	<p>Severance pay provisions for Lay-off are enhanced:</p> <ul style="list-style-type: none"> ➤ Employees with over ten (10) years of employment will get an additional week's

	pay of severance in the event of lay-off; ➤ Employees with over twenty (20) years of employment will get two additional week's pay of severance on lay-off.
	Severance payments taken under the service termination proposal do not reduce the calculation of service for persons who have not yet left the public service. What this means is that vacation leave entitlements will not be affected.

- Consequently, the Employer recommends that the Board amend the current entitlement for severance as proposed by the Employer.

Article 29

Vacation Leave With Pay

Current Provision	Employer Proposal	Union Proposal
<p>29.02 Accumulation of Vacation Leave Credits</p> <p>An employee shall earn vacation leave credits at the following rate for each calendar month during which the employee receives pay for at least seventy-five (75) hours:</p> <ul style="list-style-type: none"> a. nine point three seven five (9.375) hours, until the month in which the anniversary of the employee's eighth (8th) year of service occurs; b. twelve point five (12.5) hours, commencing with the month in which the employee's eighth (8th) anniversary of service occurs; c. thirteen point seven five (13.75) hours, commencing with the month in which the employee's sixteenth (16th) anniversary of service occurs; d. fourteen point three seven five (14.375) hours, commencing with the month in which the employee's seventeenth (17th) anniversary of service occurs; e. fifteen point six two five (15.625) hours, commencing with the month in which the employee's eighteenth (18th) anniversary of service 	<p style="text-align: center;">Status Quo</p>	<p>29.02 Accumulation of Vacation Leave Credits</p> <p>An employee shall earn vacation leave credits at the following rate for each calendar month during which the employee receives pay for at least seventy-five (75) hours:</p> <ul style="list-style-type: none"> a. nine point three seven five (9.375) twelve point five (12.5) hours, until the month in which the anniversary of the employee's eighth (8th) sixteenth (16th) year of service occurs; b. twelve point five (12.5) hours, commencing with the month in which the employee's eighth (8th) anniversary of service occurs; c. thirteen point seven five (13.75) hours, commencing with the month in which the employee's sixteenth (16th) anniversary of service occurs; d. fourteen point three seven five (14.375) hours, commencing with the month in which the employee's seventeenth (17th) anniversary of service occurs; e. fifteen point six two five (15.625) hours, commencing with the month in which the employee's

<p>occurs;</p> <p>f. sixteen point eight seven five (16.875) hours, commencing with the month in which the employee's twenty-seventh (27th) anniversary of service occurs;</p> <p>g. eighteen point seven five (18.75) hours, commencing with the month in which the employee's twenty-eighth (28th) anniversary of service occurs;</p> <p>h. for the purpose of clauses 29.02 and 29.15 only, all service within the Public Service, whether continuous or discontinuous, shall count toward vacation leave except where a person who, on leaving the Public Service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and is reappointed to the Public Service within one (1) year following the date of lay-off.</p>	<p>h. for the purpose of clauses 29.02 and 29.15 only, all service within the Public Service, whether continuous or discontinuous, shall count toward vacation leave except where a person who, on leaving the Public Service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and is reappointed to the Public Service within one (1) year following the date of lay-off.</p> <p>For greater certainty, severance termination benefits taken under clauses 25.05 to 25.08, or similar provisions in other collective agreements, do not reduce the calculation of service for employees who have not left the public service.</p> <p>i. For the purpose of paragraph (h) only, effective April 1, 2012 on</p>	<p>eighteenth (18th) anniversary of service occurs;</p> <p>f. sixteen point eight seven five (16.875) hours, commencing with the month in which the employee's twenty-seventh (27th) anniversary of service occurs;</p> <p>g. eighteen point seven five (18.75) hours, commencing with the month in which the employee's twenty-eighth (28th) anniversary of service occurs;</p> <p>h. for the purpose of clauses 29.02 and 29.15 only, all service within the Public Service, whether continuous or discontinuous, shall count toward vacation leave except where a person who, on leaving the Public Service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and is reappointed to the Public Service within one (1) year following the date of lay-off.</p> <p>Status Quo</p> <p>Parties Agreed.</p>
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	<p>a go forward basis, any former service in the Canadian Forces for a continuous period of six (6) months or more, either as a member of the Regular Force or of the Reserve Force while on Class B or C service, shall also be included in the calculation of vacation leave credits, once verifiable evidence of such service has been provided in a manner acceptable to the Employer.</p>	
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Remarks:

- The Bargaining Agent is requesting vacation leave entitlement beyond what has been granted to other groups in the Core Public Administration (CPA).
- The Employer's approach for all 17 Bargaining Agents, representing all employees and 27 Bargaining Units covering over 150,000 employees, is to apply, to the best of its ability, a common approach and level of entitlement with regard to Vacation Leave.
- We have recently negotiated thirteen (13) tables, including three large PSAC tables and two significant PIPSC tables, with no improvements to Vacation Leave. These tables alone, representing more than half of the Public Service, have renewed at exactly the same entitlement that the FI group currently has. This is also the case for the five (5) arbitral award decisions.
- As part of a total compensation package, the FI vacation leave entitlements are clearly comparable with what is found on average in the CPA.
- The goal of arbitration is to replicate the results, as closely as possible, to that which would have been achieved had the parties negotiated a settlement and must base the award on objective factors, such as the

terms and conditions of employment negotiated within the relevant community and the economic situation.

- The Employer submits that the Union's proposal does not reflect what the parties would have bargained in a period of fiscal restraint and recommends the Board to renew the current vacation leave entitlements.
- In regard to paragraph 29.02 h), the Employer's proposal for this new language should be considered in conjunction with the Employer's proposal to eliminate severance for voluntary departures. The proposed language will confirm the current application and as such, will eliminate questions or confusion.
- The Employer recommends that the Board amend the current entitlement for severance as proposed by the Employer.

Article 36

Leave Without Pay for the Care of Immediate Family

Current Provision	Employer Proposal	Union Proposal
<p>36.03 Subject to clause 36.02, an employee shall be granted leave without pay for the Care of Immediate Family in accordance with the following conditions:</p> <p>(a) an employee shall notify the Employer in writing as far in advance as possible but not less than four (4) weeks in advance of the commencement date of such leave, unless, because of urgent or unforeseeable circumstances, such notice cannot be given;</p> <p>(b) leave granted under this clause shall be for a minimum period of three (3) weeks;</p> <p>(c) the total leave granted under this article shall not exceed five (5) years during an employee's total period of employment in the public service;</p> <p>(d) leave granted for a period of one (1) year or less shall be scheduled in a manner which ensures continued service delivery.</p>	<p>36.03 Subject to clause 36.02, an employee shall may be granted leave without pay for the Care of Immediate Family in accordance with the following conditions:</p> <p>(a) an employee shall notify the Employer in writing as far in advance as possible but not less than four (4) weeks in advance of the commencement date of such leave, unless, because of urgent or unforeseeable circumstances, such notice cannot be given;</p> <p>(b) leave granted under this clause shall be for a minimum period of three (3) weeks;</p> <p>(c) the total leave granted under this article shall not exceed five (5) years during an employee's total period of employment in the public service;</p> <p>(d) leave granted for a period of one (1) year or less shall be scheduled in a manner which ensures continued service delivery. subject to operational requirements.</p>	<p>Status Quo</p>

Remarks:

- The Employer is seeking language that will allow managers greater flexibility to respond to the operational requirements of their organization.
- Managers must be able to consider and address their operational needs when an employee will be off work for an extended period of time and the Employer's proposal provides the flexibility to meet the operational needs of the organization.
- The Employer recommends that the Board amend the current entitlement proposed by the Employer.

Article 37

Leave With Pay for Family-Related Responsibility

Current Provision	Employer Proposal	Union Proposal
<p>Article 37 – FRR Leave</p> <p>37.01 For the purpose of this Article, family is defined as spouse (or common-law partner), children (including foster children or children of spouse or common-law partner), parents (including step-parents or foster parents), or any relative permanently residing in the employee's household or with whom the employee permanently resides.</p> <p>37.02 The total leave with pay which may be granted under this Article shall not exceed thirty-seven decimal five (37.5) hours in a fiscal year.</p> <p>37.03 Subject to clause 37.02, the Employer shall grant leave with pay under the following circumstances:</p> <ul style="list-style-type: none"> a. to take a family member for medical or dental appointments, or for appointments with school authorities or adoption agencies, if the supervisor was notified of the appointment as far in advance as possible; b. to provide for the immediate and temporary care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration; 	<p style="text-align: center;">Status Quo</p>	<p>Article 37 – FRR Leave</p> <p>37.01 For the purpose of this Article, family is defined as spouse (or common-law partner), children (including foster children or children of spouse or common-law partner), parents (including step-parents or foster parents), or any relative permanently residing in the employee's household or with whom the employee permanently resides.</p> <p>37.02 The total leave with pay which may be granted under this Article shall not exceed thirty-seven decimal five (37.5) hours in a fiscal year.</p> <p>37.03 Subject to clause 37.02, the Employer shall grant leave with pay under the following circumstances:</p> <ul style="list-style-type: none"> a. to take a family member for medical or dental appointments, or for appointments with school authorities or adoption agencies, if the supervisor was notified of the appointment as far in advance as possible; b. to provide for the immediate and temporary care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration;

<p>c. to provide for the immediate and temporary care of an elderly member of the employee's family;</p> <p>d. for needs directly related to the birth or to the adoption of the employee's child.</p> <p>37.04 Where, in respect of any period of compensatory leave, an employee is granted leave with pay for illness in the family under 37.03(b) above, on production of a medical certificate, the period of compensatory leave so displaced shall either be added to the compensatory leave period, if requested by the employee and approved by the Employer, or reinstated for use at a later date.</p>		<p>c. to provide for the immediate and temporary care of an elderly member of the employee's family;</p> <p>d. for needs directly related to the birth or to the adoption of the employee's child.</p> <p>(e) seven decimal five (7.5) hours out of the thirty-seven decimal five (37.5) hours stipulated in clause 37.02 above may be used:</p> <p>(i) to attend school functions, if the supervisor was notified of the functions as far in advance as possible;</p> <p>(ii) to provide for the employee's child in the case of an unforeseeable closure of the school or daycare facility;</p> <p>(iii) to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.</p> <p>37.04 Where, in respect of any period of compensatory leave, an employee is granted leave with pay for illness in the family under 37.03(b) above, on production of a medical certificate, the period of compensatory leave so displaced shall either be added to the compensatory leave period, if requested by the employee and approved by the Employer, or</p>
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		reinstated for use at a later date.
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Remarks:

- The Bargaining Agent is proposing language to grant leave for an unforeseeable closure of the school or daycare or to attend an appointment with a legal or paralegal representative that is the same language that was negotiated by the Employer and other unions in recent settlements.
- The Employer already provides paid leave in many instances as found in this clause. Where the proposed language found its way in other collective agreements, It has done so as a result of table settlements. This clause is tied to the severance pay proposal. Should the Union agree to the removal of severance pay for voluntary separations, the Employer may agree to this demand from the Union.
- The Employer therefore proposes that the Board renew the current language.

Article 40 Bereavement Leave

Current Provision	Employer Proposal	Union Proposal
<p>Article 40 – Bereavement Leave</p> <p>40.02 When a member of the employee's immediate family dies, an employee shall be entitled to a bereavement period of five (5) consecutive calendar days. Such bereavement period, as determined by the employee, must include the day of the memorial commemorating the deceased or must begin within two (2) days following the death. During such period the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to three (3) days' leave with pay for the purpose of travel related to the death.</p>	<p style="text-align: center;">Status Quo</p>	<p>Article 40 – Bereavement Leave</p> <p>40.02 When a member of the employee's immediate family dies, an employee shall be entitled to a bereavement period of five (5) seven (7) consecutive calendar days. Such bereavement period, as determined by the employee, must include the day of the memorial commemorating the deceased or must begin within two (2) days following the death. During such period the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to three (3) days' leave with pay for the purpose of travel related to the death.</p>

Remarks:

- The Bargaining Agent's proposal to increase the quantum for bereavement is the same language that was negotiated by the employer and other unions in recent settlements. This clause is tied to the severance pay proposal. Should the Union agree to the removal of severance pay for voluntary separations, the Employer may agree to this demand from the Union.
- The Employer proposes that the Board recommend that the language be renewed as currently written.

Article 47

Sexual Harassment

Current Provision	Employer Proposal	Union Proposal
<p>Article 47 – Sexual Harassment</p> <p>47.01 The Association and the Employer recognize the right of employees to work in an environment free from sexual harassment and agree that sexual harassment will not be tolerated in the work place.</p>	<p>Status Quo</p>	<p>Article 47 – Sexual Harassment</p> <p>47.01 The Association and the Employer recognize the right of employees to work in an environment free from sexual harassment and agree that sexual harassment will not be tolerated in the work place.</p>

Remarks:

- The Bargaining Agent is seeking to change the context of this article which currently deals with sexual harassment, to one which covers the much broader subject of harassment. The Employer has been persistent in its position on this matter, in not acceding to this demand.
- The board should be aware that the Employer already has a comprehensive policy on Harassment in the Workplace, on which the unions were consulted. The government's commitment, in consultation with the unions, was to increase awareness in the area of harassment and discrimination. In line with this the renewed *Policy on Prevention and Resolution of Harassment in the Workplace* is attached in Appendix N.
- This is a universal policy that applies to all public servants and defines harassment as any improper conduct by an individual and includes harassment within the meaning of the *Canadian Human Rights Act*, i.e. harassment on a prohibited ground of discrimination. It is the Employer's contention that the policy provides the necessary framework to deal with complaints of work place harassment.
- Dealing with harassment can be a complex matter and needs to be dealt with in a consistent and expeditious matter across all of the federal public service who is the sole employer. The policy on this matter allows for that.
- It is the Employer position that there is no need to amend this article and proposes that the Board renew the current language.

Article 57

Duration

Current Provision	Employer Proposal	Union Proposal
57.01 The duration of this Collective Agreement shall be from the date it is signed to November 6, 2011.	57.01 The duration of this Collective Agreement shall be from the date it is signed to November 6, 2014.	

Remarks:

- As clearly identified by both parties in their submission to the Arbitration Board, an expiry date of November 6, 2014 is proposed and as such, we can assume that a three (3) year agreement is agreed by the Employer and the Bargaining Agent.

Appendix "A"

Rates of Pay

The Employer's proposal before this Arbitration Board is in keeping with the analysis provided in this brief and is consistent with the overall proposal made to the Bargaining Agent in negotiations. The Employer is proposing a three (3) year duration to expire on November 6, 2004.

EFFECTIVE DATE	SALARY INCREASE
Effective November 7, 2011	1.5%
Effective November 7, 2012	1.5%
Effective November 7, 2013	1.5%

The Employer proposes a general economic increase of 1.5% on the effective dates outlined in the table above.

However, if the Employer's proposal regarding the severance pay is awarded by the Board, in exchange for the changes to the severance provisions, the general economic increases would be amended to reflect the wage settlement trend in the federal public sector and the following would be added:

- Effective November 7, 2011: 0.25%
- Effective November 7, 2013: 0.5%

The Bargaining Agent proposes that effective November 7, 2011, a restructure to provide for an additional 4% at the top increment of the grid to provide for seven (7) increments at each level.

FI-1	55,839	58,072	60,395	62,811	65,324	67,937	70,654
FI-2	65,730	68,360	71,094	73,938	76,895	79,971	83,170
FI-3	79,827	83,020	86,340	89,794	93,386	97,121	101,006
FI-4	90,164	93,770	97,521	101,422	105,479	109,698	114,086

In addition, the Bargaining Agent is proposing the economic increase as outlined in the table below.

EFFECTIVE DATE	SALARY INCREASE
Effective November 7, 2011	3.5%
Effective November 7, 2012	3.5%
Effective November 7, 2013	3.5%

Remarks:

Recent economic and compensation data suggest that moderate economic increases would be appropriate for settlements concluded in the near to medium term for the Financial Management (FI) Group. This is to protect against the risk of a further economic deterioration and to respond to the fiscal situation of the country.

The goal of arbitration is to replicate the result, as closely as possible, to that which would have been achieved had the parties negotiated a settlement. The Employer submits that the Union's proposal does not reflect what the parties would have bargained in a period of fiscal restraint, nor do they reflect increases actually agreed to in other negotiated contracts or arbitral awards.

The economic increases proposed by the Employer reflect the pattern increase which was provided to the majority of employees (and the collective agreements) for those years. For this round of bargaining, thirteen (13) new collective agreements have been ratified, five (5) arbitral awards were rendered all of which contained economic increases aligned with the Employer proposal.

The group enjoys a favourable position when compared to its external labour market comparators (private and public sectors), as well as with public service comparable groups. Further, the current levels of compensation for the FI Group are sufficient as evidenced by healthy recruitment and retention levels where the overall population has had consistent growth (38%) from 2006-07 to 2009-10 and a high average number of qualified applicant per FI job advertisement in 2010-2011 and 2011-2012 (see table 4).

As such, the Employer recommends that the Board allows the pattern of salary increase as requested by the Employer.

Appendix "B"
Memorandum of Understanding
Chief Financial Officer Transitional Allowance

Current Provision	Employer Proposal	Union Proposal
<p style="text-align: center;">**Appendix "B"</p> <p>Memorandum of Understanding Between The Treasury Board (Hereinafter Called The Employer) and The Association of Canadian Financial Officers (Hereinafter Called The Association) In Respect of The Financial Management Group</p>	<p style="text-align: center;">Status Quo</p>	<p style="text-align: center;">**Appendix "B"</p> <p>Memorandum of Understanding Between The Treasury Board (Hereinafter Called The Employer) and The Association of Canadian Financial Officers (Hereinafter Called The Association) In Respect of The Financial Management Group</p> <p>Delete the MOU and roll the transitional allowance in to the rates of pay for FI-3 and FI-4</p>

Remarks:

- There is no justification for the roll-in of the CFO Transitional Allowance.
- The CFO transitional allowance was implemented into the collective agreement to compensate the incumbents for additional, specific responsibilities associated with the implementation of the Chief Financial Officer (CFO) Model and the allowance was created to address these variations in the management capabilities.
- The Employer considers that the levels of the current allowances are sufficient to compensate the incumbents for the specific responsibilities associated with the implementation of the Chief Financial Officer (CFO) Model, and adequately address the additional, specific responsibilities.

- The additional costs associated with the roll-in of the transitional allowance effectively equate to increases in the cost of salary and salary-related benefits, such as overtime.
- The Employer proposes that the Board renew the current language.

APPENDICES

SECTION

A

Policy Framework for the Management of Compensation

Effective Date

This framework is effective as of February 22, 2007.

Context

Compensation is a central component of effective management. There are many diverse and complex factors that must be taken into consideration when addressing compensation issues including private and public sector labour market trends, economic trends, relations with unions, legislation, social policies, federal public administration organizational structures, job classification structure, internal relativity, public policy forums and advisory committees, and public policy to name a few.

In order to help develop a better understanding of these factors, the Public Service Labour Relations Board has received the mandate to provide compensation analysis and research services, including conducting compensation surveys, and make its information and analysis available to the parties and the public.

This framework sets out specific principles and an approach to managing compensation within the federal public administration. The framework guides Treasury Board ministers in their role as financial and human resources managers, set out in section 7 of the *Financial Administration Act* (FAA). The coverage of the framework includes the specific roles and responsibilities of the Treasury Board in respect of the: core public administration, separate agencies, persons hired under the *Royal Canadian Mounted Police Act*, the Canadian Forces, and the segment of federal government business enterprises that receive government funding (i.e. appropriation dependent crown corporations). The Treasury Board's responsibilities vary in important ways across these different areas of the federal public administration, as detailed below in the section Roles, Responsibilities and Policy Instruments. The Framework's coverage does not include those employees covered by the Parliamentary Employment and Staff Relations Act.

Principles

Compensation serves, with other key frameworks, to attract, retain, motivate and renew the workforce required to deliver results to Canadians.

Compensation decisions by the Treasury Board in its various roles will be guided by four overarching principles:

- **External Comparability:** Compensation should be competitive with, but not lead, that provided for similar work in relevant labour markets;
- **Internal Relativity:** Compensation should reflect the relative value to the employer of the work performed;

- **Individual/Group Performance:** Compensation should reward performance, where appropriate and practicable, based on individual or group contributions to business results; and,
- **Affordability:** The cost of compensation must be affordable within the context of the commitments to provide services to Canadians, the fiscal circumstances, and the state of the Canadian economy.

Government compensation decisions are always made taking into account relevant laws and general public policy. Consequently, the above-mentioned principles are to be balanced against the following considerations:

- economic policy objectives;
- social policy objectives; and
- public expectations and pressures.

Roles, Responsibilities and Policy Instruments

Treasury Board

While the range of Treasury Board responsibilities regarding compensation vary across the different areas of the federal public administration, some of them apply across all areas:

- The Treasury Board is responsible for all matters relating to human resources management in the federal public administration, including the authority to determine terms and conditions of employment. The Treasury Board is also responsible for the terms and conditions of persons appointed by the Governor in Council whose terms and conditions of employment have not been established by an Act of Parliament.
- The President of the Treasury Board is the Minister responsible for the *Public Service Superannuation Act* and has overarching responsibility with respect to the financing and funding of all the federal public sector pension plans. Also, the President of the Treasury Board and/or the Treasury Board are responsible for certain discretionary decision-making under the legislation governing the plans.
- The Treasury Board has the authority to establish or enter into a contract to acquire group insurance or benefit programs for the federal public administration or any of its areas and to set the terms and conditions of those programs, including those relating to premiums, contributions, and benefits.

The area-specific responsibilities of the Treasury Board with regard to the management of compensation are:

- *Core public administration:* The Treasury Board is the employer of employees in the core public administration. It has the authority to enter into collective agreements with bargaining agents and to set the terms and conditions of employment for executive and other unrepresented employees.

- *Separate agencies:* Separate agencies may exercise their own human resources authority granted by their enabling statute or by Order in Council. This authority may be unconditional or subject to conditions such as prior consultation with or approval by Treasury Board. Separate agencies are employers in their own right. Most separate agencies require the approval of the Governor in Council to enter into collective agreements with the bargaining agents representing their employees. By Cabinet directive, 1967, the Governor in Council requires separate agencies, in advance of bargaining, to obtain from the President of the Treasury Board their collective bargaining mandates, including the objectives to be pursued and the limits to be observed.
- *Royal Canadian Mounted Police:* The RCMP is listed in Schedule IV of the FAA as a part of the core public administration. The *Royal Canadian Mounted Police Act* provides the Commissioner of the RCMP with certain powers and authorities normally exercised by Treasury Board. However, the Treasury Board is responsible for establishing pay and allowances to be paid to members.
- *Canadian Forces:* The Treasury Board is not the employer of non-commissioned members of the Canadian Forces. However, the *National Defence Act* provides that Treasury Board is responsible for establishing pay and allowances of officers and non-commissioned members.
- *Appropriation Dependent Crown Corporations:* As part of the process for funding appropriation dependent crown corporations, adjustments are made to their annual reference levels to address increases in compensation costs at a rate determined by the Treasury Board.

Treasury Board Secretariat and Public Service Human Resources Management Agency of Canada

The Treasury Board Secretariat is responsible for compensation planning in the federal public administration, for reporting on compensation and for ensuring that government decisions in the area of compensation are aligned with the principles laid out in the Policy Framework for the Management of Compensation.

The Secretariat is also responsible in its capacity of employer to implement decisions with respect to the core public administration except for decisions related to senior level officials and classification, which are under the responsibility of the Public Service Human Resources Management Agency of Canada. The Secretariat and the Agency are responsible for ensuring that government policies in the area of compensation are aligned with the principles laid out in this Framework.

Public Works and Government Services Canada

The *Department of Public Works and Government Services Act* requires the Department to provide such administrative and other services required for the disbursement of pay, employee benefit plans and Superannuation or pension plans to persons employed in or by any department, and to persons employed in or by other portions of the federal public administration, as the Governor in Council may direct.

Deputy Heads

The Public Service Collective Agreements Implementation Order delegates to deputy heads the authority to exercise and perform such powers and functions of the Treasury Board as may be required to give effect to and administer the provisions of collective agreements, subject to any direction of the Treasury Board. The responsibilities of the Deputy Heads are specified in the policy documents and in the legislation identified in the policy documents.

Policy Instruments

Responsibility for the policies under the framework is divided between the Treasury Board Secretariat and the Public Service Human Resources Management Agency of Canada and is specified in the documents outlining the policies. The specific legislative, regulatory and policy instruments that support this framework are set out in Appendix 2.

Relationship to other Treasury Board Policy Frameworks

The Policy Framework for the Management of Compensation is related to the People Policy Framework, Official Languages Policy Framework and the Financial Management Policy Framework. Some of the policies under the People Policy Framework, such as the Organizational Authority and Classification of Executive Positions Policy, have implications on the compensation of employees in the federal public administration. The bilingual bonus included in the Official Languages Policy Framework is also part of the compensation package of employees. In addition, all the applicable policies and directives under the Financial Management Policy framework apply to the administration of the pay process.

Monitoring, Reporting and Performance Assessment

Performance indicators, reporting requirements, and compliance mechanisms with respect to the management of compensation, where applicable, are identified in individual policies outlined in Annex II.

Consequences

Consequences for non-compliance are described in the individual policies underpinning this framework. They range from various corrective measures taken by deputy heads within their organizations to address errors or non-compliance, to the withdrawal of deputy heads' delegated authorities and requirement to repay from their departmental budgets any costs associated with errors or other forms of non-compliance with the existing policies.

Enquiries

Responsibility for this policy framework is vested with the Treasury Board of Canada Secretariat. Responsibility for the policies under the framework is divided between the Treasury Board Secretariat and the Public Service Human Resources Management Agency of Canada and is specified in the documents outlining the policies.

Please direct enquiries to:

Senior Assistant Secretary
Treasury Board Secretariat
Expenditure Management Sector
L'Esplanade Laurier - Floor: 07E
140 O'Connor Street
Ottawa, Ontario
Canada
K1A 0R5

Telephone: (613) 946-3061

Appendix I: Definitions

"Compensation" implies total compensation and covers cash and non-cash remuneration provided to an employee for services rendered, and includes, but is not limited to:

- wages and salaries and other cash compensation such as performance awards;
- pensions and insurances benefits;
- paid time off;
- allowances, such as the Penalogical factor allowance; and programs that compensate employees for the costs of serving in difficult environments (the Isolated Posts Directives and the Foreign Service Directives for example).

"core public administration" means the departments named in Schedule I and the other portions of the federal public administration named in Schedule IV to the FAA.

"separate agency" means a portion of the federal public administration named in Schedule V to the FAA.

Appendix II: Supporting Legislative, Regulatory and Policy Instruments

Under Development

SECTION

B

FINANCIAL MANAGEMENT (FI) GROUP

SALARY DATA AS OF MARCH 31, 2011

PAYROLL SUMMARY

FI Level	# of Empl.	% of Total	Range Minimum (\$)	Range Maximum (\$)	Mean Salary (\$)
Dev.	0	0.0	25,895	47,606	0
1	1,210	29.1	48,430	67,937	58,397
2	1,357	32.6	58,951	79,951	71,389
3	1,164	28.0	74,592	96,160	89,633
4	423	10.2	83,308	107,547	104,670
Salary-Protected	3	0.1			94,244
Total	4,157	100.0			\$76,119
Payroll	\$316,425,967				

FINANCIAL MANAGEMENT (FI) GROUP

DISTRIBUTION OF EMPLOYEES BY DEPARTEMENT			
AS OF MARCH 31, 2011			
DEPARTEMENT		NO OF EMPLOYEES	% OF TOTAL
ACO	ATLANTIC CANADA OPPORTUNITIES AGENCY	17	0.41
AGR	DEPARTMENT OF AGRICULTURE AND AGRI-FOOD	178	4.28
AHS	PUBLIC HEALTH AGENCY OF CANADA	26	0.63
ATN	CANADIAN TRANSPORTATION AGENCY	5	0.12
BAL	LIBRARY AND ARCHIVES OF CANADA	17	0.41
BCO	CANADIAN INTERNATIONAL TRADE TRIBUNAL	1	0.02
BSF	CANADA BORDER SERVICES AGENCY	121	2.91
CAJ	COURTS ADMINISTRATION SERVICE	10	0.24
CDC	CANADIAN DAIRY COMMISSION	4	0.10
CEO	OFFICE OF THE CHIEF ELECTORAL OFFICER	47	1.13
CES	CANADIAN SCHOOL OF PUBLIC SERVICE	24	0.58
CGC	CANADIAN GRAIN COMMISSION	6	0.14
CIC	CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT	1	0.02
CIR	CANADIAN INDUSTRIAL RELATIONS BOARD	2	0.05
COL	OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES	3	0.07
CPM	MILITARY POLICE COMPLAINTS COMMISSION	1	0.02
CSA	CANADIAN SPACE AGENCY	33	0.79
CSD	DEPARTMENT OF HUMAN RESOURCES AND SOCIAL DEVELOPMENT	431	10.37
CSW	OFFICE OF THE COORDINATOR STATUS OF WOMEN	2	0.05
DFO	DEPARTMENT OF FISHERIES AND OCEANS	102	2.45
DND	DEPARTMENT OF NATIONAL DEFENCE	371	8.92
DOE	DEPARTMENT OF THE ENVIRONMENT	137	3.30
DUS	DEPARTMENT OF INDUSTRY	110	2.65
DVA	DEPARTMENT OF VETERANS AFFAIRS	73	1.76
EAA	CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY	5	0.12
ESO	FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO	9	0.22

EXT	DEPARTMENT OF FOREIGN AFFAIRS& INTERNATIONAL TRADE	125	3.01
FCG	CANADIAN FORCES GRIEVANCE BOARD	2	0.05
FIN	DEPARTMENT OF FINANCE	19	0.46
FJA	OFFICE OF THE COMMISSIONER FOR FEDERAL JUDICIAL AFFAIRS	2	0.05
FRD	ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC	20	0.48
GGG	OFFICE OF THE GOVERNOR GENERAL'S SECRETARY	5	0.12
GTR	REGISTRY OF THE SPECIFIC CLAIMS TRIBUNAL	1	0.02
HRC	CANADIAN HUMAN RIGHTS COMMISSION	6	0.14
IAN	DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT	185	4.45
IDA	CANADIAN INTERNATIONAL DEVELOPMENT AGENCY	71	1.71
IJC	INTERNATIONAL JOINT COMMISSION	1	0.02
IMC	DEPARTMENT OF CITIZENSHIP AND IMMIGRATION	94	2.26
INF	OFFICE OF INFRASTRUCTURE OF CANADA	16	0.38
INT	OFFICE OF THE PUBLIC SECTOR INTEGRITY COMMISSIONER	1	0.02
IPC	OFFICES OF THE INFORMATION AND PRIVACY COMMISSIONERS	7	0.17
IRB	IMMIGRATION AND REFUGEE BOARD	11	0.26
JUS	DEPARTMENT OF JUSTICE	97	2.33
LOB	OFFICE OF THE REGISTRAR OF LOBBYISTS	1	0.02
MHI	HAZARDOUS MATERIALS INFORMATION REVIEW COMMISSION	2	0.05
MOT	DEPARTMENT OF TRANSPORT	148	3.56
NPB	NATIONAL PAROLE BOARD	7	0.17
PCH	DEPARTMENT OF CANADIAN HERITAGE	56	1.35
PCO	PRIVY COUNCIL OFFICE	22	0.53
PEN	CORRECTIONAL SERVICE OF CANADA	205	4.93
PPD	OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS	10	0.24
PPT	PASSPORT CANADA	32	0.77
PSC	PUBLIC SERVICE COMMISSION	29	0.70
PSP	PUBLIC SAFETY AND EMERGENCY PREPAREDNESS CANADA	16	0.38
PTP	CANADIAN HUMAN RIGHTS TRIBUNAL	2	0.05
XR	PATENTED MEDICINE PRICES REVIEW BOARD	2	0.05
RCM	ROYAL CANADIAN MOUNTED POLICE (CIVILIAN STAFF)	202	4.86

RPP	ROYAL CANADIAN MOUNTED POLICE PUBLIC COMPLAINTS COMMISSION	1	0.02
RSN	DEPARTMENT OF NATURAL RESOURCES	99	2.38
RTC	CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION	4	0.10
SHC	DEPARTMENT OF HEALTH	211	5.08
STC	STATISTICS CANADA	84	2.02
SUC	OFFICE OF THE REGISTRAR OF THE SUPREME COURT OF CANADA	4	0.10
SVC	DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES	454	10.92
TBD	TREASURY BOARD (SECRETARIAT)	137	3.30
TSB	CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD	2	0.05
WCO	DEPARTMENT OF WESTERN ECONOMIC DIVERSIFICATION	28	0.67
	TOTAL	4,157	100.00

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES BY LEVEL

AS OF MARCH 31, 2011

Sub-Group	Atlantic	Quebec	Ontario	Prairies	B.- C.	Territories	Out	TOTAL	RNC- Que.	RNC- Ont.
FI-01	97	337	518	152	100	7	0	1,211	226	396
FI-02	102	419	657	93	81	3	3	1,358	327	577
FI-03	43	391	634	55	31	4	6	1,164	363	600
FI-04	12	138	254	10	7	0	3	424	125	252
GROUP TOTAL	254	1,285	2,063	310	219	14	12	4,157	1,041	1,825
% OF TOTAL	6.1	30.9	49.6	7.5	5.3	0.3	0.3	100.0		

**FINANCIAL MANAGEMENT (FI) GROUP
SALARY DATA AS OF MARCH 31, 2011**

Level	Step	# of Employees	Payroll (\$)
FI-DEV	25,895	0	0
	47,606	0	0
TOTAL		0	0
MEAN SALARY			0
FI-01	48,430	148	7,167,640
	50,668	175	8,866,900
	52,909	112	5,925,808
	55,150	122	6,728,300
	57,385	92	5,279,420
	59,630	84	5,008,920
	61,869	75	4,640,175
	64,108	70	4,487,560
	67,937	332	22,555,084
TOTAL		1,210	70,659,807
MEAN SALARY			58,397
FI-02	58,951	143	8,429,993
	61,685	133	8,204,105
	64,420	147	9,469,740
	67,157	118	7,924,526
	69,893	90	6,290,370
	72,627	133	9,659,391
	75,362	114	8,591,268
	79,971	479	38,306,109
TOTAL		1,357	96,875,502
MEAN SALARY			71,389
FI-03	74,592	83	6,191,136
	77,735	59	4,586,365
	80,877	67	5,418,759
	84,017	150	12,602,550
	87,158	133	11,592,014
	90,649	123	11,149,827
	96,160	549	52,791,840
TOTAL		1,164	104,332,491
MEAN SALARY			89,633
FI-04	83,308	2	166,616
	86,840	9	781,560
	90,379	8	723,032
	93,919	17	1,596,623
	97,457	29	2,826,253
	101,384	52	5,271,968
	107,547	306	32,909,382
TOTAL		423	44,275,434
MEAN SALARY			104,670
Salary Protected			
FI-01	78,004	1	78,004
FI-02	93,100	1	93,100
FI-04	111,629	1	111,629
TOTAL		4,157	316,425,967
MEAN SALARY			76,119

SECTION

c

FI-FINANCIAL MANAGEMENT
DISTRIBUTION OF EMPLOYEES BY AGE AND GENDER
AS OF MARCH 31, 2011

FI-FINANCIAL MANAGEMENT			
AGE (YEARS)	MEN	WOMEN	TOTAL
LESS THAN 18	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
21	1	2	3
22	7	8	15
23	18	26	44
24	40	45	85
25	57	56	113
26	45	52	97
27	59	60	119
28	57	65	122
29	58	70	128
30	56	53	109
31	63	73	136
32	67	75	142
33	69	87	156
34	61	88	149
35	60	72	132
36	55	72	127
37	58	87	145
38	50	86	136
39	42	83	125
40	50	75	125
41	49	90	139

FI-FINANCIAL MANAGEMENT			
AGE (YEARS)	MEN	WOMEN	TOTAL
42	57	58	115
43	51	72	123
44	50	78	128
45	53	79	132
46	32	91	123
47	51	65	116
48	49	66	115
49	33	58	91
50	49	65	114
51	35	76	111
52	41	62	103
53	46	45	91
54	41	42	83
55	32	33	65
56	34	35	69
57	31	28	59
58	22	15	37
59	15	20	35
60	12	13	25
61	11	4	15
62	7	8	15
63	9	8	17
64	6	3	9
65 AND OVER	14	5	19
TOTAL	1,803	2,354	4,157
AVERAGE AGE	40.1	40.2	40.1

FINANCIAL MANAGEMENT (FD)
DISTRIBUTION OF EMPLOYEES BY AGE AND GENDER

AGE (YEARS)	MEN	WOMEN	TOTAL
LESS THAN 18	0	0	0
18 - 20	0	0	0
21 - 30	398	437	835
31 - 40	575	798	1,373
41 - 50	474	722	1,196
51 - 60	309	369	678
61 - 64	33	23	56
65 AND OVER	14	5	19
TOTAL	1,803	2,354	4,157
AVERAGE AGE	40.1	40.2	40.1

SECTION

D

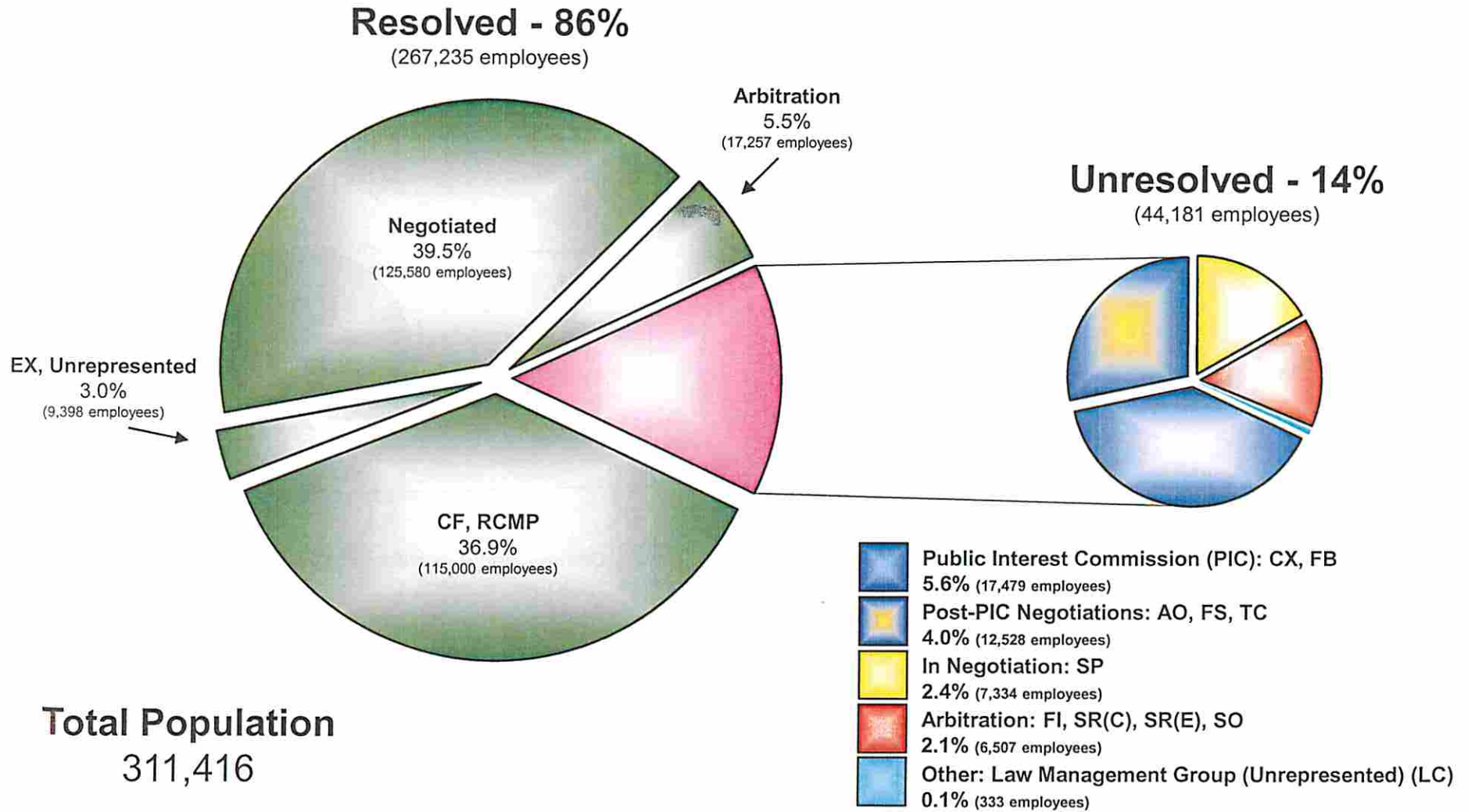
FI – FINANCIAL MANAGEMENT
DISTRIBUTION OF EMPLOYEES BY YEARS OF SERVICE
AS OF MARCH 31, 2011

DISTRIBUTION OF EMPLOYEES BY YEARS OF SERVICES			
YEARS OF SERVICE	MEN	WOMEN	TOTAL
LESS THAN 1	113	123	236
1	114	151	265
2	172	180	352
3	147	165	312
4	121	145	266
5	100	121	221
6	57	88	145
7	66	89	155
8	110	139	249
9	106	142	248
10	113	158	271
11	81	102	183
12	51	102	153
13	32	66	98
14	15	46	61
15	16	18	34
16	5	19	24
17	10	17	27
18	37	35	72
19	36	51	87
20	35	49	84
21	20	47	67
22	30	50	80
23	21	32	53
24	12	22	34
25	12	22	34
26	23	21	44
27	28	24	52
28	12	30	42
29	32	32	64
30	19	23	42
31	8	11	19
32	6	6	12
33	11	12	23
34	10	4	14
35 AND OVER	22	12	34
TOTAL	1,803	2,354	4,157
AVERAGE YEARS OF SERVICE	9.8	10.1	10.0

SECTION

E

Distribution of Ceased Voluntary Severance Since 2010 to Present



Total Population based as of December 31, 2012
Revised: March 14, 2013

SECTION

F

Date: July 12, 2012
File: 585-02-38

Public Service Labour
Relations Board

Before an Arbitration Board

BETWEEN

THE CANADIAN ASSOCIATION OF PROFESSIONAL EMPLOYEES

Bargaining Agent

and

THE TREASURY BOARD OF CANADA
Employer

Re: Request for Arbitration
Economics and Social Science Services (EC) Group

Before: Yvon Tarte, Chairperson and
William Krause and Guy Lauzé

For the Bargaining Agent: Peter Engelman

For the Employer: Cynthia Nash

Heard at Ottawa, Ontario
June 18 and 19, 2012

(1) The EC collective agreement expired on June 21, 2011. The Canadian Association of Professional Employees ("the Bargaining Agent") filed notice to bargain on April 28, 2011.

(2) The Bargaining Agent and the Treasury Board of Canada ("the Employer") bargaining teams met on Friday, June 17, 2011 to exchange proposals. The parties then met again on September 1, 2011 to discuss the proposals and sat down for negotiations on October 11, 12 and 13, November 22, 23 and 24 and December 13, 2011.

(3) Following these negotiating sessions, the Bargaining Agent requested arbitration on December 14, 2011 pursuant to section 136 of the Public Service Labour Relations Act ("the Act"). Along with its request, the Bargaining Agent provided a list of the terms and conditions of employment that it wished to refer to arbitration.

(4) By letter of December 28, 2011, the Employer provided its position on the terms and conditions of employment that the Bargaining Agent wished to refer to arbitration. The employer also provided a list of additional terms and conditions of employment it wished to refer to arbitration.

(5) By letter of January 6, 2012, the Bargaining Agent provided its position on the additional terms and conditions of employment that the employer wished to refer to arbitration.

(6) The Terms of Reference of this Arbitration Board were set by the Chairperson of the Public Service Labour Relations Board ("the PSLRB") on February 14, 2012 (2012 PSLRB 18).

(7) The parties, with the help of a PSLRB mediator appointed at their request, met in May 2012 to attempt to resolve their differences. Although quite a few issues were resolved during these mediation sessions, a full and final settlement on all matters was not reached.

(8) Prior to the hearings in this matter, the parties exchanged briefs which were submitted to the Arbitration Board.

(9) Pursuant to section 146 of the Act the parties were both given a full opportunity to present evidence and make representations at the hearings held in Ottawa on June 18 and 19, 2012.

(10) Following the hearings, the Arbitration Board met to discuss and consider the evidence and submissions of the parties as well as the factors enumerated in section 148 of the Act.

(11) The Arbitration Board believes that all the factors listed in section 148 of the Act must be considered in making its award and that none of the factors has more

importance than the other. Each factor must be looked at and applied to the circumstances of any given case by an arbitration board on the basis of the evidence presented to it.

(12) In this case while there does not appear to be significant recruitment and retention problems for employees in the EC group, there was evidence presented by the Bargaining Agent showing some lagging with internal and external comparators. Although the Employer denied the usefulness of that evidence, it did not present any evidence to the contrary.

(13) The factor contained in subsection 148(e) dealing with the state of the Canadian economy and the Government's fiscal circumstances is somewhat more problematic since the political voices on this issue give us a mixed message. Trying to get a firm grip on the state of the Canadian economy and the Government's fiscal circumstances is akin to squeezing jello. The end result is never satisfactory.

(14) In any event, the factors enunciated in section 148 must be taken into account by an Arbitration Board. They are not however shackles which take away the independence of this or any other Arbitration Board.

The Issues in Dispute and the Award

Article 20 – Designated Paid Holidays

(15) The Employer has proposed that the word "required" in the clause be changed to "scheduled" to more clearly indicate that the provisions are only applicable when an employee is scheduled to report for work.

(16) Furthermore, the Employer requests that language be added to the article to ensure that the minimum compensation of 3 hours at applicable overtime rates be available only once during an 8 hour period.

(17) The Bargaining Agent objects to these proposals stating that the word "scheduled" in this context is too restrictive and since the Employer controls the hours of work, there is no need to limit the amount of compensation in an 8 hour period.

(18) The Arbitration Board determines that clause 20.06 shall be renewed without change.

Articles 24, 25 and Appendix B – Severance Pay and Consequential Amendments

(19) The Employer proposes the deletion of severance pay provisions for cases of voluntary resignation and retirement. Severance pay would continue to accumulate for reasons of death, lay-off and termination for incapacity or incompetence.

(20) Under the Employer's proposal, employees would have certain options as to cash out of accumulated severance benefits. Finally the Employer offers additional increases of 0.25% in year one and 0.5% in year 3 of a 3 year agreement in exchange for the elimination of severance pay in resignation and retirement cases.

(21) The proposed amendments to Article 24 and Appendix "B" of the collective agreement are consequential to the proposed changes to severance pay in Article 25.

(22) The Employer points out that in the present round of bargaining, 9 collective agreements, covering more than 100,000 unionized employees, have been ratified, all of which have included the elimination of severance pay in resignation and retirement cases. Furthermore, the same severance benefits were eliminated for approximately 13,000 executives and non-represented employees.

(23) The Bargaining Agent suggests that the Employer has not properly costed out the negative financial effect of its proposal on members of the bargaining unit and as such it is patently unfair.

(24) The Bargaining Agent proposes the status quo or as a first alternative, a pay adjustment of 0.3% for the sole elimination of severance upon resignation or in the second alternative, an increase of 0.5% in year one and 1.0% in year three of a three year collective agreement.

(25) The Arbitration Board determines that the Employer's proposal and consequential amendments relating to severance pay shall be incorporated into the new collective agreement.

Article 28 Hours of Work and Overtime

(26) Article 28 of the collective agreement contains a subparagraph (28.11c) (ii) which limits overtime payments to 1.5 times the normal rate when the overtime is worked on a second day of rest at the request of the employee.

(27) These provisions were added to the collective agreement by the parties in 2004.

(28) The Bargaining Agent wants the subparagraph removed to better mirror other existing collective agreements in the public sector. The Bargaining Agent further argues that any additional costs brought about by the implementation of this proposal will be nominal and are totally within the control of the Employer who has the exclusive right to approve any request for overtime.

(29) The Employer argues that there is no need for the change. Bargaining Unit members receive double time for work performed on a second day of rest as long as the employee has also worked on his or her first day of rest.

(30) The Arbitration Board determines that subparagraph 28.11c) (ii) shall be deleted from the Collective Agreement.

Article 30 Travelling Time

(31) The Employer is proposing the addition of language to this Article to state that a period of work and travel which takes place over two days shall be deemed to have taken place on the day it starts.

(32) The Bargaining Agent submits that the status quo should be maintained. The changes proposed by the Employer would be unfair to employees who are required to travel on very long journeys over two days.

(33) The Arbitration Board determines that Article 30 of the collective agreement shall be renewed without change.

Appendix C

(34) The Bargaining Agent is proposing to change the life of variable work schedules so that they are extended from 28 days to 52 weeks.

(35) The language proposed is similar to the language found in the Financial Management Group collective agreement. The Bargaining Agent submits that the new language would be beneficial to the Employer and employees by giving them greater flexibility to deal with organizational goals and to meet family needs and other commitments.

(36) The Employer has concerns that these changes will be overly burdensome to administrators.

(37) The Arbitration Board determines that the changes to Appendix "C" of the collective agreement, proposed by the Bargaining Agent shall be incorporated into the new collective agreement.

Sabbatical Leave

(38) The Bargaining Agent is proposing the addition of a new appendix to the collective agreement dealing with sabbatical leave. The proposed leave for a period of 12 consecutive months would be funded primarily by the employee and more modestly by the employer.

(39) The Employer points to other provisions in the collective agreement as well as other policies which can now be used by employees to achieve the same results.

(40) The Arbitration Board determines that the Bargaining Agent's proposal dealing with sabbatical leave shall not be incorporated into the new collective agreement.

Classification Standard Review

(41) The Bargaining Agent proposes the inclusion of a new appendix which would require the parties to meet during the life of the agreement to review the current EC classification standard and guidelines.

(42) Under this proposal, impasses would be referred to the PSLRB which would issue, within a reasonable period of time as determined by the parties, a non-binding report.

(43) The Employer believes that the inclusion of an Appendix dealing with Classification Standard Review would be in violation of the clear provisions of Section 150 of the PSLRA.

(44) The Arbitration Board determines that the Bargaining Agent's proposal dealing with Classification Standard Review shall not be incorporated into the new collective agreement.

Article 53

(45) The Arbitration Board determines that the new collective agreement shall be for a period of 3 years and shall expire on June 21, 2014.

Appendix "A" – Pay Adjustments

(46) The Employer has proposed economic increases over the 3 year agreement as follows:

Effective June 22, 2011 : 1.5%
Effective June 22, 2012 : 1.5%
Effective June 22, 2013 : 1.5%

(47) As indicated in paragraph (25) of the award there would also be a 0.25% increase effective June 22, 2011 and a 0.5% increase effective June 23, 2013 as compensation for the elimination of severance pay upon resignation and retirement.

(48) During the hearing before the Arbitration Board, the Bargaining Agent proposed the addition of a 3.5% step to each level of the EC group pay scales as of June 22, 2011.

Once that 6th step in the pay grid has been added, the Bargaining Agent proposes economic increases over the 3 year agreement as follows:

Effective June 22, 2011 : 1.75%
Effective June 22, 2012 : 1.75%
Effective June 22, 2013 : 1.75%

(49) Given our comments earlier, in particular those contained in paragraph (12) of this award, the Arbitration Board determines that the economic increases for the EC group shall be as follows:

- a) Effective June 22, 2011 : 1.5%
- b) Effective June 22, 2012 : 1.5%
- c) Effective June 22, 2013 : the addition of a 3.45% step to the EC pay scales and the removal of the first step in each of those scales (the 3.45% represents the average of all increments in the EC pay scales).
- d) Effective June 22, 2013 : 1.5%

Given the Arbitration Board's determination in paragraph (25) of this award, the effective economic increases for the EC group will be 1.75% in year one and 2% in year three of the new collective agreement.

(50) The Arbitration Board shall remain seized of this matter for a period of two weeks from the date of this award in the event the parties encounter difficulties in its implementation. In such case, the Arbitration Board shall be advised forthwith of the difficulty and shall deal with the matter as expeditiously as possible.

**Original Signed by
Original signé par**

Yvon Tarte

Ottawa, July 12 2012

For the Arbitration Board

SECTION

G

Date: July 25, 2012

File: 585-02-37

Public Service Labour
Relations Board

Before an Arbitration Board

BETWEEN

THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, LOCAL 2228

Bargaining Agent

and

THE TREASURY BOARD OF CANADA

Employer

Re: Request for Arbitration
Electronics (EL) Group

Before: Yvon Tarte, Chairperson and
Fazal Bhimji and Jock Climie

For the Bargaining Agent: James Shield

For the Employer: Ted Leindecker

Heard at Ottawa, Ontario
June 26 and 27, 2012

- (1) The EL collective agreement expired on August 31, 2010. The group is composed of some 1,114 electronics technologists who are specialists in the installation and maintenance of electronics equipment for weather facilities, radio frequency allocation and monitoring, as well as air, land and marine transportation systems.
- (2) The members of the bargaining unit work in all parts of the country. Ninety percent of the bargaining unit works at National Defence, Fisheries and Oceans, Industry Canada and Transport Canada.
- (3) The International Brotherhood of Electrical Workers, Local 2228 ("the Bargaining Agent") filed notice to bargain on May 10, 2010.
- (4) The Bargaining Agent and the Treasury Board of Canada ("the Employer") exchanged proposals on October 15, 2010.
- (5) Following what can only be described as an unproductive round of negotiating, the Bargaining Agent requested arbitration on October 31, 2011, pursuant to section 136 of the Public Service Labour Relations Act ("the Act"). Along with its request, the Bargaining Agent provided a list of the terms and conditions of employment that it wished to refer to arbitration.
- (6) By letter of November 8, 2011, the Employer expressed the view that negotiations between the parties had not reached an impasse and requested the appointment of a mediator. The Employer nevertheless provided its position on the terms and conditions of employment that the Bargaining Agent wished to refer to arbitration as well as a list of the terms and conditions of employment that it wished to refer to arbitration.
- (7) By letter of November 10, 2011, the Bargaining Agent provided its position on the additional terms and conditions of employment that the employer wished to refer to arbitration and reiterated its request for the appointment of an Arbitration Board.
- (8) The Terms of Reference of this Arbitration Board were set by the Chairperson of the Public service Labour Relations Board ("the PSLRB") on February 7, 2012.
- (9) Prior to the hearings in this matter, the parties exchanged briefs which were submitted to the Arbitration Board.
- (10) Pursuant to section 146 of the Act the parties were both given a full opportunity to present evidence and make representations at the hearings held in Ottawa on June 26 and 27, 2012.
- (11) Following the hearings, the Arbitration Board met to discuss and consider the evidence and submissions of the parties as well as the factors enumerated in section 148 of the Act.

(12) The Arbitration Board believes that all the factors listed in section 148 of the Act must be considered in making its award and that none of the factors has more importance than the other. Each factor must be looked at and applied to the circumstances of any given case by an arbitration board on the basis of the evidence presented to it.

(13) In this case there does not appear to be recruitment and retention problems for employees in the EL group nor were there issues with internal and external comparators.

(14) The factor contained in subsection 148(e) dealing with the state of the Canadian economy and the Government's fiscal circumstances is somewhat more problematic since the political voices on this issue give us a mixed message.

(15) In any event, the factors enunciated in section 148 must be taken into account by an Arbitration Board. They are not however shackles which take away the independence of this or any other Arbitration Board.

The Issues in Dispute and the Award

Article 17 - Vacation Leave With Pay

(16) The Bargaining Agent proposes that clause 17.02 be amended to provide twenty days vacation for new employees.

(17) The Employer objects on the basis that this would go beyond what has been granted to other groups in the core public administration.

(18) The Arbitration Board determines that clause 17.02 shall be renewed without change.

(19) The Employer proposes the addition of a new clause 17.04 to prevent the pyramiding of benefits and to be consistent with other collective agreements.

(20) The Arbitration Board determines that the changes to clause 17.04 proposed by the Employer shall be incorporated into the new collective agreement. As a consequence of this change, other clauses in Article 17 will have to be renumbered.

(21) The Employer proposes changes to clause 17.08 limiting to 25 days the amount of unused vacation leave which can be carried over.

(22) The Bargaining Agent wishes to keep the existing carry-over maximum of 35 days.

(23) The Arbitration Board determines that clause 17.08 shall be renewed without change.

(24) The Employer proposes the elimination of clause 17.22 which provides for the advance payment of salary for vacation periods. The Employer submits that the clause is outdated and not used since the vast majority of employees are on direct deposit.

(25) The Arbitration Board determines that clause 17.22 shall be deleted from the new collective agreement.

(26) The Employer argues that sub-clause 17.24(b) dealing with transitional provisions going back to 2005 is now obsolete and should be deleted.

(27) The Arbitration Board determines that sub-clause 17.24(b) shall be deleted from the new collective agreement. As a consequence the paragraphs of clause 17.24 will have to be renumbered.

Article 18 - Other Leave With or Without Pay

(28) The Bargaining Agent proposes that clause 18.12 be amended to remove the two day cap available for needs directly related to the birth or adoption of a child.

(29) The Arbitration Board determines that the changes to clause 18.12 proposed by the Bargaining Agent shall be incorporated into the new collective agreement.

(30) The Employer proposes that the reference to a "grand jury" in clause 18.13 be removed since there has been no grand jury in Canada since 1976. The Employer further states that the revised language would cover situations where an employee might be required to attend before a grand jury in the United States of America.

(31) The Arbitration Board determines that the reference to a "grand jury" in clause 18.13 shall be removed in the new collective agreement.

Article 19 - Sick Leave

(32) Both the Bargaining Agent and the Employer propose changes to the clause.

(33) The Employer's proposals seek to clarify the language of the clause and remove its obligation to provide written statements of sick leave balances.

(34) The Bargaining Agent proposes that the cost of obtaining a medical certificate pursuant to this clause be borne by the Employer.

(35) The Arbitration Board determines that Article 19 shall be renewed without change.

Article 20 - National Joint Council Agreements

(36) The Employer proposes that clauses 20.01 and 20.02 be amended by adding the words "and as amended from time to time" in reference to National Joint Council (the "NJC") agreements which by ruling of the Board have been incorporated into the collective agreement. The Employer has also proposed the elimination of clause 20.03 which lists the NJC agreements incorporated into the collective agreement and refers to the grievance process for grievances under these agreements.

(37) The Arbitration Board determines that the changes requested by the Employer in clauses 20.01 and 20.02 shall be incorporated into the new collective agreement. The Arbitration Board further determines that the remainder of Article 20 shall be renewed without change.

Article 22 - Severance Pay

(38) The Employer proposes the deletion of severance pay provisions for cases of voluntary resignation and retirement. Severance pay would continue to accumulate for reasons of death, lay-off and termination for incapacity or incompetence.

(39) Under the Employer's proposal, employees would have certain options as to cash out of accumulated severance benefits. Finally the employer offers additional increases of .25% in year two and .5% in year four of a 4-year agreement in exchange for the elimination of severance pay in resignation and retirement cases.

(40) The Employer points out that in the present round of bargaining, 9 collective agreements, covering more than 100,000 unionized employees have been ratified, all of which have included the elimination of severance pay in resignation and retirement cases. Furthermore, the same severance benefits were eliminated for approximately 13,000 executives and non-represented employees. At the hearing in this matter, the Employer indicated that the Computer Science (CS) Group of approximately 13,000 employees had recently agreed to these changes to their severance pay provisions.

(41) The Bargaining Agent opposes these changes and argues that such important changes should only be made through free collective bargaining. Interest arbitration is not the place to do it.

(42) The Arbitration Board determines that the Employer's proposal relative to severance pay shall be incorporated into the new collective agreement.

Article 23 - Hours of Work

(43) The Employer proposes that the language of clause 23.15 be amended to more clearly define its management rights.

(44) The Arbitration Board determines that the clause will be renewed without change.

Article 24 - Days of Rest

(45) The Bargaining Agent proposes that clause 24.06 be amended to allow for the payment of twice an employee's regular rate of pay when the employee is required to work on a second or subsequent day of rest. Under the old collective agreement, double time is only available on a second or subsequent day of rest if the first day of rest has been worked.

(46) The Arbitration Board determines that the language proposed by the Bargaining Agent shall be incorporated into the new collective agreement.

Article 25 - Overtime

(47) The Bargaining Agent proposes that clause 25.02 be amended to provide overtime payment whenever an employee works outside the employee's headquarters area.

(48) The Arbitration Board determines that clause 25.02 shall be renewed without change.

(49) The Bargaining Agent proposes that meal allowances provided for in clause 25.05 be increased incrementally from the present \$10.50 to \$12.50 over the life of the new agreement.

(50) The Employer objects to the proposal since it represents an increase of \$2.00 or approximately 20% over the current meal allowance over the life of the agreement.

(51) The Arbitration Board determines that meal allowances referred to in sub-clause 25.05 (a) (b) and (c) shall be set at \$12.00.

(52) The Employer proposes that clause 25.07 be amended to impose a cap on the total number of kilometers which can be compensated under the clause.

(53) The Arbitration Board determines that clause 25.07 shall be renewed without changes.

(54) Both the Employer and the Bargaining Agent propose changes to clause 25.08.

(55) The Arbitration Board determines that clause 25.08 shall be renewed without change.

Article 27 - Travel

(56) The Employer proposes that clause 27.05 be amended to clarify that travel time is paid at the double time rate on a second and subsequent day of rest only if the employee worked at the time and a half rate on his or her first day of rest.

(57) The Arbitration Board determines that clause 27.05 shall be renewed without change.

(58) The Bargaining Agent proposes changes to clause 27.10 dealing with overnight stays outside of the employee's headquarters area.

(59) The Arbitration Board determines that clause 27.10 shall be amended as follows:

27.10(a) An employee who is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, and is away from his permanent residence for twenty (20) nights during a fiscal year shall be granted seven decimal five (7.5) hours off with pay. The employee shall be credited with three decimal seventy-five (3.75) hours off for each additional ten (10) nights that the employee is away from his permanent residence up to an additional eighty (80) nights during the fiscal year.

Furthermore, the existing sub-clause 27.10(b) shall be deleted. The remaining two subclauses shall be renumbered and incorporated without change into the new collective agreement.

Article 28 - Call Back Pay

(60) The Employer proposes changes to article 28 to clarify the minimum payment as compensation for multiple call-backs and to amend the minimum payment available in cases when the call-back work is performed from a remote location.

(61) The Employer points out that language similar to its proposal can be found in the Technical Services (TC) group, the Foreign Service (FS) group, the Financial Management (FI) group, the Ships Officers (SO) group and the Ship Repair Chargehands (SR-C) group collective agreements.

(62) The Bargaining Agent argues that the changes proposed by the Employer would have serious negative impact on their employees and that since call-backs are not very common, the Article should be renewed without change.

(63) The Arbitration Board determines that clauses 28.01 and 28.03 shall be amended as follows. The remainder of Article 28 shall be renewed without change:

28.01 If,

(a) on a designated holiday or a day of rest, or

(b) after he or she has completed his or her work period and has left his or her place of work and prior to reporting for his or her next regular scheduled work period,

an employee is called back to work and returns to work prior to his or her next regular scheduled work period for a period of overtime, the employee shall be entitled to the greater of:

(i) compensation at the applicable overtime rate for any time worked

or

(ii) compensation equivalent to four (4) hours' pay at the straight-time rate.

In the case of multiple calls, no further compensation will be paid under 28.01(b)(ii) within any given four hour time period.

28.03

An employee who is called to duty or responds to a telephone or data line call at any time outside of his scheduled hours of work may, at the discretion of the Employer, work at the employee's residence or at another place to which the Employer agrees. In such instances, the employee shall be paid the greater of:

(a) compensation at the applicable overtime rate for any time worked,

or

(b) compensation equivalent to two (2) hour's pay at the straight-time rate.

In the case of multiple calls, no further compensation will be paid under 28.03(b) within any given two hour time period.

Article 31 - Sea Duty

(64) The Bargaining Agent proposes that Sea Duty allowances under clauses 31.01 and 31.02 of the old collective agreement be increased incrementally over the life of the new agreement from \$19 to \$29 and from \$25 to \$35 respectively.

(65) The Employer believes that the existing allowances are reasonable.

(66) The Arbitration Board determines that the amount of \$19 in clause 31.01 shall be increased to \$29, and the amount of \$25 in clause 31.02 shall be increased to \$35 in the new collective agreement.

Article 32 - Sea Trials' Allowance

(67) The Employer proposes changes to article 32 to clarify its intent. The Employer argues that once an employee has boarded a vessel/ship, the employee should no longer be deemed to be in travel status for the purpose of being entitled to reasonable expenses under the Travel Directive.

(68) The Arbitration Board determines that clause 32.02 of the old collective agreement shall be replaced in the new collective agreement by the following language:

32.02 When an employee is at sea pursuant to 32.01, the employee will be considered to be at his or her workplace and not on Travel Status.

The remainder of Article 32 shall be renewed without change except for re-numbering as is required by the inclusion of the new clause 32.02 above.

Article 35 - Working Conditions

(69) The Bargaining Agent proposes the addition of a new clause to Article 35 dealing with the handling of dangerous goods by employees certified pursuant to the Transportation of Dangerous Goods Act. The new clause would provide a daily allowance of \$3.50 for each day a certified employee is required to package and label dangerous goods shipping to a maximum of \$75 in any given month.

(70) The Arbitration Board determines that the new clause dealing with the handling of dangerous goods proposed by the Bargaining Agent shall be incorporated into the new collective agreement.

Article 43 - Training

(71) The Bargaining Agent proposes that additional compensation be provided to employees who attend courses at the Canadian Coast Guard College in Sydney, Nova Scotia.

(72) Because the college is isolated the Bargaining Agent proposes that employees required to remain at the college over a complete weekend be compensated in an amount equal to three hours pay, in accordance with Note 6 of Appendix B of the old collective agreement.

(73) The Arbitration Board determines that article 43 shall be renewed without change.

Article 61 - No Discrimination

(74) The Bargaining Agent proposes the addition of a new article dealing with discrimination and sexual harassment.

(75) The Arbitration Board determines that the changes proposed by the Bargaining Agent, except for the last sentence of the proposed clause 61.04 shall be incorporated into the new collective agreement.

Memorandum of Understanding - Leave for Union Business

(76) The Employer proposes changes to clause 15.09 of the Memorandum of Understanding between the parties dealing with leave for union business.

(77) The Arbitration Board determines that clause 15.09 of the Memorandum of Understanding dealing with leave for union business shall be renewed without change.

Rates of Pay and Duration

(78) The Arbitration Board determines that the duration of the new collective agreement shall be from September 1, 2010 until August 31, 2014.

(79) The Arbitration Board further determines that the economic increases for the EL group during the life of the agreement shall be:

- (a) Effective September 1, 2010 : 1.5%
- (b) Effective September 1, 2011 : 1.5%
- (c) Effective September 1, 2012 : 1.5%
- (d) Effective September 1, 2013 : 1.5%

Given the Arbitration Board's determination in paragraph 42 of this award, the effective economic increases for the EL group will be 1.75% on September 1, 2011 and 2% on September 1, 2013.

(80) All changes made by this award to the EL collective agreement, other than the economic increases determined in paragraph 79 above, shall come into effect on the date of the award.

(81) The Arbitration Board shall remain seized of this matter for a period of two weeks from the date of this award in the event the parties encounter difficulties in its implementation. In such case, the Arbitration Board shall be advised forthwith of the difficulty and shall deal with the matter as expeditiously as possible.

**Original Signed by
Original signé par**

Yvon Tarte,
for the Arbitration Board

Ottawa July 25, 2012.

SECTION

H

Date: August 10, 2012
File: 585-02-40

Public Service Labour
Relations Board

Before an arbitration board

BETWEEN

CANADIAN ASSOCIATION OF PROFESSIONAL EMPLOYEES

Bargaining Agent

and

TREASURY BOARD OF CANADA

Employer

**Re: Request for arbitration
Translation Group (TR)**

**Before: Yvon Tarte, Chairperson
Suzanne Dumas and Georges Hupé**

For the Bargaining Agent: Lise Leduc

For the Employer: Muriel Lamothe

**Heard at Ottawa, Ontario,
July 18 and 19, 2012.
(PSLRB Translation)**

- (1) The collective agreement for the Translation Group (TR) expired on April 18, 2011. The Canadian Association of Professional Employees ("the bargaining agent") gave the Treasury Board of Canada ("the employer") notice to bargain on April 27, 2011.
- (2) The TR group includes positions associated primarily with translation, simultaneous and consecutive interpretation, and terminology and with providing language advisory services. The main duties of the positions in this group involve one or more of the following: providing translation, simultaneous or consecutive interpretation, and terminology services; revising translated texts, including editing and verifying meaning; conducting terminological and linguistic research; providing training or consulting services to translators, interpreters, terminologists and others working in the language field; providing expert language advisory services; and leading any of those activities.
- (3) The bargaining teams for the bargaining agent and the employer met 11 times in June, August, September, November and December 2011.
- (4) After the bargaining sessions, the bargaining agent submitted a request for arbitration to the Public Service Labour Relations Board (PSLRB) on January 10, 2012, pursuant to section 136 of the *Public Service Labour Relations Act* ("the Act"). Along with its request, the bargaining agent provided a list of the terms and conditions of employment that it wished to refer to arbitration.
- (5) By letter dated January 20, 2012, the employer provided its position on the terms and conditions of employment that the bargaining agent wished to refer to arbitration. In the letter, the employer also included a list of additional terms and conditions of employment that it wished to refer to arbitration.
- (6) By letter dated January 27, 2012, the bargaining agent provided its position on the additional terms and conditions of employment that the employer wished to refer to arbitration.
- (7) The PSLRB Chairperson set the terms of reference for this arbitration board on February 27, 2012 (2012 PSLRB 26).
- (8) Before the hearing on this matter, the bargaining agent and the employer exchanged briefs, which were submitted to the arbitration board.
- (9) Pursuant to section 146 of the *Act*, the parties were given full opportunity to present their evidence and to make their representations at the hearing held in Ottawa on July 18 and 19, 2012.
- (10) After the hearing, the arbitration board met to discuss and consider the evidence and the parties' submissions along with the factors set out in section 148 of the *Act*.
- (11) The arbitration board believes that all the factors set out in section 148 of the *Act* must be considered within the framework of this decision and that no one factor carries more weight than any other. Every arbitration board must study each factor

and apply them to the circumstances of the case before it based on the evidence presented to it.

- (12) In this case, the evidence shows no apparent major issues with recruiting and retaining employees in the TR group or major delays in the internal and external comparison criteria.
- (13) The factor set out in paragraph 148(e) of the *Act* dealing with the state of the Canadian economy and the Government of Canada's fiscal situation is somewhat more problematic since the political viewpoints on those issues send mixed messages. Moreover, the employer has had to cut back on hiring TRs at the Translation Bureau due to a drop in business volume and the rather bleak economic reality.
- (14) Nevertheless, every arbitration board must consider the factors set out in section 148. However, those factors are not so restrictive as to constrain an arbitration board's independence.

Issues in dispute and decision

Article 12 - Hours of Work

- (15) The bargaining agent proposed adding a clause granting two 15-minute breaks per workday. According to the bargaining agent, the breaks would serve to re-establish a more reasonable work pace.
- (16) The employer opposed this proposal.
- (17) The arbitration board has determined that the following clause shall be incorporated into the new collective agreement:

12.XX The employer shall grant two (2) rest periods of fifteen (15) minutes each per normal workday as defined in paragraph 12.01(a), except if operational requirements do not permit it.
- (18) The employer proposed changes to clause 12.05 to encourage TRs to volunteer to work outside normal work hours.
- (19) The arbitration board has determined that the employer's proposed changes to clause 12.05 shall be incorporated into the new collective agreement.
- (20) The bargaining agent proposed adding a provision to clause 12.05 to address certain problems that might arise from the employer's proposals.
- (21) The arbitration board has decided that the following subparagraph shall be incorporated into the collective agreement:

12.05(b)(v) Subject to operational requirements, the employer may authorize telework for an employee who has voluntarily agreed to a special work arrangement.

Article 19 - Parliamentary Leave and Interpretation Leave

- (22) The bargaining agent proposed that the provisions of clause 19.03, about meals, apply to all TRs in parliamentary services, not just those in debates.
- (23) The arbitration board has determined that the bargaining agent's proposed changes to clause 19.03 shall be incorporated into the new collective agreement.

Articles 22 and 18 - Severance Pay and Consequential Amendments

- (24) The employer proposed deleting severance pay provisions for cases of voluntary resignation and retirement. Severance pay would continue to accumulate for deaths, layoffs, and terminations for incapacity or incompetence. The employer also proposed increasing severance pay for layoff reasons.
- (25) Under that proposal, employees would have a few options to cash out accumulated severance benefits. Finally, the employer proposed additional increases of 0.25% in year one and 0.5% in year three of a three-year agreement in exchange for the elimination of severance pay in cases of resignation and retirement.
- (26) The proposed changes to article 18 (Annual Leave) of the collective agreement stem from the proposed changes to article 22 of the collective agreement about severance pay.
- (27) The employer pointed out that, in the current round of bargaining, a number of collective agreements covering over 100,000 unionized employees have been ratified and that the severance pay provisions for resignations and retirements were deleted from all those collective agreements. Moreover, severance pay provisions were eliminated for approximately 13,000 executives and unrepresented employees.
- (28) The bargaining agent believes that the employer did not fully assess the detrimental financial implications that its proposal would have on bargaining unit members and finds the proposal grossly unfair.
- (29) The bargaining agent proposed leaving the provisions unchanged. Alternatively, its first proposed solution was a 0.3% pay adjustment to offset the elimination of severance pay only for resignations. The second solution was a fair increase for the elimination of that valuable benefit.
- (30) The arbitration board has determined that the employer's proposal and the consequential changes to severance pay shall be incorporated into the new collective agreement.

Article 34 - Part-Time Employees

- (31) The bargaining agent proposed adding a clause entitling part-time employees to two 15-minute breaks per workday.
- (32) According to the bargaining agent, the translation rates and working conditions are the same for both part-time and full-time TRs.
- (33) The employer opposed this proposal.
- (34) The arbitration board has determined that the following clause shall be incorporated into the new collective agreement:

34.XX The employer shall grant two (2) rest periods of fifteen (15) minutes each per normal workday, as defined in paragraph 12.01(a), except if operational requirements do not permit it.

Appendix A - Pay Note 5(a)(ii)

- (35) The bargaining agent proposed expanding note 5(a)(ii) in Appendix A of the collective agreement to ensure that all TRs providing parliamentary services and working evenings or nights receive the established premium.
- (36) The arbitration board has determined that the bargaining agent's proposed changes to note 5(a)(ii) in Appendix A shall be incorporated into the new collective agreement.

Appendix A - Pay Note 5(g)

- (37) The bargaining agent proposed expanding the scope of note 5(g) in Appendix A, which provides for a supplement of \$7 for each gross hour of televised interpretation.
- (38) According to the bargaining agent, broadcast technologies have advanced considerably since note 5(g) was introduced into the collective agreement in the 1990s.
- (39) According to the employer, it objected because the term "broadcast" proposed by the bargaining agent is not sufficiently specific, and regardless, it is a major and potentially expensive change.
- (40) The arbitration board has determined that the following note shall be incorporated into the new collective agreement:

5(g) A supplement of seven dollars (\$7) for each gross hour of interpretation shall be paid to an employee interpreting a debate or conference that is broadcast live. This supplement shall be paid twice (2) each fiscal year. For

that purpose, the total interpretation time during a live broadcast shall be calculated to the nearest quarter (1/4) hour.

Appendix A - Pay Note 5(n)

- (41) The employer proposed changes to note 5(n) in Appendix A. Those changes are related to the changes made to clause 12.05 of the collective agreement (see paragraphs 18 and 19 of this award) about an incentive to convince certain employees to agree to work outside normal work hours.
- (42) The arbitration board has determined that the employer's proposed changes to note 5(n) in Appendix A shall be incorporated into the new collective agreement.

Memorandum of understanding on telework

- (43) The bargaining agent proposed adding a new appendix to the collective agreement about telework. Although the employer already has such a policy, the bargaining agent would like to see it better encapsulated in the collective agreement.
- (44) The arbitration board has determined that the collective agreement shall be renewed without adding the bargaining agent's proposed memorandum of understanding on telework.

Article 41 - Term of Agreement

- (45) The arbitration board has determined that the new collective agreement shall be effective for a three-year term and that it shall expire on April 18, 2014.

Pay adjustment

- (46) The employer proposed the following economic increases over the three years of the collective agreement:

Effective April 19, 2011: 1.5%

Effective April 19, 2012: 1.5%

Effective April 19, 2013: 1.5%

- (47) Given the arbitration board's determination in paragraph 30 of this award, the effective increases shall be augmented by 0.25% on April 19, 2011 and 0.5% on April 19, 2013 to offset the elimination of severance pay for resignations and retirements.
- (48) In addition to the employer's proposals, the bargaining agent proposed additional increases of 1.6% for TR-02s and TR-03s to take effect at the start of year three, i.e., on April 19, 2013.

(49) Given our stated comments, particularly in paragraph 12 of this decision, the arbitration board has determined that the economic increases for the TR group shall be as follows:

- a) Effective April 19, 2011: 1.5%
- b) Effective April 19, 2012: 1.5%
- c) Effective April 19, 2013: 1.5%

Given the arbitration board's determination in paragraph 30, the effective economic increases for the group shall be 1.75% in year one and 2% in year three of the new collective agreement.

(50) The arbitration board shall remain seized of this matter for a period of two weeks from the date of this decision in the event that the parties encounter difficulties implementing it. Should that occur, the parties will advise the arbitration board immediately of any difficulty, and the arbitration board will deal with it as expeditiously as possible.

Yvon Tarte,
for the arbitration board

Ottawa, August 10, 2012

(PSLRB Translation)

SECTION

I

IN THE MATTER OF *The Public Service Labour Relations Act*, S.C. 2003, c.22

And

IN THE MATTER OF An Interest Arbitration

BETWEEN:

The Federal Government Dockyard Chargehands Association

“The Bargaining Agent”

- and -

The Treasury Board of Canada

“The Employer”

**Re: Ship Repair Chargehands and Production Supervisors – East Group
(SR-C) Bargaining Unit**

Arbitration Board: Bruce P. Archibald, Q.C., Chairperson
Howard Goldblatt, Bargaining Agent Nominee
Jock Climie, Employer Nominee

Representatives: Ronald Pink, Q.C. and Jillian Houlihan for the Bargaining Agent
John Park, for the Employer

Place of Hearing: Halifax, Nova Scotia

Date of Hearing: August 22, 2012

Date of Supplemental Decision: November 26, 2012

Supplemental Decision

1. The initial decision of the Interest Arbitration Board in this matter was issued by the Public Service Labour Relations Board on October 15, 2012. However, the Arbitration Board retained jurisdiction "...to deal with any problems which might arise in relation to the implementation of [the] SDT premium process which the parties cannot resolve". The decision provided that the Chargehands who are the subject of the award are to receive the following "additional premium rates" in relation to their job of coordinating and facilitating "Self Directed Teams" composed of employees who are members of the Federal Government Dockyard Trades and Labour Council (East) (FGDTLC-E):

Effective April 1, 2011 – 1.75%

Effective April 1, 2012 – 1.75%

Effective April 1, 2013 – 1.75%

However, the management of work done by FGDTLC-E employees through SDT's is currently a matter of negotiation between the Employer and that particular bargaining agent. Thus, the premium rates referred to by the Arbitration Board for the Chargehands were made conditional on the continued existence of this method of work management during the years in question. The whole business is made slightly awkward by the fact that one must assume that resolution of the SDT issue in that other round of negotiations may have both retrospective and prospective effects.

2. On October 26, 2012 the Arbitration Board was sent a letter by counsel for the Bargaining Agent for the Chargehands, Mr. Pink, indicating that the parties are unable to agree on the interpretation of the manner of implementing the SDT premium. The Bargaining Agent "...understands that this was intended to be a cumulative rate, which would amount to 5.25% as of April 1, 2013." At the time the letter was written, the Association also understood that the Employer's position was that "the rate is not cumulative" and that "...it is a premium equal to 1.75% in each of the three years". The Association then asserted that "...the interpretation of the Treasury Board is inconsistent with the clear meaning of the award..."

3. Clarification of the Employer's position was received in an email to the Arbitration Board from Mr. Park, the Employer's Representative in the matter, dated November 5, 2012 which revealed that the Employer's interpretation is, perhaps, more nuanced than the Bargaining Agent's former understanding. Mr. Park explained the Employer's interpretation was that "...the arbitral award, as drafted, called for an additional premium of 1.75% to be added to the wages for each hour a [chargehand] coached or facilitated SDT employees". Mr. Park added that the Employer understood that "[t]his would occur in each year of the agreement but such premiums would not compound". Finally, Mr. Park noted: "In the event that the self-directed team concept is discontinued, the premiums would also end".

4. While it would be inappropriate to suggest that the parties are being obtuse, it is clear that they are proposing widely differing interpretations of our award, neither of which is in accordance with the wording of the initial decision or the intentions of the Arbitration Board, but both of which might be thought to advance their respective interests. The correct understanding lies between the positions staked out by the parties.

5. Firstly, the original decision requires that the annual "premium" be treated as just that, a *premium* of 1.75% for each year, or indeed for any portion of a year, in which the coaching or facilitation of Self-Directed Teams remains an integral aspect of the role of a Chargehand. The

premium for each year is on top of the economic increases awarded for each of the three years of the new collective agreement (that is 1.75%, 1.50% and 2.00% respectively). Thus while it is in an amount of 1.75% for each year that the SDT concept continues, it is not to be compounded yearly to reach a rate of 5.25% in the third year. The rate for the third year, like each of the preceding two years (which have largely come and gone) is 1.75%. However, the dollar amount of the premium for each year will increase to a modest degree since it will be calculated on a base which reflects the annual economic increases. This is the notion of a premium for each year – it does not get compounded annually as the union suggests and it is added each year to the changing base rate as provided for in the economic compensation section of the original Decision.

6. There is, however, a second issue in dispute over the original Arbitration Board Decision revealed in the wording of Mr. Park's communication. It seems to suggest that the Employer wishes to grant the premium on an hourly basis only, calculated in terms of whether a Chargehand is, during any given hour, engaged in coaching or facilitating a Self-Directed Team. Such an approach is not consistent with the original decision, and is not practical. The SDT, for better or for worse, is a program in place which applies, as the Arbitration Board understands it, for all hours worked by employees in the FGDTLC-E bargaining unit. Chargehands will regularly be planning and coordinating work, with the SDT management system in mind, leading up to the work being done, and will supervise the work as it is accomplished in a facilitative and cooperative manner, rather than through a top-down, command and control style. It is this approach which is intended to give the STD concept its efficiency and cost-effectiveness. Consistent with this understanding, the Arbitration Board's awarding of the SDT premium is to be paid to Chargehands at the 1.75% per year across the board, so long as SDT facilitation and coaching is part of the management system, and therefore part of a Chargehand's duties or "position description", as it were.

7. The Arbitration Board trusts that the foregoing explanation of its original decision is sufficient to resolve the SDT matter, but given the difficulties to date will, as a matter of prudence, continue to retain jurisdiction with respect to any further difficulties the parties may experience in the implementation of this part of the Decision of the Board.

Dated this 26th day of November 2012.

Original Signed by
Original signé par

Bruce P. Archibald, Q.C.
Interest Arbitration Board Chair

IN THE MATTER OF *The Public Service Labour Relations Act*, S.C. 2003, c. 22

and

IN THE MATTER OF An Interest Arbitration

BETWEEN

The Federal Government Dockyard Chargehands Association

“Bargaining Agent”

– and –

The Treasury Board of Canada

“The Employer”

Re: Ship Repair Chargehands and Production Supervisors - East Group
(SR-C Bargaining Unit)

Arbitration Board: Bruce P. Archibald, Q.C., Chairperson
Howard Goldblatt, Bargaining Agent Nominee
Jock Climie, Employer Nominee

Representatives: Ronald Pink, Q.C. and Jillian Houlihan for the Bargaining Agent
John Park, for the Employer

Place of Hearings: Halifax, Nova Scotia

Date of Hearings: August 22, 2012

Date of Decision: October 15, 2012

DECISION

Introduction

1. The Ship Repair Chargehands and Production Supervisors Group is a bargaining unit represented by the Federal Government Dockyard Chargehands Association (the "Bargaining Agent" or "the Association") at the Department of National Defence's Fleet Maintenance Facility (FMF) Cape Scott in Halifax, Nova Scotia. The bargaining unit includes positions which are involved in the leadership of the repair, modification and refitting of naval vessels and their equipment. These Chargehands or Production Supervisors are responsible for the planning, allocation, co-ordination and assessment of the effectiveness of the resources involved in the repairs, modifications and refits just mentioned. It is fair to say that without the knowledge, skills, abilities and experience of these employees, and their counterparts on the West Coast (Victoria, B.C.), the Royal Canadian Navy could not be kept afloat as an effective security and defence force.
2. The current round of collective bargaining between the Association and representatives of the Treasury Board of Canada ("Treasury Board"), the formal Employer of personnel in the Department of National Defence, began in December 2010, prior to the expiry of the last collective agreement on March 31, 2011. The parties signed a Memorandum of Agreement on December 23, 2010, but the members of the bargaining unit, voting over two days on January 6 and 13, 2011, rejected the Memorandum of Agreement. On September 15, 2011 the parties met again and exchanged proposals. Negotiations occurred over October 17, 18 and 19, 2011, at which time agreement in principle was reached in relation to some articles. Negotiations continued on November 30 and December 1, 2011. A number of items remained unresolved and

the parties determined that these outstanding issues should go to arbitration.

Issues and Procedure

3. By letter of December 12, 2011 to the Registrar of the Public Service Labour Relations Board, the Bargaining Agent requested arbitration in relation to the Ship Repair Chargehands and Production Supervisors – East Group (SR-C). It included a list of the terms and conditions which it wished to refer to arbitration. These were:

Part V, Pay and Duration

32.02 This Collective Agreement shall expire on March 31, 2014.
Appendix "A"

April 1, 2011 5% increase

OLD	NEW
\$85382	\$89651
\$86663	\$90996
\$87963	\$92361

April 1, 2012 5% increase

NEW
\$94134
\$95546
\$96979

April 1, 2013 5% increase

NEW
\$ 98841
\$100323
\$101828

Self-Directed Team Differential

This rate is applicable to trained and participating members of a functioning Self-Directed Team (SDT) in the capacity of Team Member or Coach as defined in the Self-Directed Team Memorandum of Understanding.

Self-Directed Team Differential shall be paid as a premium of 11.4% above their substantive rate.

By letter of January 12, 2012 to the Dispute Resolution Services Co-ordinator of the PSLRB, the Treasury Board, as the Employer, agreed that an impasse had been reached in collective bargaining and sought the establishment of an arbitration board as well.

4. The Employer had a counter-proposal on rates of pay for economic increase which was expressed as follows:

The Employer proposes annual economic increases in line with other Public Service agreements:

- Effective April 1, 2011 : 1.5% salary increase
- Effective April 1, 2012 : 1.5% salary increase
- Effective April 1, 2013 : 1.5% salary increase

The Employer also proposed changes to the severance pay provisions of the expired collective agreement which would impact on rates of pay. In essence, the Employer proposed to eliminate severance pay for voluntary severances (removing Article 14.03 on resignation and Article 14.04 on retirement), while maintaining it for death (Article 14.05), reasons of incapacity (Article 14.06) and lay off (Article 14.02). Amendments were also proposed to improve eligibility for severance pay in relation to lay-off (Article 14.02), and additions were proposed in relation to transfers to separate agencies listed in the *Financial Administration Act* (new Article 14.08), calculation of severance termination amounts (new Article 14.09), and options for payment of severance amounts and their selection (new Articles 14.10 and 14.11). Recognizing that elimination of severance pay on resignation and retirement constituted loss of an economic benefit, the Employer then proposed a total annual rate of pay as follows, showing how it would modify the "economic increase" figures mentioned above:

Economic Increase

- 1.50% effective April 1, 2011
- 1.50% effective April 1, 2012
- 1.50% effective April 1, 2013

In recognition of the deletion of Severance pay (Resignation and Retirement):

- 0.25% effective April 1, 2011
- 0.50% effective April 1, 2013

Total increases:

- 1.75% effective April 1, 2011
- 1.50% effective April 1, 2012
- 2.00% effective April 1, 2013

Finally, the Employer proposed to reduce overtime compensation in Article 6.09 of the expired collective agreement from "double time" to "time and a half" for periods over 8 hours and less than 16 hours, and from "triple time" to "double time" for work in excess of 16 hours in any 24-hour period.

5. In the absence of agreement by the bargaining agent nominee, Howard Goldblatt and the employer nominee, Jock Climie, as to a chair for the arbitration board, the Chairperson of the Public Service Labour Relations Board (PSLRB), Casper M. Bloom, on March 1, 2012 appointed Bruce Archibald to be chair of the Arbitration Board. On March 2, 2012 the Chairperson of the PSLRB, provided the terms of reference for the Arbitration Board under section 144 of the *Public Service Labour Relations Act* ("the Act") essentially as described above in paragraphs 3 and 4. The PSLRB staff and Arbitration Board made arrangements for a hearing as soon as possible which, under the scheduling constraints of all involved, turned out to be August 22 and 23, 2012. Written submissions were provided by the parties to the Arbitration Board via the PSLRB staff in advance of the hearing, which allowed the hearing to proceed with great efficiency. Oral submissions were heard from the parties and completed at the hearing held

in Halifax, Nova Scotia on August 22, 2012, obviating the necessity for a second day of hearing. The Arbitration Board was able to deliberate late on the day of August 22, 2012 and through subsequent correspondence. The parties also provided additional documentation to the Arbitration Board, at its request, after the date of the hearing.

Principles Governing the Board's Decision

6. The legal principles governing this interest arbitration are not really in dispute. The Employer in its brief (p. 31) noted that "...the goal of arbitration is to replicate the result, as closely as possible, to that which would have been achieved had the parties negotiated a settlement." The Bargaining Agent in its brief concurred with this "replication principle", but added that the arbitration board is to replicate as closely as possible "...the agreement the parties would have reached if they had engaged in free collective bargaining with the right to resort to a work stoppage": see *Canadian Military Colleges Faculty Association v. Treasury Board*, unreported, April 10, 1995 (Outhouse) and *Thames Emergency Medical Services Inc. and OPSEU* (2004), 129 L.A.C. (4th) 192 (Burkett). The Employer also asserted correctly that "...[a]nother feature of interest arbitration is that it is an inherently conservative exercise" (Submission, p. 31). It quoted C. Rootham, *Labour and Employment Law in the Federal Public Sector* to the effect that "...as a general rule neither party should look for a major breakthrough from a third party neutral; that is reserved for negotiations". The Association essentially agreed with this "conservatism principle", but added a gloss as to context which shows the link between the replication and conservatism principles. The Bargaining Agent thus noted at para. 24 of its submission: "Arbitrators have found that employer proposals to eliminate longstanding entitlements, or to fundamentally alter collective agreements, contradict the principle of replication": see *Canadian Merchant Service Guild and Marine Atlantic, Inc.*, unreported,

August 19, 2002 (Ashley); and *Northumberland Ferries Limited and Canadian Merchant Service Guild*, unreported, January 4, 2004 (Christie).

7. While these general principles are thus acknowledged to be in play for the purposes of this arbitration, it is clear that they have received statutory embodiment in section 148 of the *Public Service Labour Relations Act*, which reads as follows:

148. In the conduct of its proceedings and in making an arbitral award, the arbitration board must take into account the following factors, in addition to any other factors that it considers relevant:

(a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;

(b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;

(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;

(d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and

(e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.

The section does allow the Board the flexibility to look at the enumerated factors "in addition to any other factors that it considers relevant". Thus the Board will examine the replication and conservatism principles in the light of the particular factors it is directed to consider by Section 148, as well as others which arise from the circumstances of the parties in this particular case.

8. In this case the issues in dispute are all inter-twined since they are components of the “total compensation package”. While the above principles and factors were separated out by the parties in relation to the four key issues of (1) economic increases, (2) the severance pay issue, (3) the overtime dispute, and (4) the self-directed team differential, all four issues were bound together, although differently, by each party in justifying their overall approaches. This Decision will nonetheless summarize the arguments of the parties in relation to these issues separately, making some evaluative comments, prior to reaching conclusions which will tie together the “compensation package” from a decisional perspective.

Argument on Rates of Pay

9. On rates of pay, the Employer gave priority to the factor in section 148(e) of the Act, that is, “the state of the Canadian economy and the Government of Canada’s fiscal circumstances”. It asserted that “compensation arrangements must be affordable and consistent with the broader objectives of sustainable finances and ongoing economic growth”. The Employer noted that “Consensus Economics” forecasters anticipate Canadian real GDP to increase by a modest 2.1% in 2012 and 2.2% in 2013. It also noted that the forecast unemployment rate for 2013 is 7.2% which is a full percentage higher than the pre-recession rate in 2008. Inflation rates are forecast at 2.1% in 2012 and 2% in 2013. Finally the Employer notes that the sovereign debt crisis in Europe, and problems in many countries, including the United States of America, characterized by fiscal austerity measures, as well as weakened consumer and investor confidence, has resulted in ongoing and deepening global economic weakness. In this context the Employer highlighted the Government of Canada’s medium-term fiscal plan which is to return to balanced budgets and a reduction of the debt to GDP ratio of 28.5 in 2016-17 (which is in line with levels before the

2008 recession). The Employer notes that the stimulus measures of the Government's post recession "Economic Action Plan" have not been renewed, and that the most recent budgets have included measures to enhance tax integrity, restrain growth in defence spending, cap international assistance, and introduce a freeze on departmental operating budgets. The principle behind the latter is said to include a commitment to funding civil service compensation growth by corresponding reductions in other departmental budget expenditures. The Employer points to parallel civil service compensation restraint measures in other Provinces and Territories, with emphasis on steps being taken in Ontario and British Columbia, although mention was also made of the Nova Scotia government's efforts to restrict civil service compensation growth to 1% per year in the near term.

10. As to the retention and recruitment factor mentioned in s. 148(a) of the Act, the Employer points to a modest increase in hiring (about four per year) over the last 5 years for an SR-C group which is now composed of about 75 to 80 people. However, the Employer's data reveals that the "total hirings to total separation ratio" over the last 5 years has been less than 1.0 due entirely to voluntary separations. Despite this gradual attrition, the Employer concludes that "...the government is not having any issues with attracting high quality applicants" in the SR-C Group, and that there are "no recruitment and retention problems" under current working conditions and compensation levels at FMF Cape Scott.

11. The Employer's argument on pay rates then moved to "external and internal comparability" as one might characterize sections 148(b) and (c) respectively, although the subsections seem to overlap with respect to comparability among public sector employees. In

any event, the Employer presented statistical evidence which tended to show that the SR-C Group has benefitted from higher salary increases over the period from 2000 to 2010 than those received on average by employees in the federal Core Public Administration ("CPA"). Furthermore, the Employer noted that in the same period the SR-C group in Halifax has had higher salary increases than the "Ship Repair West" group (SRW-MGTO) in Victoria, B.C. If those last examples are thought "External Comparators", then the Employer raised what might be termed "Internal Comparators". The Employer's evidence here was intended to demonstrate that the SR-Group of chargehands in Halifax earn significantly more than the SR-E group represented by the Dockyard Trades Council whom they supervise, and that they are quite close in terms of salary to the supervisory GT7 Group, represented by the Public Service Alliance of Canada (PSAC) to whom they report. This state of affairs is regarded as appropriate by the Employer which asserts that the hefty raises sought by the Association will disturb this internal equilibrium in salary relationships.

12. The Employer then points to the pattern in recent federal public sector bargaining which it says represents an appropriate balance of factors under the replication and conservatism principles (and presumably section 148 of the Act). There are a number of CPA groups for which negotiated settlements followed the Treasury Board framework of 1.75% for 2011, 1.5% for 2012 and 2% for 2013. These included groups represented by the PSAC (PA, SV and EB groups) by the Professional Institute of the Public Service of Canada (PIPSC) (NR and SH groups), by the Canadian Military Colleges Faculty Association (UT group), by the Canadian Auto Workers (CAW) (two locals - Air Traffic and Radio Operations groups respectively), and by the Communications, Energy and Paper Workers Union (CEP) (the PR-NS group). In addition, there

are a number of arbitration boards which have rendered decisions giving similar results: two were for groups represented by the Canadian Association of Professional Employees (CAPE) (the EC and TR Groups) while one was for a group represented by the International Brotherhood of Electrical Workers (IBEW) (the EL group which got a four year agreement with 1.5%, 1.75%, 1.5% and 2%). All these arbitration boards were chaired by Yvon Tarte, the well-respected former chair of the Public Service Staff Relations Board. All of them, as well, set the economic increases at 1.5% per year, but added adjustments because of the changes to the Severance Pay arrangements, which will be discussed below. The Employer urged the Board to adopt the federal government Treasury Board pattern of settlements as evidenced above for determining this arbitration involving the SR-C group at the Halifax dockyard. The Employer argued that the Association's proposal for increases of 5% for each year of the agreement to be "excessive given the current economic environment and the established settlement patterns in the federal public service" (Submission, p. 30).

13. The Association's proposal is for a total salary increase of 5% per year over the 3-year term of the agreement, which would represent "economic increases of 3% per year" and "an additional 2% per year in the event that the Board grants the Employer's request for the elimination of severance pay and the decrease in overtime rates". The Association supports its proposal for a 3% "economic increase" on the basis of evidence that the Consumer Price Index in Nova Scotia from 2011 to 2013 projects an average annual increase of 2.9%. The Association thus argues that the wage increase should protect dockyard chargehands from the effects of inflation, and that the Employer's proposed increases fail to do this. As to the negotiated settlements in the federal public sector which reflect the Treasury Board's position, the

Association argues that the PSAC, which took the lead in establishing this pattern, was facing “looming lay-offs” and accepted the Employer’s wage offer in exchange for increased economic security for its members. The Association argues that its membership rejected the government’s 1.5% economic increases because they are secure in the knowledge that they cannot be laid off or replaced, given the country’s defence needs for the Navy fleet, and that the replication principle should bring them more significant increases.

14. In terms of “comparables”, the Association urges the Board to consider the fact that its chargehand members work alongside military Chief Petty Officers 2nd Class or Navy Lieutenants who have the same job descriptions, do the same work, but get paid significantly more (11% and 6.1% respectively). As to the potential for conceptually bumping up against the pay levels of the PSAC’s GT7 supervisors, the Association argues that this is the problem which the PSAC created for itself by accepting the “pattern” offer, and that the Board need not concern itself with the problem. As for the fact that the Association’s counter-parts in ship repair on the West Coast are behind the SR-C Group in Halifax, the Association believes that it should not be penalized because the Government’s *Expenditure Restraint Act, 2009* had adverse consequences for the West Coast group as a result of the vagaries of collective bargaining schedules. Also, the Association noted that the West Coast group was slated to vote on a negotiated agreement at the time of the hearing (more on this below). Finally, the Association stressed section 148(d) which requires consideration of “fair and reasonable” compensation in relation to the “qualifications required, work performed, responsibility assumed and services rendered”. In this regard, the Association concludes that a 3% annual economic increase for its members over the 3-year term of the agreement is more than justified.

Argument on Severance Pay

15. On the severance pay issue, the Employer took umbrage at the Association's characterizing the matter as the "elimination of severance pay". The Employer was at pains to point out that it was proposing to eliminate "voluntary severance pay" only, and that severance pay would be retained for other forms of severance, as described above, and that in relation to those retained categories the method of accumulating severance pay rights would be beneficial to many, particularly the newer, members of the bargaining unit. With respect to external comparables under section 148 of the Act, the Employer asserts that its proposals on severance pay "...will bring federal public compensation in line with that of other public and private sector employers such as the Ontario Provincial Government and those subject to the Canada Labour Code" (Submission, p. 43). As to internal comparators, the Employer presented statistics in the form of a pie chart which indicated that out of a total population of 313,129 public servants 43% had accepted the severance proposals in the CPA, 36.7% had accepted as represented by the Canadian Forces and the RCMP, and 3.2% had accepted among the unrepresented executive group for a total of almost 82%. Of the other 18% or so, almost 14% have settlements pending under the jurisdiction of the Public Interest Commission, while the remainder are to be dealt with by arbitration. The Employer concludes that its proposals for elimination of voluntary severance payments are fair, in accordance with comparable settlements or decisions in other sectors and are required by current economic conditions and the Government's fiscal constraints. The Employer furthermore asserts that its proposal for .75% in pay increase over 3 years, above the "economic increase", the general pattern, will compensate for the loss of severance payments for those who resign or retire.

16. On the severance pay issue, the Association objects to its elimination without adequate compensation through a pay rate increase. The Association says the value of the severance pay upon resignation or retirement under current Article 14 is equal to one week's wages for each year of service. It then reasons that one week's wages is equal to about 2% of annual salary in any given year. However, the Association notes that the average age of its membership is quite high (half are eligible to retire within 5 years), and that given the severance pay is calculated at the time of retirement, it is actually worth more than 2% per year for those who take voluntary severance at the end of a long career of service. The Association argues that to eliminate voluntary severance allowances for this particular workforce is a radical change in the collective agreement which, in accordance with the principle of conservatism in interest arbitration, ought not to be undertaken lightly by this Board. If it is to be imposed, says the Association, it should only be done at a cost of 2% per year for the duration of the Collective Agreement. It is this calculation which leads the Association to the conclusion that this Board, in addition to a 3% per annum economic increase for inflation, should award an additional 2% per year were it to do away with the voluntary severance pay provisions of Article 14.

Argument on Overtime

17. The Employer's submissions on the overtime issue were straight forward and to the point. Currently, as mentioned above, the SR-C Group in Halifax receives overtime under Article 6.09 of the Collective Agreement at double the regular rate for between 8 and 16 extra hours in a day, and triple the regular rate for time in excess of 16 hours of overtime in a 24-hour period (simplifying the language of Article 6.09 to some degree). The Employer's proposal is to reduce those corresponding rates to time and a half and double time, respectively. The Employer cites the economic circumstances and governments fiscal situation as the first factor to justify this

proposal. It refers to the Government's 2012 Budget, "Economic Action Plan 2012 - A Plan for Jobs, Growth and Long-Term Prosperity" with its cost-cutting measures and commitment to reform of the federal public service. The Employer asserted that "...with future funding levels unpredictable, it is important for the Board to consider the impact of the economy on funding when awarding a provision that limits the Employer's discretion in regard to expenses and/or increased benefits". In so far as comparability is concerned, the Employer provided a list of 22 (out of 27) collective agreements in the Core Public Administration which provide for time and a half and double time as overtime rates. The Employer argued it was appropriate to bring this Bargaining unit in line with the other 22. No evidence was given by the Employer as to why five others are "exceptions to the rule".

18. The Association argues that the Employer's proposal on overtime rates would eliminate long-standing benefits enjoyed by members of the bargaining unit it represents. Triple time has existed since the first collective agreement with this unit signed by the parties in 1989-1991. The current article has been in its present form since the collective agreement of 1997. Citing the principles of replication and conservatism governing interest arbitration board proceedings, the Association urges this Board to reject the Employer's proposal. However, if the Board were minded to accept the Employer's proposal, the Association argued that this should only be done by compensating members of the bargaining unit for its real value in adjusted pay rates. The Association produced a table, which was not challenged by the Employer, and which estimated the Employer's proposal would cost the bargaining unit members an average of \$1,755 each, at an average of 1.99% of their annual earnings. This is the purported value of the Employer's proposal to its members and the Association says they should be compensated accordingly.

Argument on the Self Directed Team Differential

19. The final live issue between the parties which lies to be determined by the Board is the matter of the so-called "Self-Directed Team Differential". The Association, which makes this proposal, asserts that it should receive 11.4% as a premium above the normal rate of pay, to compensate its members for their efforts in coaching and facilitating the Self-Directed Teams which operate at FMF Cape Scott in Halifax. The Employer opposes this proposal root and branch. The parties debated at the hearing whether evidence needed to be presented on this issue. However, they each determined not to do so, and "agreed to disagree" in relation to the underlying factual nuances supporting their arguments. The arguments of the parties and the facts underlying their disparate positions on this issue need some background explanation.

20. There is no dispute over the fact that on October 23, 2003, the Management of the Halifax Dockyard signed a "Memorandum of Understanding: Self Directed Teams" with the Federal Government Dockyard Trades and Labour Council (East) (FGDTLC-E) and with the Bargaining Agent here, the Federal Government Dockyard Chargehands Association (among others, TSMs 1-5), and provided this document as a matter of information to the Professional Institute of the Public Service of Canada (PIPSC), the United National Defence Employees (UNDE) and the relevant local of the International Brotherhood of Electrical Workers (IBEW Local 2228). The Association and the Employer, though using slightly different language, are in agreement over the purpose of these Self Directed Teams ("SDT's"). Says the Union: "The Self Directed Team initiative is a joint management labour strategy that aims to empower workers and gives employees more responsibility for the overall project with which they are involved" (Brief, para. 110). The Association continues: "The implementation of the SDT initiative

represented a paradigm shift in the organization of work at FMF Cape Scott. The philosophy of work changed from a top-down approach to a team model". The Employer's Submission (at p. 49) states: "The intent of the differential when implemented was to compensate the trades level for taking ownership of (responsibility for) work to get it completed in a more efficient and effective manner, in a team construct". At this point, Employer and Association perceptions diverge.

21. The Association asserts that the SDT initiative at FMF Cape Scott has been very successful and has become a model for other DND organizations. The Association claims the Halifax Dockyard has been recognized for the efforts made by its employees to meet the needs of its customers in a more timely manner. Moreover, the Association insists that the SDT initiative has been proven to be a cost effective and efficient model for the Employer. As to the impact on its members, the Association points to the Memorandum of Agreement which mandates a role as team "coaches" for the chargehands/supervisors and includes such duties as facilitating meetings, reporting to management, communicating with customers and other teams and dealing with staffing issues. Indeed, the coach role has been expanded beyond its original scope to include broader facilitation and mentoring for Teams, as evidenced by the Employer's "Boundary Management" training document for the SDT's. The Association pointed to two particularly complex examples of successful SDT operation in relation firstly, to submarine upgrades in the Halifax Dockyard, and, secondly, to team operations in foreign theatres of conflict, such as a generator replacement in a Canadian naval vessel in Toulon, France.

22. As to the justification for its proposal for an 11.4% salary premium for SDT work, the

Association notes that the "differential" for SDT work was first included in the FGDTLC-E collective agreement which expired in December 2000, at which time it was set at 4%. However, the SDT premium rate for this trades bargaining unit "coached" or "supervised" by the Association's members was raised to 11.4% effective January 1, 2007. The claim by the Association is that when it bargained with the Employer shortly thereafter in the shadow of the *Expenditure Restraint Act*, 2009, it gained a significant wage increase without reference to the SDT differential, although the increases were reduced by the effect of the legislation. In this context, the Association argues on the basis of internal comparability, and the role of their members training, skills and leadership in this specialized and effective context, its members are entitled to an 11.4% premium like that of the trades whom they supervise.

23. The Employer advanced a different view of the situation. It stated that it was anticipated, when the SDT's were rolled out, that the differential would be paid only to those who were part of a formal team put together to do a specific job or designated group of jobs. The benefits envisioned included a reduction in the prioritization and coordination functions of the chargehands/supervisors who are members of the Association, and the idea was to create a "flattened" organizational form of management which would eliminate the Work Centre Manager/Foreman. This position was eliminated in 2000, but subsequently re-introduced when it was found that teams still needed co-ordination by chargehands in a more "hands-on" role. Thus the Employer argues that the SDT differential is paid to the members of the FGDTLC group for results never realized. The Employer proposes to eliminate the differential in the upcoming arbitration with the "SR-E group".

The Board's Decision on the Total Compensation Package

24. With the foregoing explanation of the issues, applicable principles and arguments from the parties, the Board is now in a position to present its determinations in relation to the integrated matters which make up the "total compensation package" that is really of concern here. Before launching into that analysis, however, it is important to state that the parties, at the hearing, confirmed that they are in agreement as to the term of the new Collective Agreement. In accordance with that agreement, the Board formally declares that the Collective Agreement shall run from April 1, 2011 to March 31, 2014.

25. On the inter-related matters of economic increase and severance pay, the Board determines that the Employer's arguments on the economic and fiscal circumstances, as well as internal and external comparability matters in section 148 of the Act, as understood through the principles of replication and conservatism, militate in favour of the acceptance of the Employer's position. That is, increases in rates of pay, consistent with the predominant pattern in other units of the federal public sector, shall be as follows:

Economic Increases	Severance Elimination Compensation	Total Increases:
1.50% effective April 1, 2011	0.25% effective April 1, 2011	1.75% effective April 1, 2011
1.50% effective April 1, 2012	—	1.50% effective April 1, 2012
1.50% effective April 1, 2013	0.50% effective April 1, 2013	2.00% effective April 1, 2013

The details of the pay severance arrangements are those set out in the Employer's Brief at pp. 37-42, with the exception that the proposed effective date of September 15, 2011, shall be altered to October 15, 2012, the date of this Decision.

26. On the question of the Employer's proposed reduction of overtime rates from triple time to double time and double time to time and a half, respectively, the Board has determined that the status quo of triple and double time must be maintained and the Employer's proposal rejected. On this matter there are a number of inter-related reasons which lead to this determination. In terms of internal and/or external comparability under subsections 148 (b) and (c) of the Act, it is significant that the negotiated and now ratified agreement covering chargehands and supervisors at FMF Cape Breton in Victoria, B.C. (the Association's counterparts on the West Coast), maintains the triple and double time formula. Fairness requires the same on the East Coast. In addition, under subsection 148(d), the qualifications required for the work performed, the responsibility assumed and the nature of the services rendered by the chargehands and supervisors, like those on the West Coast, merits these exceptional over-time premiums. These people maintain Canada's warships, both in Halifax and elsewhere in the world, doing work essential for the defence and security of the country and its allies. They clearly can be required to do so under emergency conditions or in situations, even at home in FMF Cape Scott, which may be very difficult. This factor militates against the adoption of the Employer's proposal. Finally, in terms of the pattern bargaining which has emerged from current economic conditions and the Government's fiscal circumstances, double and triple over-time rates for the 3rd smallest bargaining unit in the federal public service of some 70-80 people, is not going to break the bank or cause excessive taxpayer hardship. Nor under the particular circumstances of this bargaining unit should this determination create a precedent which will have an untoward impact on outstanding negotiations or arbitrations with other groups.

27. The final outstanding issue, the Self-Directed Team differential, requires a more nuanced solution. The Association asserts that the SDT's have been a notable success in terms of time, cost and efficiency. The Employer claims that the SDT's have not achieved their potential and should be bargained away with the FGDTLC-E which represents the trades in the SR-E group supervised by the Association's members. If the Employer's wishes in bargaining with the SR-E group win the day, the Association's internal comparability arguments, at least for the future, will no longer be of relevance. The SDT's will be gone, presumably on a go forward basis. In the event that the FGDTLC-E maintains this premium, the comparability and skills/ability/responsibility arguments of the Association will retain all their force and relevance. A fair solution is to grant a premium to the members of the Association which is contingent upon the continuance of the SDT concept, but spread over the three years of the agreement, and which will discontinue should management through the SDT system be abandoned. (In this regard, it is to be remembered that the Association is a signatory of the 2003 Memorandum of Understanding on SDT's, and at the time of the hearing had apparently not been formally given notice, except through the Employer's Brief, of the Employer's intention to do away with SDT's). However, if a contingent differential is to be awarded to the Association, it is clear to the Board that the proposed rate of 11.4%, even if spread over the three year term of the new Collective Agreement, is excessive given the current economic conditions and fiscal circumstances of the Government. The chargehands who coach or facilitate the SDT's will therefore receive the following additional premium rates:

Effective April 1, 2011 – 1.75%

Effective April 1, 2012 – 1.75%

Effective April 1, 2013 – 1.75%

This arrangement, in the view of the Board, meets the requirements of the replication and

conservatism principles as embodied and particularized in section 148 of the Act. However, given its contingent nature in relation to other bargaining activities, the Board hereby retains jurisdiction to deal with any problems which might arise in relation to the implementation of this SDT premium process which the parties cannot resolve.

Dated at Halifax, Nova Scotia, this 15th day of October 2012.

Original Signed by
Original signé par

Bruce P. Archibald, Q.C.
for the Arbitration Board

SECTION

J

Public Service Labour Relations Board

Date: November 7, 2012

File: 585-02-41

**IN THE MATTER OF
THE PUBLIC SERVICE LABOUR RELATIONS ACT
and a Request for Arbitration affecting
the Professional Institute of the Public Service of Canada, as bargaining agent,
and the Treasury Board, as employer,
in respect of the Research (RE) Group bargaining unit**

BEFORE: Ian R. Mackenzie, Chairperson
Robert Luce and Jock Climie, arbitration board members

For the bargaining agent: Denise Doherty-Delorme and Govind Nao

For the employer: Josée Lefebvre, John Park and Allan Pollock

Heard at Ottawa, Ontario, October 2 and 3, 2012

Introduction

[1] The Terms of Reference of this Arbitration Board were established by the Chair of the Public Service Labour Relations Board (the "PSLRB") on May 22, 2012 (2012 PSLRB 59).

[2] On the morning of the first day of the hearing of this matter, the parties (with the assistance of the nominees) came to an agreement on a number of matters in dispute. The parties requested that the Arbitration Board include these resolved issues in this Award.

Bargaining History

[3] The Research Group (RE) Collective Agreement expired on September 30, 2010. The Professional Institute of the Public Service of Canada ("PIPSC") served

notice to bargain on July 14, 2010. The parties met from December 13 to 15, 2010, March 8-10, May 30 to June 1, and September 12 to 14, 2011.

[4] The parties met again on November 29 to 30, 2011 with the assistance of a mediator of the PSLRB.

[5] On January 28, 2012, the PIPSC filed a request for establishment of an Arbitration Board.

The Research Group (RE) Bargaining Unit

[6] There are approximately 2,692 employees in the RE bargaining unit. The bargaining unit is made up of four occupational groups (the number of employees is in brackets):

Scientific Research: SE-RES and SE-REM (1,691)

Defence Scientific Service: DS (589)

Historical Research: HR (124)

Mathematics: MA (288)

Agreement of the Parties on Issues in Dispute

[7] The parties agreed to the following Articles in dispute and these terms are included in the Award on consent.

[8] **Article 9 (Overtime):** renewed without change.

[9] **Article 10 (call-back):** renewed without change.

[10] **Article 18.02 (Bereavement Leave with Pay):** the parties consented to the changes proposed by the employer and those changes are included in this award.

[11] **Article 18.14 (Leave with pay for family-related responsibilities):** the parties agreed to the bargaining agent's proposal, amended as follows:

c. seven decimal five (7.5) hours out of the thirty-seven decimal five (37.5) hours stipulated in paragraph (d) may be used:

i. to attend school functions, if the supervisor was notified of the functions as far in advance as possible;

ii. to provide for the employee's child in the case of an unforeseeable closure of the school or daycare facility;

iii. to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.

d. The total leave with pay that may be granted under subparagraph (b) and (c) shall not exceed thirty seven decimal five (37.5) hours in a fiscal year.

[12] **Article 38.02 (Standards of Discipline):** renew without change.

[13] **Article 38.04 (Standards of Discipline):** the parties agreed to the employer's proposal and those changes are included in this award.

[14] **Article 40 (Part-time Employees):** renew without change.

[15] **Article 47.01 (Duration):** the parties agreed to an expiry date of the new collective agreement of September 30, 2014.

[16] **Article 47.03 (Implementation):** renew without change.

Issues in Dispute

[17] In reaching a determination on the issues in dispute, the Arbitration Board is governed by section 148 of the *Public Service Labour Relations Act*.

148. In the conduct of its proceedings and in making an arbitral award, the arbitration board must take into account the following factors, in addition to any other factors that it considers relevant:

(a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;

(b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the arbitration board considers relevant;

(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;

(d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and

(e) the state of the Canadian economy and the Government of Canada's fiscal circumstances.

[18] The Arbitration Board has considered all of these factors in reaching its determination on the matters at issue.

Article 18.20 (b) and (c) (Other Leave With or Without Pay)

[19] The bargaining agent proposed an additional 37.5 hours of personal leave with pay per year (for a maximum of five years) for employees who qualify for an immediate annuity under the *Public Service Superannuation Act*. The bargaining agent submitted that this recognizes the fact that most employees in the bargaining unit start their employment later than most public service employees and so do not accumulate the same years of service.

[20] The employer opposed this proposal. The employer submitted that this proposal was not present in any other public service agreement and that an existing program

(pre-retirement transition leave) could address any need for leave. The employer also noted that employees in the RE Group receive an entitlement of four weeks of vacation a year at the commencement of employment.

[21] The Arbitration Board determines that the bargaining agent's proposal shall not be included in the new collective agreement.

Article 20 (Severance Pay); Article 16 (Vacation Leave) and Appendix E (Workforce Adjustment)

[22] The employer proposes the elimination of severance pay provisions for cases of voluntary resignation and retirement. Severance pay would continue to accumulate for reasons of death, lay-off and termination for incapacity or incompetence. Under the proposal, employees would have options of either cashing-out or freezing severance benefits accumulated up to the effective date of the new collective agreement.

[23] The employer proposes that in the event that the requested elimination of severance pay provisions is awarded by this arbitration board, an additional salary increase of 0.25% in year two and 0.5% in year four of the new collective agreement should be awarded.

[24] The employer's proposed amendments to Article 16 and Appendix "E" of the collective agreement are consequential to the proposed changes to severance pay in Article 20.

[25] The employer submitted that in the present round of bargaining, the elimination of severance pay has either been freely negotiated or awarded by arbitration boards.

[26] The bargaining agent submitted that the severance article should be maintained. However, it submitted the following, should the arbitration board determine that the article should be amended to remove severance on resignation and retirement:

- a. The accumulation of severance should continue until the last day of the agreement, or at least until the date of the arbitral award;

- b. The salary upon which the severance pay-out is calculated should be the pay in effect after pay restructuring and economic pay increases have been implemented; and
- c. Each group is awarded a change in pay, as set out in the bargaining agent's position on pay.

[27] The Arbitration Board determines that the employer proposal and consequential amendments relating to severance pay shall be incorporated into the collective agreement.

[28] The Arbitration Board also determines that the employer proposal of an additional 0.25% increase in year two and an additional 0.5% increase in year four of the collective agreement shall be included in the new collective agreement (addressed below).

Article 22 (Registration Fees)

[29] The current Article states that the parties affirm "the importance of employees becoming members of and actively participating in the business and organization of relevant scientific and professional activities." The article also provides for the payment of registration fees when membership is "a requirement for the continuation of the performance of the duties of the employee's position". The bargaining agent proposes a new clause that would provide for the payment of professional fees when such a membership is not a requirement for the continuation of the performance of the duties of the employee's position, up to a maximum of \$500 per year. The bargaining agent submitted that it would be content with a lower amount, as determined by the Arbitration Board.

[30] The bargaining agent relied on a clause in the agreement for the Architecture and Engineering Group (NR) that provides for reimbursement of fees where eligibility for membership in an organization or governing body is a "qualification specified in the Occupational Group Qualifications Standards for the NR Group". The bargaining agent

also relied on the Career Progression Management Framework for the SE-RES and HR Groups which lists membership and activity in professional societies as an indicator for assessing career promotion or advancement. In addition, the bargaining agent also relied on the DS pay plan which refers to participation in professional societies at the DS-7 level.

[31] The employer submitted that the Qualification Standards for the RE Group does not require membership in an organization or governing body. Since membership in an organization is not a requirement for the continuing performance of an employee's duties in the RE Group, the employer opposed the proposal.

[32] The Arbitration Board declines to award the bargaining agent's proposal.

Article 30 (Information)

[33] The employer proposed that access to the collective agreement be electronic access only. The bargaining agent did not disagree with electronic access, but proposed that the employer be required to advise employees of a new collective agreement and where it could be accessed electronically. The bargaining agent also proposed that hard copies should be made available on request.

[34] The Arbitration Board has determined that the new collective agreement shall include the following amended article:

30.02 The Employer agrees to supply each employee with a copy of the Collective Agreement and any amendments thereto. For the purposes of satisfying the Employer's obligations under this clause, employees may be given electronic access to this Agreement, provided that the Employer advises each employee that the Agreement is available electronically and how it can be accessed.

Article 43 (Sexual Harassment)

[35] The bargaining agent proposed that personal harassment, intimidation, abuse of authority, abusive behaviour and violence be added to this Article.

[36] The employer submitted that a revised Treasury Board Directive and Policy on Harassment had been recently introduced and that bargaining agents had been consulted in the development of the revised policy and directive. These new instruments had not been tested yet.

[37] The Arbitration Board has determined that Article 43 shall be renewed without change.

Rates of Pay

[38] The employer submits that the salary increases in the remaining three years of the new collective agreement should be 1.5% per year (with an additional 0.25% in year two and 0.5% in year four, if the severance pay proposal is accepted).

[39] The bargaining agent has proposed the rolling-in of terminable allowances to base salary and a restructuring of the pay grid for all groups, effective October 1, 2010. In addition, the bargaining agent proposes annual increases of 1.5% for all groups.

Terminable Allowances

[40] The DS group has had a terminable allowance since 1999. Those SE employees working at the Communications Research Centre (CRC), approximately 57 employees, have also received a terminable allowance since 1999. The terminable allowance increased from \$7,000 in 1999 to \$8,500 in 2004 for SE employees.

[41] The HR subgroup has had a terminable allowance of \$4,000 since 2004.

[42] The employer and the bargaining agent have not proposed any increase to the terminable allowances.

[43] Given their longstanding nature, the Arbitration Board considers it appropriate to roll the terminable allowances into base salary for the DS and HR sub-groups, effective the date of this award.

[44] In the case of the SE-RES group, the terminable allowance is only paid to those SE-RES employees at CRC. The bargaining agent proposed a separate pay scale for these employees that would include the terminable allowance. The Arbitration Board declines to award the bargaining agent's proposal. Accordingly, the Arbitration Board has determined that the terminable allowance for the SE-RES group will be renewed.

Pay restructuring

[45] The bargaining agent has proposed a pay restructuring for all sub-groups. The bargaining agent made arguments that the pay for each group was behind comparator groups. The employer disagreed with those submissions, with the exception of the pay for some levels of the MA group.

[46] The employer tabled data prepared by a third party consultant, showing the percentage difference between the maximum of each level and the average of external comparators, at the 50th percentile. The study was conducted in 2007 and updated by the employer in 2011, using data from three other third party consultants. The consultant used in 2007 stated that based on its methodology, a difference of plus or minus 10% indicated that the comparators were within competitive norms. The data showed that the maximum of the MA-2 level was 25.1% lower than external comparators in 2011. The data also showed that the maximum of the MA-7 level was 11.4% lower than external comparators in 2011. In 2007, the difference at the MA-7 level was 7.7%. The distribution of employees in the MA-2 level shows that there are no employees at the maximum of the level. This is because employees at the MA-2 level move to the MA-3 level well before attaining the maximum. There are only 7 employees at the MA-7 level, with 6 of them at the maximum.

[47] Given the distribution of employees at the MA-2 level, the Arbitration Board has determined that restructuring for this level is not required. However, the pay for those in the MA-7 level shows a downward trend in external relativity and the difference is statistically significant. Accordingly, each step in the range for the MA-7 is increased by 1.4%, effective October 1, 2011.

[48] The Arbitration Board has determined that there is no demonstrated need for any further restructuring of pay for the RE Group.

Economic increases

[49] Both the employer and the bargaining agent have proposed economic increases of 1.5% per year. The first year of the contract is governed by the *Expenditure Restraint Act*, and accordingly the increase for that year is limited to 1.5%.

[50] The Arbitration Board determines that the annual increase in salaries shall be 1.5% in each year, with an additional 0.25% effective October 1, 2011 and an additional 0.5% effective October 1, 2013.

- Effective October 1, 2010: 1.5%
- Effective October 1, 2011: 1.75%
- Effective October 1, 2012: 1.5%
- Effective October 1, 2013: 2.0%

[51] The Arbitration Board shall remain seized of this matter for a period of four weeks from the date of this award, in the event that the parties encounter any difficulties in its implementation.

**Original Signed by
Original signé par**

Ian R. Mackenzie

For the Arbitration Board

November 7, 2012

SECTION

K

Appendix K

Provincial/Territorial Government Compensation Restraint Measures

Provincial / Territorial Government	Compensation Restraint Measures
British Columbia	<p>In the 2012 Budget, the government announced plans to hold growth in spending to 2% over the next three years by maintaining a disciplined approach to public sector wages. The 2012 bargaining mandate will allow public sector employees to negotiate modest compensation increases if equivalent savings can be realized within existing budgets. On September 27, 2012, a tentative agreement was reached between the BC Government and Service Employees' Union (BCGEU) and the BC government, which includes the following wage increases:</p> <ul style="list-style-type: none"> • A one percent increase retroactive to April 1, 2012 • A one percent increase retroactive to August 15, 2012 • A one percent increase in April 2013 • A one percent increase in December 2013. <p>The 2013 Budget extended the wage freeze for senior managers.</p>
Alberta	<p>All employees were under a salary freeze for the period from March 31, 2010 to March 31, 2012. During the salary freeze, unionized employees who were eligible for merit increases based on merit did receive that increase. A new one-year agreement was reached in 2012. All employees will receive an increase of 4.0%, effective April 1, 2012.</p> <p>Alberta's 2013 Budget included several measures to reduce growth due to a recent downward revision of revenues. The province will maintain operating expenses in 2013-14 at its 2012-13 level, implement an 8% MLA pay cut, a three years management salary freeze, and reducing the number of public sector managers by 10% over three years.</p>
Saskatchewan	<p>Saskatchewan provided economic increases of 1.5% in 2009, and 2.0% in each of 2010 and 2011 for their unionized employees, while management employees received 1.5% in 2010 and 2% for each of 2011 and 2012. No wage restraint measures were included in the 2011 and 2012 Budgets.</p>
Manitoba	<p>The province completed negotiations of a four-year agreement (March 27, 2010 to March 21, 2014) with the Manitoba Government Employee's Union (MGEU) on April 26, 2011, which included a wage freeze for the first two years of the agreement, a 2.75% increase in each of years three and four, and a 'long-service' step adjustment of 2.0% effective October 6, 2012. Excluded and executive excluded employees received the same compensation adjustments.</p>
Ontario	<p>Budget 2012 includes a commitment to control public sector compensation costs by reaching an agreement with the unions on a two-year compensation freeze. To this end, the government recently passed legislation affecting Ontario</p>

teachers that imposes wage freezes of 2 years, cuts sick days in half and bans striking for two years.

On September 26, 2012, the government announced that it would consult on draft legislation that proposes to freeze compensation for all executives and managers across the Ontario Public Service (OPS), board-governed agencies and the Broader Public Service (BPS) who are eligible for performance pay. It also proposes to ensure future BPS collective agreements are consistent with the Province's goals to eliminate the deficit and protect jobs and public services.

The Protecting Public Services Act would, if passed:

- restrain compensation for two years for unionized employees of the BPS and require employers to negotiate agreements that protect key services;
- freeze earnings for two years for managers who are eligible for performance pay in the OPS, agencies and BPS so they would not earn more this year and next than they did last year; and
- introduce a permanent salary cap for new executives at no more than double the Premier's salary—a cap of \$418,000 per year.

The Government has also proposed reforms to the framework of government public-sector defined benefit pension plans to make public sector plans more sustainable and affordable for plan members as well as all Ontarians. In order to reduce the growth in the cost of providing these benefits, the government is seeking to move all jointly sponsored pension plans to 50-50 funding between employers and employees. Other changes to the legislative framework are also being proposed, including, in the case of a deficit, a requirement to reduce future benefits or ancillary benefits before additional contributions increases could be considered in the case of a new deficit. Following consultations with affected stakeholders, the government will introduce legislation to help achieve these objectives.

Québec

Since June 25, 2010, almost all agreements were ratified between the Québec government and the Common Union Front representing approximately 475,000 employees.

Salary adjustments:

- A 6.1% wage increase over five years.
- Additional increases of up to 4.54% are possible depending on Québec's economic performance and CPI inflation over the five-year period.
- Thus, the maximum possible salary increase over the five-year agreement is 10.9% (compounded).

Though no wage restraint measures were contained in the 2012 Budget, the government announced a number of restraint measures following the 2010 Budget, including an ongoing commitment to reduce the number of employees in the civil service, a two-year salary freeze impacting the Premier, Ministers, and Members of the National Assembly, a suspension of the performance bonus

	<p>from 2010 to 2012 for senior executive of the public service, ministers personal staff, the education network (school board executive directors and assistant executives directors, CEGEP executive directors and academic deans), and senior executives of universities, government agencies, and government corporations, and a global payroll freeze until 2013-14 for departments. The suspension of the performance bonus was then extended for another year in the 2013-14 budget.</p>
New Brunswick	<p>Budget 2012 continues to apply a number of wage restraint measures, including a two-year wage freeze for employees who have not yet settled, a freeze on upward reclassifications, and replacing only those positions that are critical to the delivery of core government services. The Budget also announced new changes to the maximum number of sick days that employees can accumulate to align it more closely to the qualifying period for long-term disability benefits.</p>
Nova Scotia	<p>The Master Agreement for the Nova Scotia Civil Service expired on March 31, 2012 and the Union has served formal notice to bargain. At this time, there are no planned or agreed upon changes in wages for 2012 onward. A wage restraint target of 1% was applied in the previous two fiscal years (2010 and 2011) for all public sector employees.</p> <p>Changes were also made to the Public Service Superannuation Plan as at April 2010 to restore the financial health of the plan. Two of the key changes being introduced include a reduction in the spousal benefits and greater restrictions on the early retirement formula for new members. Employees that are hired on or after April 6, 2010 will be eligible to retire with an unreduced benefit only when their "age + service" equals 85, who are at least age 55. The formula for members hired before April 6, 2010 continues to be "age + years of service" equals 80, with a minimum age of 50. No changes were made to the current cost sharing ratio between employers and employees.</p>
Prince Edward Island	<p>The Minister of Finance announced in the 2012 Budget that the public sector will be reduced by 300 positions over the next three years, with two-thirds of those reductions in the current year. The vast majority of these reductions will be found through attrition. Going forward, vacant positions will be reviewed before hiring new employees. It was also announced that salaries of the Members of the Legislative Assembly will remain frozen for a third year. The Budget also announced the government's intention to launch a review of public service pension plans to ensure their long-term sustainability, citing rapidly growing costs and successive funding shortfalls as unsustainable. No planned changes to the current cost sharing ratio between employees and employees have been announced.</p>
Newfoundland and Labrador	<p>Newfoundland and Labrador reported salary increases of 8.0% for 2008, and 4.0% for each of 2009, 2010, and 2011. No further restraint measures affecting public servants were announced in the 2010, 2011 or 2012 budgets.</p>
Yukon	<p>The collective agreements for the two bargaining units are set to expire in 2012. Although wage restraint legislation has not been introduced, the government is operating within a restrained environment, for bargaining mandates and otherwise.</p>

Northwest Territories	<p>The collective agreement with the Union of Northern Workers (UNW), which negotiates on behalf of all unionized public service employees (including health care workers but excluding teachers), expired on March 31, 2012. The two parties reached a 4-year tentative agreement on April 13, 2012 (ratified on June 7, 2012), which provides for the following economic increases: 2012-13 (1.0%), 2013-14 (1.5%), 2014-15 (2.5%) and 2015-16 (3.3%).</p> <p>The Northwest Territories' 2013 Budget did not contain any budgetary restraint measures.</p>
Nunavut	<p>The collective bargaining agreement with unionized employees (including all hospital workers except doctors) and some school employees (custodians, administration and teaching assistants) expired September 30, 2010. Negotiations and mediation have been unsuccessful thus far. The employer's financial mandate is fairly conservative.</p> <p>Nunavut's 2013 Budget did not contain any budgetary restraint measures.</p>

SECTION

1

Deloitte.

TREASURY BOARD SECRETARIAT

Wage Comparability Study

Financial Management (FI) Group

Final Report – Base Salary

September 3, 2010

Audit. Tax. Consulting. Financial Advisory.



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Executive Summary

- The Treasury Board of Canada Secretariat (TBS) engaged Deloitte to undertake a review of the external marketplace in order to determine the competitiveness of compensation for selected benchmark positions in the Financial Management (FI) Group.
- Fourteen (14) benchmark positions were supplied by TBS. Deloitte examined the base salaries of these distinctive positions within the FI Group.
- Two information sources were used for all positions:
 - a) secondary research using annual salary surveys, and
 - b) secondary research using Deloitte's proprietary database.
- Market data are used to determine the range of competitive pay for a particular position. Pay will vary with such factors as tenure within an organization, individual and organization performance, and market demand for particular skill sets.
- Compensation levels within plus or minus 10% of TBS's target market positioning are generally considered to be within competitive norms for professional level positions.

Executive Summary (Cont'd)

- The following table provides a summary of how TBS maximum base salaries compare by level to the average of the external market base salaries at the 50th percentile:

Level	Source	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs Average of External P50 Base Salary
FI-01	Annual Salary Surveys	\$47.0	\$65.9	\$61.8	6.7%
	Deloitte proprietary			\$65.3	1.0%
FI-02	Annual Salary Surveys	\$57.2	\$77.6	\$76.0	2.2%
	Deloitte proprietary			\$76.1	2.0%
FI-03	Annual Salary Surveys	\$72.4	\$94.3	\$88.2	6.9%
	Deloitte proprietary			\$88.7	6.3%
FI-04	Annual Salary Surveys	\$80.9	\$106.5	\$101.8	4.6%
	Deloitte proprietary			\$103.2	3.2%

- Based on the data collected for the fourteen (14) benchmark positions, the current base salary range maximums for FI-01, FI-02, FI-03, and FI-04 are within plus or minus 10% of the average of the external P50 base salary.
- Moreover, the TBS salaries are always above the external market, ranging from a 1.0% to a 6.9% premium.

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Introduction

- Compensation plays an important role in the attraction and retention of employees. In preparation for collective bargaining for the FI Group, the Treasury Board of Canada Secretariat (TBS) engaged Deloitte to undertake a review of the external marketplace in order to determine the competitiveness of compensation of selected benchmark positions in the FI Group.
- Using the work descriptions provided by TBS for this study, Deloitte examined the base salary and total cash compensation (i.e. base salary plus short-term incentives) of comparable positions in the external market. The present report examines base salary only. TBS provided a selection of representative work descriptions to assist in comparing positions and levels to the external sources.

Population Breakdown:

- As of October 31, 2009, the population breakdown for the FI occupational group (active employees only) is as follows:

FI Employee Classification	Population
FI-01	1,212
FI-02	1,295
FI-03	1,166
FI-04	589
Total	4,262

Benchmark Positions

- The following fourteen (14) benchmark positions were supplied by TBS.
- As part of the external market compensation review, Deloitte examined the base salary ranges of distinctive positions in the FI group. The selected benchmark positions were as follows:

Group Classification	Employee Classification	Position	Department
Financial Management (FI)	FI-01	<ul style="list-style-type: none"> • Financial Officer • FORD Financial Analyst • Junior Financial Policy & Systems Analyst 	<ul style="list-style-type: none"> • PWGSC • DND • DND
	FI-02	<ul style="list-style-type: none"> • Senior Financial Analyst • Financial Analyst • Financial Analyst • Senior Financial Officer 	<ul style="list-style-type: none"> • HRSDC (Service Canada) • DND • HRSDC • PWGSC
	FI-03	<ul style="list-style-type: none"> • Financial Advisor • Internal Control Team Leader • Senior Financial Analyst • Senior Financial Analyst 	<ul style="list-style-type: none"> • PWGSC • Health Canada • DND • HRSDC
	FI-04	<ul style="list-style-type: none"> • Director, Accrual Budgeting • Financial Management Advisor • Manager, Financial Services 	<ul style="list-style-type: none"> • DND • PWGSC • PWGSC

Methodology

- Market pricing is a blend of science and art. The science of market pricing involves the actual mathematics which are used to compile and summarize data and the analysis of job content for job matching purposes. The art of market pricing lies in ensuring that all analyses are performed in the appropriate context, and combines professional judgment and experience to enhance data defensibility. It should also be noted that market pricing (external equity) should not be done in isolation of the organization's Total Compensation Strategy and internal equity.
- Two information sources were used for all positions:
 - a) secondary research using published annual salary surveys (organization-weighted data), and
 - b) secondary research using Deloitte's proprietary database.
- The annual salary surveys used in the secondary research were as follows:
 - Mercer - 2009 Finance, Accounting and Legal
 - Morneau Sobeco - 2009 General Management and Administration
 - Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support
 - Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation
 - Watson Wyatt - 2009/2010 Canadian Report on Middle & Supervisory Management Compensation
- Data from the above-noted published surveys were compiled selectively for each benchmark position in order to ensure superior position matching (i.e. if an accurate job match could not be found within a given published survey, that survey was not incorporated into the research findings for the respective benchmark position).
- National results were selected from the annual surveys to reflect the fact that the benchmark positions exist within a national employer.
- The Deloitte proprietary database is comprised of work descriptions, base salary, short-term incentive, pension and benefits information, and other relevant data acquired from various Deloitte clients within the last several years.

Methodology (Cont'd)

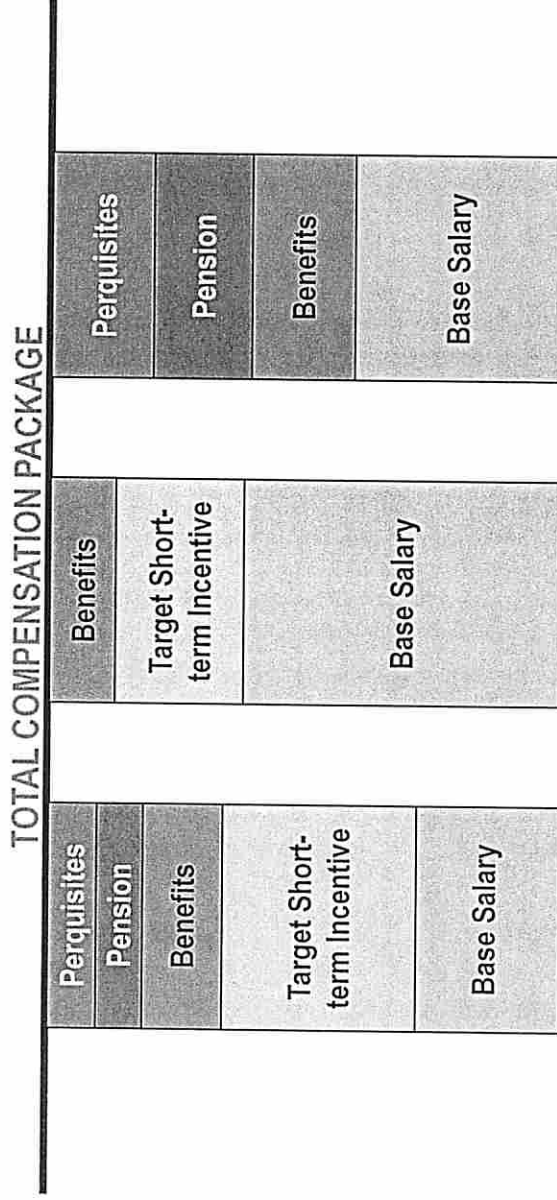
- All job matches from the annual salary surveys and Deloitte's proprietary databases were considered as "equal."
- All data went through a "cleaning" process to identify erroneous data and outliers prior to undertaking data analysis.
- External market data were aged by 1.5% per annum, to be current as of November 6, 2009, the expiry date of the FI collective agreement.*
- Percentile averages, as well as other results, derived from the external market data may not always calculate precisely due to rounding.
- The overall results compare the TBS maximum salary to the external market P50. This comparison is consistent with the TBS *Policy Framework for the Management of Compensation* (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12084§ion=text>) which indicates, as a principle, that compensation within the core public administration "should be competitive with, but not lead, that provided for similar work in relevant labour market".
- Market data are used to determine the range of competitive pay for a particular position, rather than to fix a precise job value. Pay will vary with such factors as tenure within an organization, individual and organization performance, and market demand for particular skill sets.
- Compensation levels within plus or minus 10% of TBS's target market positioning are generally considered to be within competitive norms for professional level positions. By assuming a single competitive rate, one would impose too high a level of precision on an analysis that requires many subjective decisions in defining and comparing work across organizations.
- The following table demonstrates the range of dollars within which a job would be considered competitive in the external market [assuming a target market positioning at the 50th percentile (P50)]:

-10%	External Market Data (P50)	+10%
\$45.0	\$50.0	\$55.0

*The aging factor of 1.5% is based upon the *Expenditure Restraint Act* (ERA). The ERA controls expenditures by setting increases in the rates of pay of unionized and non-unionized employees in the federal public sector until 2010-2011. The ERA sets limits to all increases prior to December 8, 2008 that had not yet been set, and provides for all increases to rates of pay due after December 8, 2008.

Methodology (Cont'd)

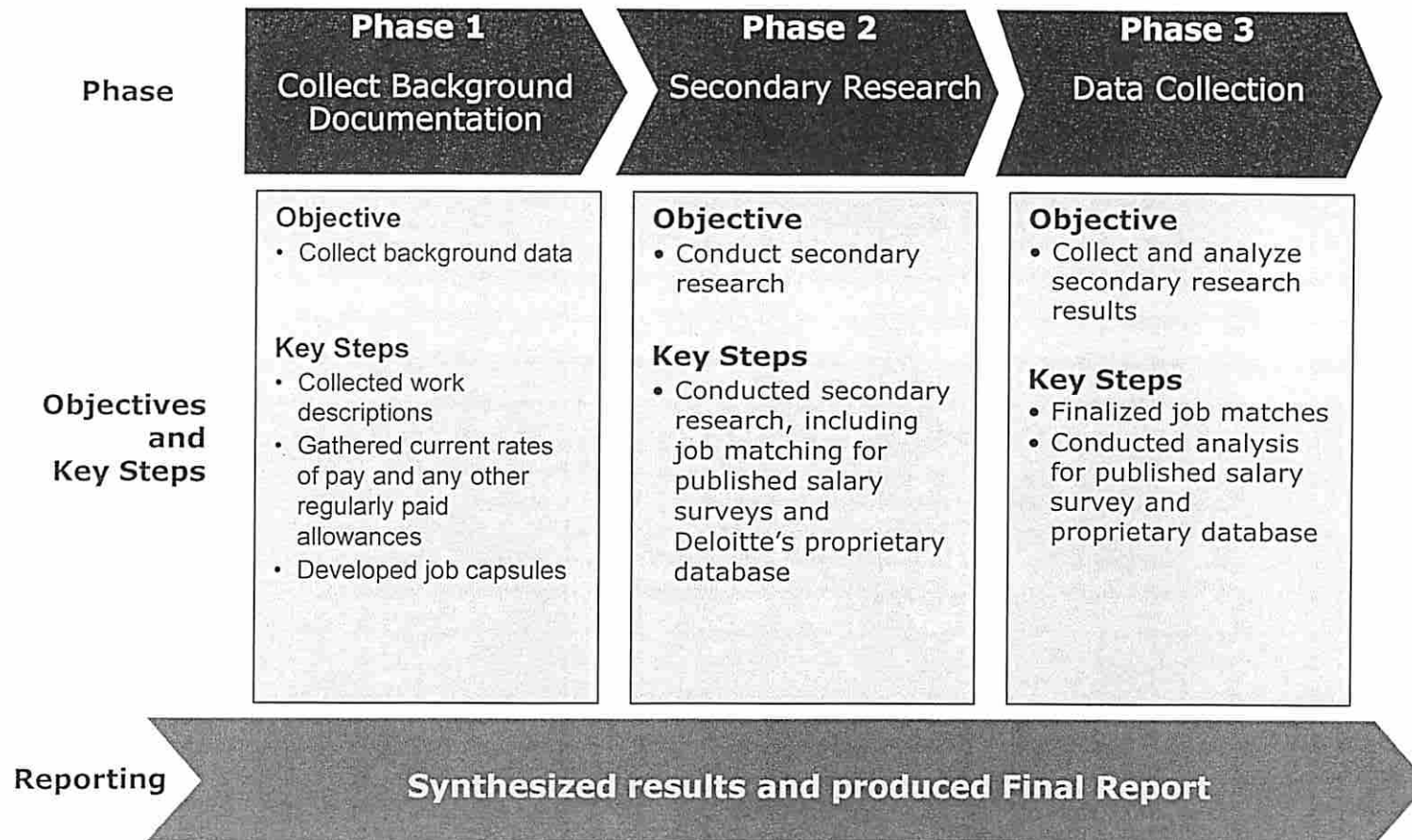
- Although organizations may approach compensation and benefits from different perspectives, they may ultimately end up with the same total compensation package. What differs is the mix of components of total compensation. Below are three examples of total compensation packages:



- Organizations often focus on base salary when trying to determine whether or not they are competitive against the external marketplace when, at a minimum, they should evaluate the total cash compensation package (base salary and short-term incentive pay) they offer to employees.

Methodology (Cont'd)

Overview of Wage Comparability Study Research Methodology





Definitions

Base Salary

- The fixed compensation paid to an employee for performing specific job responsibilities. It is typically paid as an annual salary or hourly rate.

Market Pricing

- Relative to compensation, the technique of validating an organization's current compensation levels based on the prevailing rate for benchmark jobs in the labour market(s) relevant to the organization.

Median (or P50)

- The middle item in a set of ranked data points containing an odd number of items. When an even number of items are ranked, the median is the average of the two middle items.

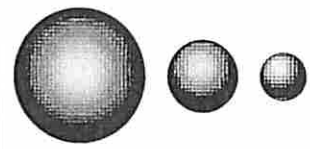
Percentiles

- A percentile is the value below which a certain percent of observations fall (e.g. P25 would therefore represent the data point below which 25% of all data fall when arranged in ascending order).



Job Matching Considerations

- Appropriate job matches are premised upon a comprehensive analysis of the benchmark job positions and the position in the organization.
- Published surveys do not provide detailed position descriptions, so professional judgment and knowledge of jobs to be matched is required.
- Different survey sources may classify levels of expertise (i.e., junior, intermediate, senior) differently.
- A test of essence should be applied - the detailed responsibilities may vary, but the overall essence of the job should be similar.
- Similarity of job content/value should be considered. Job value is based on different factors such as accountability, responsibilities, knowledge, work conditions, effort, complexity and impact.
- Unusually high or low compensation data for a specific job or level of expertise may be considered as a “red flag” in the validation process for matches.



Research Findings – Annual Salary Surveys

Research Findings – Annual Salary Surveys

Financial Officer, PWGSC – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary	
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analyst	210.100.350	69/441	\$64.4	\$54.5	\$63.2	\$71.2	\$47.0	\$65.9	
Morneau Sobeco - 2009 General Management and Administration	National	Financial Analyst	1212	23/-	\$62.2	\$56.7	\$63.0	\$67.7	\$47.0	\$65.9	
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax - No Applicable Discipline - Intermediate (P2)	AFT999	17/83	\$63.0	\$56.5	\$64.5	\$70.6	\$47.0	\$65.9	
Average:					\$63.2	\$55.9	\$63.5	\$69.9			

Research Findings – Annual Salary Surveys

FORD Financial Analyst, DND – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analyst - Intermediate	210.352.350	237/1,905	\$66.1	\$57.6	\$64.5	\$73.0	\$47.0	\$65.9
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Audit and Financial/Business Controls Generalist/Multidiscipline - Intermediate (P2)	AFT110	27/85	\$59.9	\$51.5	\$58.0	\$66.8	\$47.0	\$65.9
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial Systems Analyst	0655	10/14	\$67.5	\$54.8	\$67.9	\$78.2	\$47.0	\$65.9
Average:					\$64.5	\$54.6	\$63.5	\$72.6		

Research Findings – Annual Salary Surveys

Junior Financial Policy & Systems Analyst, DND – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary	
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax Generalist/Multidisciplinary - Intermediate (P2)	AFT000	27/85	\$58.5	\$50.9	\$55.3	\$64.2	\$47.0	\$65.9	
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial or Business Analyst - Level 2	0630	55/1,030	\$58.3	\$53.0	\$58.0	\$64.2	\$47.0	\$65.9	
Average:					\$58.4	\$51.9	\$56.6	\$64.2			

Research Findings – Annual Salary Surveys

Senior Financial Analyst, HRSDC (Service Canada)– FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Mercer - 2009 Finance, Accounting and Legal	National	Budget Analyst - Senior	210.332.340	34/137	\$83.5	\$76.9	\$82.3	\$87.5	\$57.2	\$77.6
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Budget Analysis - Career (P3)	AFT020	36/244	\$75.2	\$64.9	\$73.7	\$83.1	\$57.2	\$77.6
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Budget Analyst - Level 3	0350	9/73	\$74.9	\$68.7	\$75.7	\$79.3	\$57.2	\$77.6
Average:					\$77.9	\$70.2	\$77.2	\$83.3		

Research Findings – Annual Salary Surveys

Financial Analyst, DND– FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analyst - Senior	210.352.340	180/1,483	\$81.7	\$71.7	\$79.4	\$89.0	\$57.2	\$77.6
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax Generalist/Multidisciplinary - Career (P3)	AFT000	36/437	\$76.0	\$67.2	\$73.1	\$85.7	\$57.2	\$77.6
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial or Business Analyst - Level 3	0630	55/1,030	\$70.5	\$61.4	\$68.4	\$79.0	\$57.2	\$77.6
Average:					\$76.1	\$66.8	\$73.7	\$84.6		

Research Findings – Annual Salary Surveys

Financial Analyst, HRSDC– FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analyst - Senior	210.352.340	180/1,483	\$81.7	\$71.7	\$79.4	\$89.0	\$57.2	\$77.6
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax - No Applicable Discipline - Career (P3)	AFT999	25/136	\$82.1	\$71.8	\$84.6	\$92.8	\$57.2	\$77.6
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial or Business Analyst - Level 3	0630	55/1,030	\$70.5	\$61.4	\$68.4	\$79.0	\$57.2	\$77.6
Average:					\$78.1	\$68.3	\$77.5	\$86.9		

Research Findings – Annual Salary Surveys

Senior Financial Officer, PWGSC – FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Morneau Sobeco - 2009 General Management and Administration	National	Financial Analyst - Senior	1213	20/-	\$77.7	\$70.8	\$76.2	\$83.9	\$57.2	\$77.6
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Audit and Financial/Business Controls Generalist/Multidiscipline - Career (P3)	AFT110	70/397	\$75.0	\$65.5	\$74.6	\$83.2	\$57.2	\$77.6
Average:					\$76.3	\$68.1	\$75.4	\$83.6		

Research Findings – Annual Salary Surveys

Financial Advisor, PWGSC – FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*	
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analysis Supervisor	210.352.230	35/62	\$85.6	\$73.5	\$86.2	\$95.0	\$72.4	\$94.3	
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial or Business Analyst - Level 4	0630	29/162	\$78.1	\$69.2	\$78.1	\$84.3	\$72.4	\$94.3	
Average:					\$81.8	\$71.3	\$82.1	\$89.7			

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Annual Salary Surveys

Internal Control Team Leader, Health Canada – FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*	
Mercer - 2009 Finance, Accounting and Legal	National	Internal Controls Manager	210.200.220	36/63	\$98.8	\$84.9	\$98.9	\$113.0	\$72.4	\$94.3	
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Audit and Financial/Business Controls Generalist/Multidiscipline - Specialist (P4)	AFT110	75/535	\$93.8	\$83.0	\$90.9	\$103.9	\$72.4	\$94.3	
Average:					\$96.3	\$84.0	\$94.9	\$108.4			

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Annual Salary Surveys

Senior Financial Analyst, DND– FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Audit and Financial/Business Controls Generalist/Multidiscipline - Specialist (P4)	AFT110	75/535	\$93.8	\$83.0	\$90.9	\$103.9	\$72.4	\$94.3
Watson Wyatt - 2009/2010 Canadian Report on Middle & Supervisory Management Compensation	National	Financial Systems Manager	0650	8/8	\$90.1	\$79.3	\$90.1	\$100.7	\$72.4	\$94.3
Average:					\$91.9	\$81.2	\$90.5	\$102.3		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Annual Salary Surveys

Senior Financial Analyst, HRSDC– FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax Generalist/Multidisciplinary - Specialist (P4)	AFT000	38/341	\$93.1	\$85.8	\$92.5	\$101.0	\$72.4	\$94.3
Watson Wyatt - 2009/2010 Canadian Report on Professional & Skilled Trades Personnel Compensation	National	Financial or Business Analyst - Level 4	0630	29/162	\$78.1	\$69.2	\$78.1	\$84.3	\$72.4	\$94.3
Average:					\$85.6	\$77.5	\$85.3	\$92.6		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Annual Salary Surveys

Director, Accrual Budgeting, DND – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Mercer - 2009 Finance, Accounting and Legal	National	Finance Manager	210.100.220	152/707	\$96.0	\$85.3	\$94.1	\$103.5	\$80.9	\$106.5
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax Generalist/	AFT000	43/120	\$106.7	\$94.5	\$100.9	\$120.9	\$80.9	\$106.5
Average:					\$101.3	\$89.9	\$97.5	\$112.2		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)

Research Findings – Annual Salary Surveys

Financial Management Advisor, PWGSC – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*	
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Audit and Financial/Business Controls Generalist/Multidiscipline - Manager (M2)	AFT110	59/255	\$105.3	\$92.9	\$104.6	\$115.0	\$80.9	\$106.5	
Watson Wyatt - 2009/2010 Canadian Report on Middle & Supervisory Management Compensation	National	Division/Regional Controller	0823	50/110	\$107.4	\$90.1	\$108.0	\$121.7	\$80.9	\$106.5	
				Average:	\$106.3	\$91.5	\$106.3	\$118.3			

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)

Research Findings – Annual Salary Surveys

Manager, Financial Services, PWGSC – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Mercer - 2009 Finance, Accounting and Legal	National	Financial Analysis Manager	210.352.220	132/1,002	\$111.6	\$92.2	\$102.9	\$125.7	\$80.9	\$106.5
Towers Perrin - 2009/2010 CDB General Industry Middle Management, Professional and Support	National	Financial Analysis, Audit and Tax - No Applicable Discipline - Specialist (P4)	AFT999	16/59	\$95.6	\$91.2	\$102.1	\$108.0	\$80.9	\$106.5
Watson Wyatt - 2009/2010 Canadian Report on Middle & Supervisory Management Compensation	National	Financial Analysis Manager	0620	40/111	\$100.8	\$86.0	\$100.0	\$107.2	\$80.9	\$106.5
Average:					\$102.7	\$89.8	\$101.7	\$113.6		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)

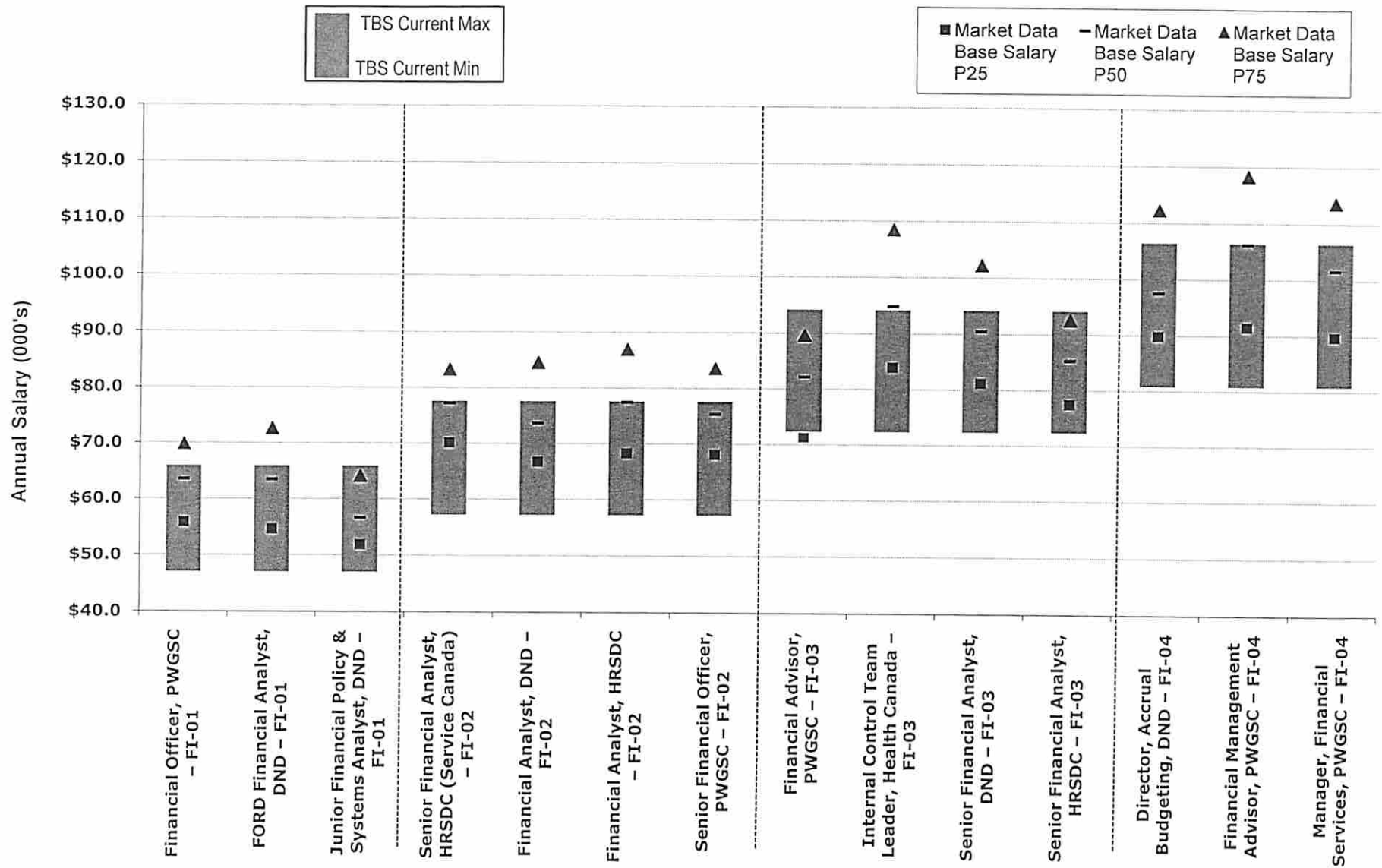
Research Findings Variance Analysis – Annual Salary Surveys

- The following table provides a summary of how TBS maximum base salaries compare to the average of the external market positions at the 50th percentile:

Level	Position	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs. Average of External P50 Base Salary
FI-01	Financial Officer, PWGSC	\$47.0	\$65.9	\$63.5	3.8%
	FORD Financial Analyst, DND	\$47.0	\$65.9	\$63.5	3.9%
	Junior Financial Policy & Systems Analyst, DND	\$47.0	\$65.9	\$56.6	16.4%
FI-02	Senior Financial Analyst, HRSDC (Service Canada)	\$57.2	\$77.6	\$77.2	0.5%
	Financial Analyst, DND	\$57.2	\$77.6	\$73.7	5.4%
	Financial Analyst, HRSDC	\$57.2	\$77.6	\$77.5	0.2%
	Senior Financial Officer, PWGSC	\$57.2	\$77.6	\$75.4	3.0%
FI-03	Financial Advisor, PWGSC	\$72.4	\$94.3	\$82.1	14.8%
	Internal Control Team Leader, Health Canada	\$72.4	\$94.3	\$94.9	-0.7%
	Senior Financial Analyst, DND	\$72.4	\$94.3	\$90.5	4.2%
	Senior Financial Analyst, HRSDC	\$72.4	\$94.3	\$85.3	10.5%
FI-04	Director, Accrual Budgeting, DND	\$80.9	\$106.5	\$97.5	9.2%
	Financial Management Advisor, PWGSC	\$80.9	\$106.5	\$106.3	0.2%
	Manager, Financial Services, PWGSC	\$80.9	\$106.5	\$101.7	4.7%

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Summary of External Market Data Results and TBS Salary Ranges – Annual Salary Surveys



Note: TBS rates effective from November 7, 2008 to November 6, 2009

Research Findings Summary Variance Analysis – Annual Salary Surveys (Average)

- The following table provides a summary by FI level of how TBS maximum base salaries compare to the average of the external market positions at the 50th percentile:

Level	TBS MIN (\$000)	TBS MAX (\$000)	Average External P50 Base Salary (\$000)	TBS MAX vs. Average of External P50 Base Salary
FI-01	\$47.0	\$65.9	\$61.8	6.7%
FI-02	\$57.2	\$77.6	\$76.0	2.2%
FI-03	\$72.4	\$94.3	\$88.2	6.9%
FI-04	\$80.9	\$106.5	\$101.8	4.6%

- The average of the external market was determined by taking the average of all the survey matches for each FI level. For example, the average of the external P50 base salary for the FI-04 level was calculated by adding the P50s for each job match and dividing by the total number of job matches that were used (in this case seven). Please see the following page for an example.

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Research Findings Summary Variance Analysis – Annual Salary Surveys (Average)

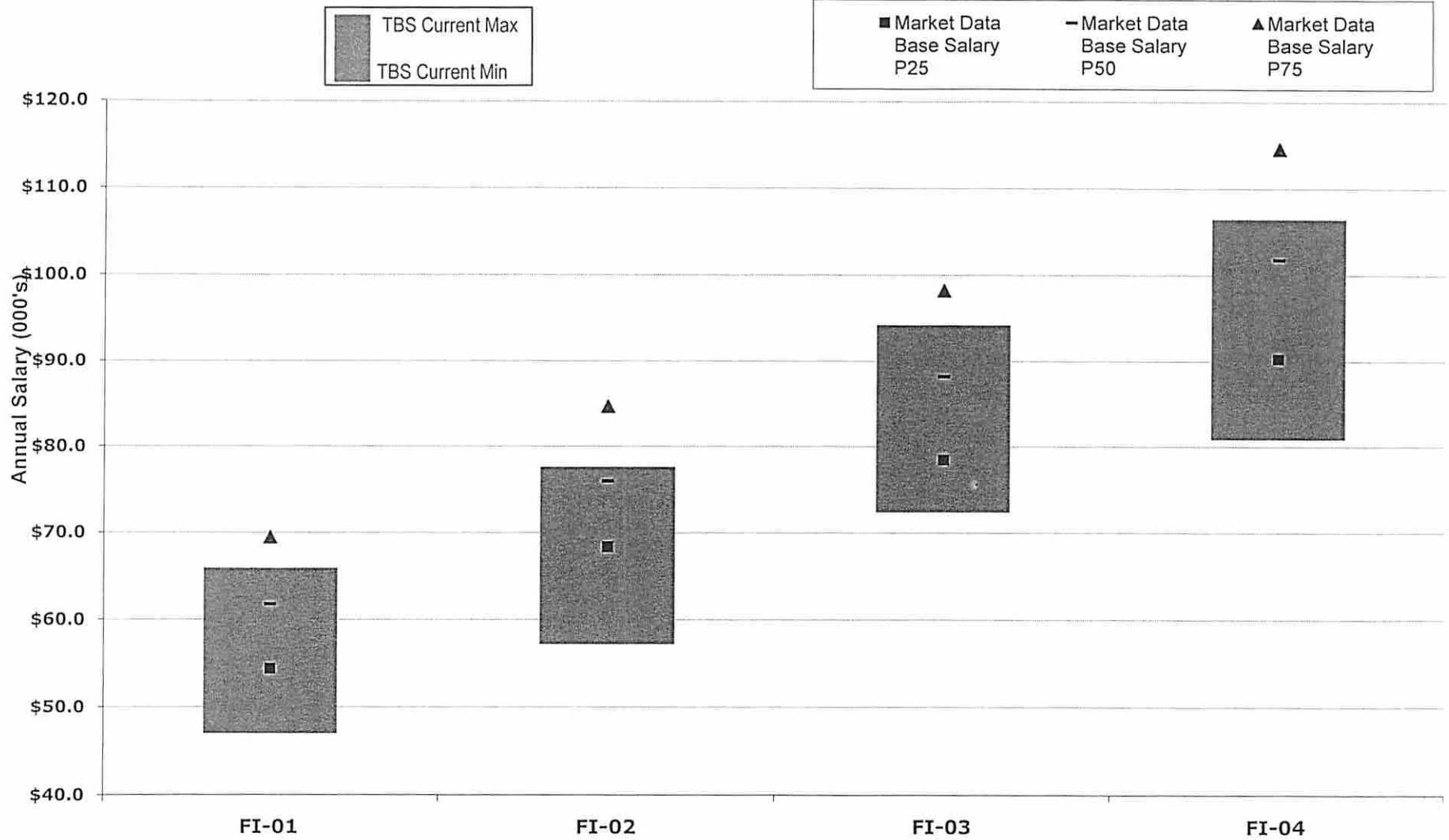
Average of the External P50 Base Salary for FI-04 (\$000)=

$$\begin{aligned} &= \text{Mercer Finance Manager} \\ &+ \text{Towers Perrin Financial Analysis, Audit and Tax Generalist/Multidiscipline - Manager (M2)} \\ &+ \text{Towers Perrin Audit and Financial/Business Controls Generalist/Multidiscipline - Manager (M2)} \\ &+ \text{Watson Wyatt Division/Regional Controller} \\ &+ \text{Mercer Financial Analysis Manager} \\ &+ \text{Towers Perrin Financial Analysis, Audit and Tax - No Applicable Discipline - Specialist (P4)} \\ &+ \text{Watson Wyatt Financial Analysis Manager} \end{aligned} \div 7$$

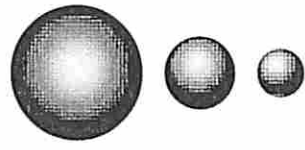
$$= (\$94.1 + \$100.9 + \$104.6 + \$108.0 + \$102.9 + \$102.1 + \$100.0) \div 7$$

$$= \$101.8$$

Summary of External Market Data Results and TBS Salary Ranges – Annual Salary Surveys (Average)



Note: TBS rates effective from November 7, 2008 to November 6, 2009



Research Findings - Deloitte Proprietary Database

Research Findings – Deloitte Proprietary Database

Financial Officer, PWGSC – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary: (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$62.5	\$56.0	\$63.2	\$70.3	\$47.0	\$65.9
Average:					\$62.5	\$56.0	\$63.2	\$70.3		

Research Findings – Deloitte Proprietary Database

FORD Financial Analyst, DND – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$67.0	\$61.2	\$68.6	\$75.9	\$47.0	\$65.9
Average:					\$67.0	\$61.2	\$68.6	\$75.9		

Research Findings – Deloitte Proprietary Database

Junior Financial Policy & Systems Analyst, DND – FI-01

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$47,009 – \$65,944

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$61.3	\$57.4	\$64.9	\$68.2	\$47.0	\$65.9
Average:					\$61.3	\$57.4	\$64.9	\$68.2		

Research Findings – Deloitte Proprietary Database

Senior Financial Analyst, HRSDC (Service Canada) – FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$76.3	\$69.7	\$78.1	\$87.1	\$57.2	\$77.6
Average:					\$76.3	\$69.7	\$78.1	\$87.1		

Research Findings – Deloitte Proprietary Database

Financial Analyst, DND – FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)					TBS	
					Average	P25	P50	P75	Min Salary	Max Salary	
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$74.3	\$67.4	\$75.3	\$83.0	\$52.2	\$77.6	
Average:					\$74.3	\$67.4	\$75.3	\$83.0			

Research Findings – Deloitte Proprietary Database

Financial Analyst, HRSDC– FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$72.9	\$67.1	\$76.1	\$83.1	\$57.2	\$77.6
Average:					\$72.9	\$67.1	\$76.1	\$83.1		

Research Findings – Deloitte Proprietary Database

Senior Financial Officer, PWGSC – FI-02

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$57,222 – \$77,625

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$73.7	\$67.0	\$75.4	\$82.2	\$57.2	\$77.6
Average:					\$73.7	\$67.0	\$75.4	\$82.2		

Research Findings – Deloitte Proprietary Database

Financial Advisor, PWGSC – FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$83.4	\$77.9	\$87.4	\$92.8	\$72.4	\$94.3
Average:					\$83.4	\$77.9	\$87.4	\$92.8		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Deloitte Proprietary Database

Internal Control Team Leader, Health Canada – FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$85.1	\$80.5	\$90.6	\$99.4	\$72.4	\$94.3
Average:					\$85.1	\$80.5	\$90.6	\$99.4		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Deloitte Proprietary Database

Senior Financial Analyst, DND– FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Range with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$86.4	\$79.1	\$88.3	\$92.5	\$72.4	\$94.3
Average:					\$86.4	\$79.1	\$88.3	\$92.5		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Deloitte Proprietary Database

Senior Financial Analyst, HRSDC– FI-03

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$72,404 – \$93,339 plus a Chief Financial Officer (CFO) Transitional Allowances for employees at the maximum of 1% (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$84.3	\$79.6	\$88.9	\$92.5	\$72.4	\$94.3
Average:					\$84.3	\$79.6	\$88.9	\$92.5		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 1% for employees at the maximum salary (Salary Ranges with the Allowance is \$72,404 – \$94,272)

Research Findings – Deloitte Proprietary Database

Director, Accrual Budgeting, DND – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$96.8	\$91.3	\$102.9	\$119.1	\$80.9	\$106.5
Average:					\$96.8	\$91.3	\$102.9	\$119.1		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)
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Research Findings – Deloitte Proprietary Database

Financial Management Advisor, PWGSC – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$101.3	\$92.9	\$105.1	\$119.1	\$80.9	\$106.5
Average:					\$101.3	\$92.9	\$105.1	\$119.1		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)

Research Findings – Deloitte Proprietary Database

Manager, Financial Services, PWGSC – FI-04

- Current TBS Base Salary Range, Effective from November 7, 2008 to November 6, 2009: \$80,864 – \$104,392 plus a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Range with the Allowance is \$80,864 – \$106,480)

Survey Source	Survey Scope	Survey Title	Ref. No.	# Organizations / # Incumbents	Base Salary (\$000)				TBS	
					Average	P25	P50	P75	Min Salary	Max Salary*
Deloitte Proprietary	National	Deloitte Proprietary	n/a	n/a	\$99.6	\$91.8	\$102.5	\$116.8	\$80.9	\$106.5
Average:					\$99.6	\$91.8	\$102.5	\$116.8		

* Includes a Chief Financial Officer (CFO) Transitional Allowance of 2% for employees at the maximum salary (Salary Ranges with the Allowance is \$80,864 – \$106,480)
 47 Financial Management (FI) Group Comparability Study – Base Salary | TBS ©2009 Deloitte Inc.

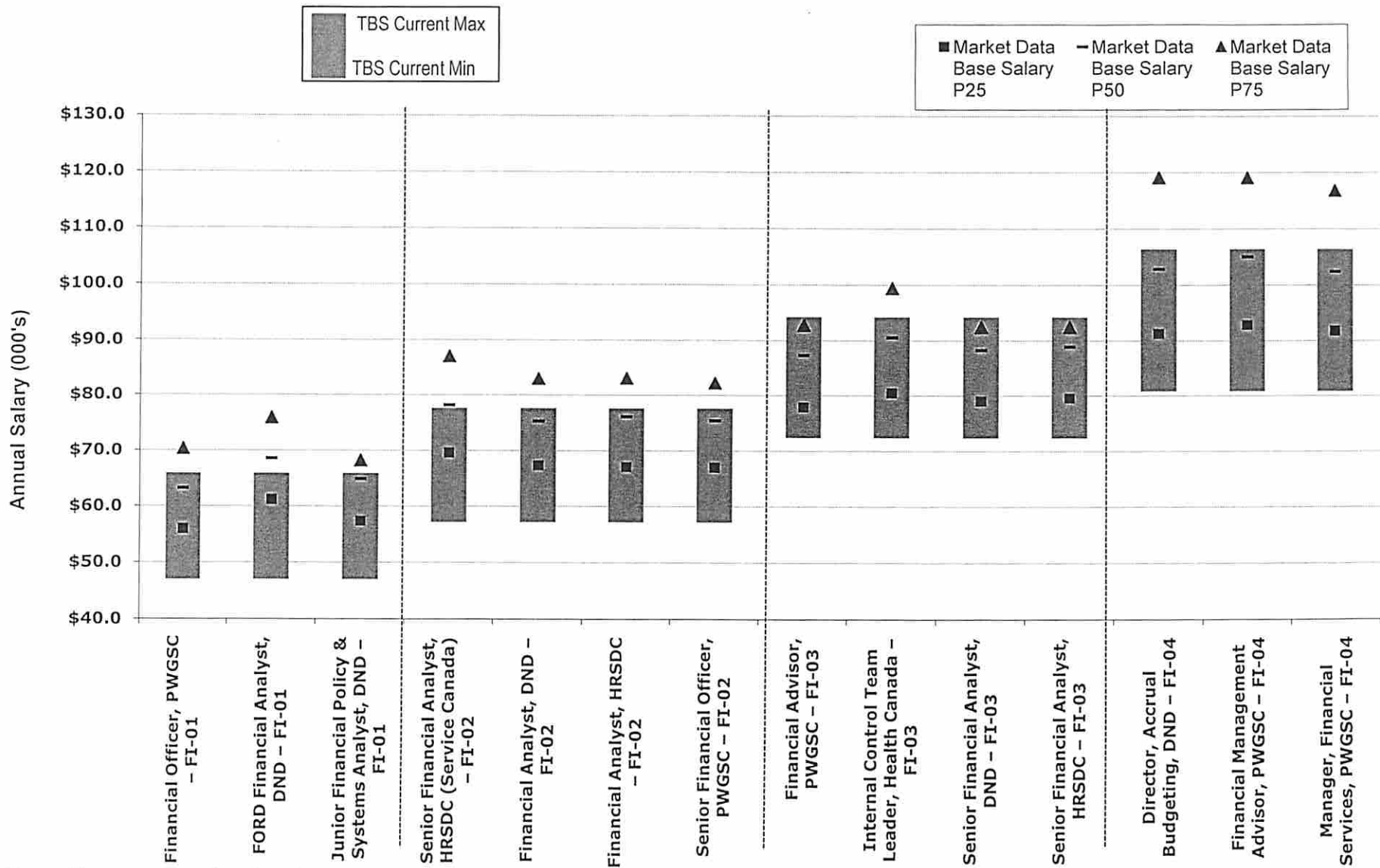
Research Findings Variance Analysis – Deloitte Proprietary Database

- The following table provides a summary of how TBS maximum base salaries compare to the average of the external market positions at the 50th percentile:

Level	Position	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs. Average of External P50 Base Salary
FI-01	Financial Officer, PWGSC	\$47.0	\$65.9	\$63.2	4.4%
	FORD Financial Analyst, DND	\$47.0	\$65.9	\$68.6	-3.8%
	Junior Financial Policy & Systems Analyst, DND	\$47.0	\$65.9	\$64.9	1.6%
FI-02	Senior Financial Analyst, HRSDC (Service	\$57.2	\$77.6	\$78.1	-0.7%
	Financial Analyst, DND	\$57.2	\$77.6	\$75.3	3.1%
	Financial Analyst, HRSDC	\$57.2	\$77.6	\$76.1	2.0%
	Senior Financial Officer, PWGSC	\$57.2	\$77.6	\$75.4	2.9%
FI-03	Financial Advisor, PWGSC	\$72.4	\$94.3	\$87.4	7.9%
	Internal Control Team Leader, Health Canada	\$72.4	\$94.3	\$90.6	4.0%
	Senior Financial Analyst, DND	\$72.4	\$94.3	\$88.3	6.7%
	Senior Financial Analyst, HRSDC	\$72.4	\$94.3	\$88.9	6.0%
FI-04	Director, Accrual Budgeting, DND	\$80.9	\$106.5	\$102.9	3.5%
	Financial Management Advisor, PWGSC	\$80.9	\$106.5	\$105.1	1.3%
	Manager, Financial Services, PWGSC	\$80.9	\$106.5	\$102.5	3.9%

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Summary of External Market Data Results and TBS Salary Ranges – Deloitte Proprietary Database



Note: TBS rates effective from November 7, 2008 to November 6, 2009

Research Findings Summary Variance Analysis – Deloitte Proprietary Database (Average)

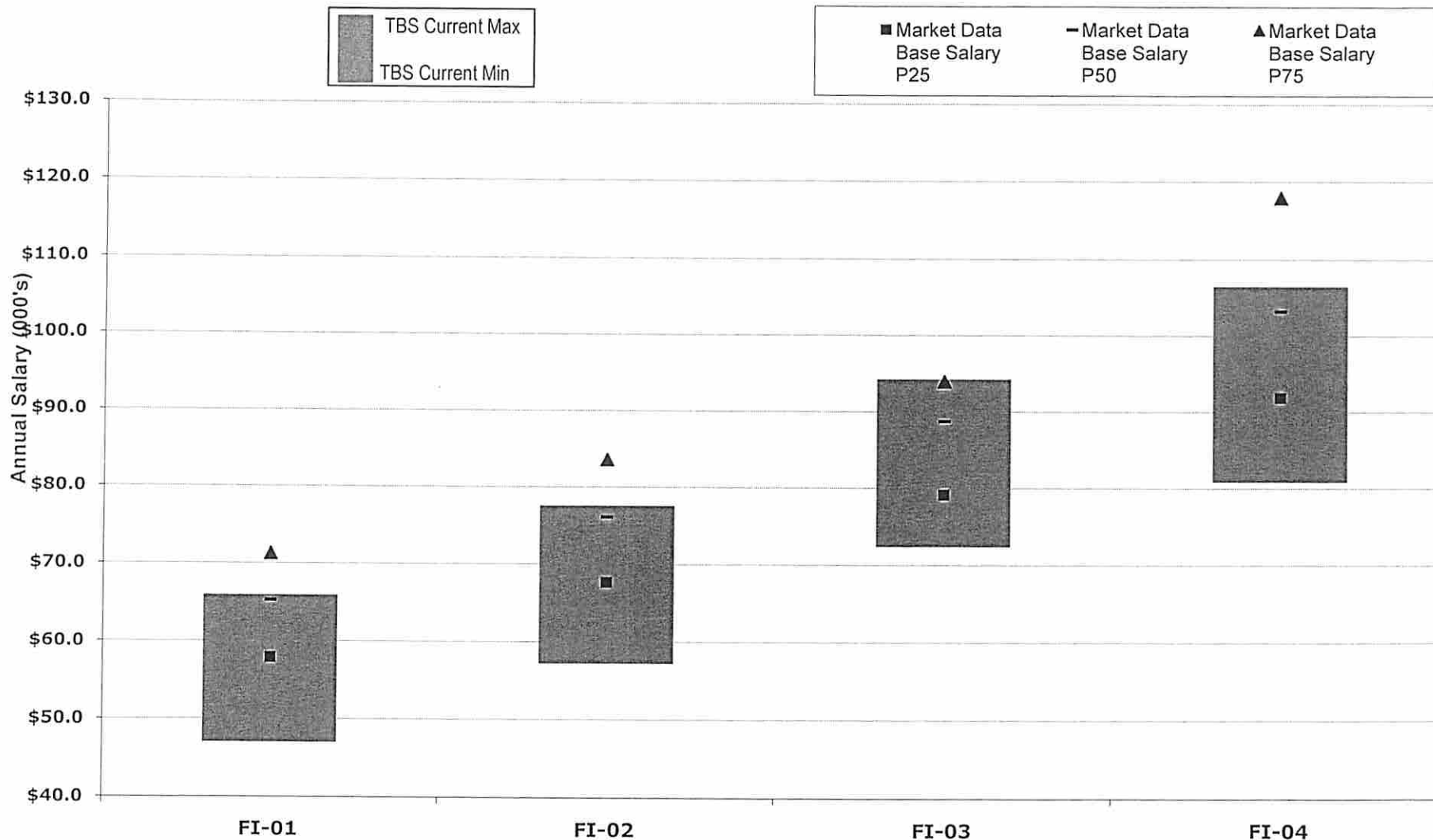
- The following table provides a summary by FI level of how TBS maximum base salaries compare to the average of the external market positions at the 50th percentile:

Level	TBS MIN (\$000)	TBS MAX (\$000)	Average External P50 Base Salary (\$000)	TBS MAX vs. Average of External P50 Base Salary
FI-01	\$47.0	\$65.9	\$65.3	1.0%
FI-02	\$57.2	\$77.6	\$76.1	2.0%
FI-03	\$72.4	\$94.3	\$88.7	6.3%
FI-04	\$80.9	\$106.5	\$103.2	3.2%

- The average of the proprietary data was determined by taking the average of all the survey matches for each FI level. For example, the average of the external P50 base salary for the FI-04 level was calculated by adding the P50s for each job match and dividing by the total number of job matches that were used.

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Summary of External Market Data Results and TBS Salary Ranges – Deloitte Proprietary Database (Average)



Note: TBS rates effective from November 7, 2008 to November 6, 2009

Summary of Research Findings – Variance Analysis (All Matches)

- The following table provides a summary of how TBS maximum base salaries compare to the average of the external market positions (all data points and results) at the 50th percentile:

Level	Position Titles	Source	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs Average of External P50 Base Salary
FI-01	Financial Officer, PWGSC	Annual Salary Surveys	\$47.0	\$65.9	\$63.5	3.8%
		Deloitte Proprietary			\$63.2	4.4%
	FORD Financial Analyst, DND	Annual Salary Surveys	\$47.0	\$65.9	\$63.5	3.9%
		Deloitte Proprietary			\$68.6	-3.8%
	Junior Financial Policy & Systems Analyst, DND	Annual Salary Surveys	\$47.0	\$65.9	\$56.6	16.4%
		Deloitte Proprietary			\$64.9	1.6%
FI-02	Senior Financial Analyst, HRSDC (Service Canada)	Annual Salary Surveys	\$57.2	\$77.6	\$77.2	0.5%
		Deloitte Proprietary			\$78.1	-0.7%
	Financial Analyst, DND	Annual Salary Surveys	\$57.2	\$77.6	\$73.7	5.4%
		Deloitte Proprietary			\$75.3	3.1%
	Financial Analyst, HRSDC	Annual Salary Surveys	\$57.2	\$77.6	\$77.5	0.2%
		Deloitte Proprietary			\$76.1	2.0%
	Senior Financial Officer, PWGSC	Annual Salary Surveys	\$57.2	\$77.6	\$75.4	3.0%
		Deloitte Proprietary			\$75.4	2.9%
FI-03	Financial Advisor, PWGSC	Annual Salary Surveys	\$72.4	\$94.3	\$82.1	14.8%
		Deloitte Proprietary			\$87.4	7.9%
	Internal Control Team Leader, Health Canada	Annual Salary Surveys	\$72.4	\$94.3	\$94.9	-0.7%
		Deloitte Proprietary			\$90.6	4.0%
	Senior Financial Analyst, DND	Annual Salary Surveys	\$72.4	\$94.3	\$90.5	4.2%
		Deloitte Proprietary			\$88.3	6.7%
Senior Financial Analyst, HRSDC	Annual Salary Surveys	\$72.4	\$94.3	\$85.3	10.5%	
	Deloitte Proprietary			\$88.9	6.0%	
FI-04	Director, Accrual Budgeting, DND	Annual Salary Surveys	\$80.9	\$106.5	\$97.5	9.2%
		Deloitte Proprietary			\$102.9	3.5%
	Financial Management Advisor, PWGSC	Annual Salary Surveys	\$80.9	\$106.5	\$106.3	0.2%
		Deloitte Proprietary			\$105.1	1.3%
	Manager, Financial Services, PWGSC	Annual Salary Surveys	\$80.9	\$106.5	\$101.7	4.7%
		Deloitte Proprietary			\$102.5	3.9%

Note: TBS rates effective from November 7, 2008 to November 6, 2009

Summary of Research Findings – Variance Analysis (Summary by Level)

- The following table provides a summary of how TBS maximum base salaries compare to the average of the external market positions (by level) at the 50th percentile:

Level	Source	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs Average of External P50 Base Salary
FI-01	Annual Salary Surveys	\$47.0	\$65.9	\$61.8	6.7%
	Deloitte proprietary			\$65.3	1.0%
FI-02	Annual Salary Surveys	\$57.2	\$77.6	\$76.0	2.2%
	Deloitte proprietary			\$76.1	2.0%
FI-03	Annual Salary Surveys	\$72.4	\$94.3	\$88.2	6.9%
	Deloitte proprietary			\$88.7	6.3%
FI-04	Annual Salary Surveys	\$80.9	\$106.5	\$101.8	4.6%
	Deloitte proprietary			\$103.2	3.2%

Note: TBS rates effective from November 7, 2008 to November 6, 2009

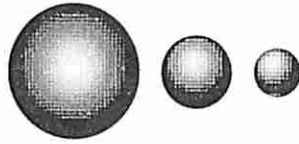
Conclusions

- Compensation levels within plus or minus 10% of TBS's target market positioning are generally considered to be within competitive norms for professional level positions.
- The following table provides a summary of how TBS maximum base salaries compare to the average of the external market base salaries at the 50th percentile:

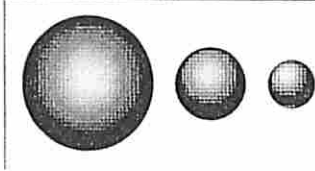
Level	Source	TBS MIN (\$000)	TBS MAX (\$000)	Average of External P50 Base Salary (\$000)	TBS MAX vs Average of External P50 Base Salary
FI-01	Annual Salary Surveys	\$47.0	\$65.9	\$61.8	6.7%
	Deloitte proprietary			\$65.3	1.0%
FI-02	Annual Salary Surveys	\$57.2	\$77.6	\$76.0	2.2%
	Deloitte proprietary			\$76.1	2.0%
FI-03	Annual Salary Surveys	\$72.4	\$94.3	\$88.2	6.9%
	Deloitte proprietary			\$88.7	6.3%
FI-04	Annual Salary Surveys	\$80.9	\$106.5	\$101.8	4.6%
	Deloitte proprietary			\$103.2	3.2%

- Based on the data collected for the fourteen (14) benchmark positions, the current base salary range maximums for FI-01, FI-02, FI-03, and FI-04 are within plus or minus 10% of the average of the external P50 base salary.

Note: TBS rates effective from November 7, 2008 to November 6, 2009



Appendices



Appendix A – TBS Job Capsules

Financial Officer, PWGSC

FI-01

Client Service Results

Financial administration support and assistance to all PWGSC branches, other government departments and regional Third Party clients.

Key Activities

- Participating in various financial operational activities such as planning and analysis, business analysis and planning, finance and business policy development and review, financial operations and accounting, treasury and cash management, cost accounting, budgeting and business reporting to obtain, coordinate, evaluate, control, review, report financial information and ensure its validity and integrity.
- Providing information and guidance to responsibility centre managers, contractors, clients and suppliers on the intricacies and problems associated with project/financial accounting.
- Participating in special projects, reviews, assessments and studies and in the evaluation, implementation and maintenance of financial management systems and subsystems.
- Assisting in the development of processes, practices and procedures, contributing to the development and implementation of Departmental financial policies and monitoring their effectiveness.
- Researching and extracting financial information and assisting in the preparation of reports and justifications.
- Monitoring financial activities and transactions and maintaining up-to-date financial and business information to assist client management.

FORD Financial Analyst, DND

FI-01

Client Service Results

Participation in the research, analysis, development and implementation of financial policies, procedures, systems, controls and training for senior management, finance officers, and RC Managers.

Key Activities

- Researching and participating in the development of financial policies and systems, drafting related procedures, user guides and manuals.
- Assisting in evaluating new and existing financial policies, procedures and systems to ensure that departmental and client needs are met.
- Participating in assigned special accounting studies related to departmental accounting operations and in the investigations of cause effects of contravention of policies and procedures.
- Assisting in the development and delivery of training of staff on financial policies, procedures and systems.
- Research enquiries on changes to legislation, regulatory and central agency policies, which may impact on the financial administration in the Department.
- Assist in providing technical information to support DND financial interests on intra and interdepartmental committee meetings.
- Participating on project teams to design, develop, modify or implement information systems in support of new or modified policies and procedures as required.
- Assists in the preparation of departmental responses to financially related evaluation, audits and observations.

Junior Financial Policy & Systems Analyst, DND FI-01

Client Service Results

Provision of preliminary analysis for the development and implementation of financial policies, procedures and systems, and for the provision of advice relating to specific financial policy and systems areas, to departmental and Canadian Forces managers, and financial staff.

Key Activities

- Reviews, researches and drafts documents on new or existing financial policies, procedures and systems, ensuring appropriate application of financial principles and departmental and central agency direction.
- Conducts analysis and prepares draft reports of findings to assist in the monitoring of compliance to departmental policies and the departmental financial management framework, and identifying trends within the information collected.
- Provides support and advice in the areas of financial policy, procedures and systems to departmental staff.
- Tests financial system and/or process innovations and procedures to assess their alignment with defined policies and/or system specifications and advises management of the results.
- Drafts training materials and contributes to the development of user manuals, and financial procedures, and participates in the delivery of training on financial procedures and systems.
- Supervises, as required, assigned staff.

Senior Financial Analyst, HRSDC (Service Canada) FI-02

Client Service Results

Completes range of financial analysis and management services, advice, and support for departmental directors/managers/employees/clients in National headquarters, the Regions, and to external partners such as Private Collection Agency.

Key Activities

- Provides ongoing financial analysis and management, support, advice and assistance in the area of accounting operations to departmental employees, stakeholders, and representatives from other federal government departments, agencies and private enterprises.
- Participates in and coordinates the design, development, training and implementation of financial policies and systems.
- Liaises with internal and external auditors, analyzes audit reports, and coordinates responses to audit observations with respect of policy, procedures and systems.
- Researches, analyzes, assesses and monitors the unit budget, classification of accounts, utilizations and forecasts of funds availability, and makes recommendations to assist management to make decisions and to ensure accounts integrity.
- Analyses, validates, and consolidates financial data and prepares financial reports.
- Manages the processing and control of receipts and revenues, accounts receivable, account verification and approval of payment requisitioning national cash allocation and allotment control systems; prepares Public Accounts and Year-end reports.
- Supervises human resources and coordinates the activities of management of the unit.

Financial Analyst, DND

FI-02

Client Service Results

Provides financial reports meeting statutory requirements of the Government of Canada, supporting Department of National Defence (DND). Researches, designs, co-ordinates, implements and validates revisions to the Departmental Financial Managerial Accounting System (FMAS) on behalf of DND military and civilian personnel world-wide. Provides advice in the development and implementation of financial policies, procedures, systems and training.

Key Activities

- Provides advice to financial analysts in the Directorate of Budget, and other National Defence Headquarters (NDHQ) directorates, for collection, consolidation and dissemination of financial, cost, and budget information required by the Department, Treasury Board and the Finance Department and on financial implications and impact of management proposals and actions.
- Provides financial advice to staff of senior officers, including Assistant Deputy Minister (Finance), the Director General Finance and Director Budget, as well as regular discussions with personnel in the office of the Receiver General for Canada.
- Implements financial business processes through systems analysis, design, development, testing, implementation and training module development and maintenance.
- Provides financial system quality assurance and analysis including database integrity for financial reporting, business process accuracy for transaction processing, interface functionality for invoice payment and financial data exchange within the Department and to external agencies.
- Provides advice on adequacy of systems financial controls. Participates in year end Auditor General financial systems audits.
- Provides financial of expertise assistance to users at all levels of the Department on the various functions and capabilities of the FMAS.
- Designs and implements interfaces and other existing software packages into the FMAS to enhance capability, improve user access and to allow other systems to extract or exchange data with the FMAS.
- Prepares Department of National Defence (DND) financial reports concerning the Public Accounts of Canada and assists Departmental financial OPI's in preparing and coordinating Departmental financial cyclical expenditure and revenue forecasts.
- Prepares DND financial statements and spending reports within DND and to external agencies.
- Responds to enquires on changes to the various acts, laws and regulations which may impact on the FMAS ability to support the Department's financial and accounting requirements.
- Evaluates new and existing financial policies and procedures to ensure they meet departmental and client needs.
- Supervises a financial system analyst and contracted resources.

Financial Analyst, HRSDC

FI-02

Client Service Results

Complete range of financial analysis and management services, advice, financial products and support for departmental directors/managers/staff in National Headquarters/Regions/Field Offices, Central Agencies and/or external partners.

Key Activities

- Note: This is a multi-facet generic work description covering all aspects of finance, excluding accounting operations.
- Provides ongoing financial analysis and management, support, advice and assistance in the areas of financial management, policy and systems, and internal control.
- Participates in the design, development, training and implementation of financial policies and systems.
- Plans, coordinates and conducts internal control activities with respect to policies, procedures, systems and financial transactions.
- Liaises with internal and external auditors, analyzes audit reports, and coordinates responses to audit observation with respect to policy, procedures and systems.
- Researches, analyzes, assesses and monitors the budgetary plans, funding allocations, classification of accounts, utilization and forecasts of expenditures, and makes recommendations to assist management to make decisions on the utilization and reallocation of resources.
- Plans, analyzes, validates, and consolidates financial data and prepares reports for inclusion in the Departmental Corporate Planning and Reporting exercises such as the HRDC Business Plan, Estimates Part II, Annual Reference Level Update (ARLU), Departmental Performance Report, Report on Plans and Priorities, Supplementary Estimates, HRDC Financial Report, Key Performance Measures Report, Bas Derivation Schedules.

Senior Financial Officer, PWGSC

FI-02

Client Service Results

The provision of the full range of financial administration and related services to Corporate Headquarters, HQ and Regional clients.

Key Activities

- Planning, organizing, leading and/or participating in the conduct of various complex financial operational activities to obtain, coordinate, evaluate, review, analyze, validate and report on Departmental financial/operational planning, controlling, information and reporting functions.
- Participating in complex and leading special projects, reviews, assessments or studies.
- Developing and implementing processes, practices and procedures and contributing to the development and implementation of Departmental financial policies.
- Preparing financial information, reports, and justifications.
- Monitoring complex financial operational activities and maintaining up-to-date information.
- Interpreting Central Agency requirements and adapting procedures to meet the business requirements of the Department.
- Discussing and negotiating solutions to technical financial issues with Treasury Board, Central Agencies and other government departments.
- Providing financial and business support, advice and assistance to the Product Sectors and functional advice and assistance to Headquarters management and Regional Finance units.
- Providing a full range of financial administration and highly professional services requiring expertise and specialized knowledge in more than one of the following financial activities – Planning and Analysis; Business Analysis and Planning; Financial & Business Policy Development and Review; Financial Operation and Accounting; Budgeting; Treasury and Cash Management; Cost Accounting and Business Reporting.

Financial Advisor, PWGSC

FI-03

Client Service Results

Financial planning, reporting, comprehensive analysis and advice, and coordination of financial services for management and staff in an assigned area of Financial Management.

This is a generic position assigned to work in one of the Sections of the Financial Management Division: Financial Planning, Revolving Fund, Appropriated Programs, TB Submissions & RFP, Financial Reporting and Cost Accounting Section.

Key Activities

- Leading/participating on project teams to provide financial expertise on such issues as: the development of Departmental Financial Plans; business and/or investment analysis and planning services for programs funded by appropriations and revolving funds; the development, review and challenge of Treasury Board and other submissions for central agency approval; the preparation of the Public Accounts, Departmental financial statements and reports; and cost accounting services.
- Planning, managing and/or conducting financial evaluations and impact analyses of proposals and devising strategies which maximize cost effectiveness and minimize financial uncertainty in the assigned area of Financial Management, to assist in the implementation of approved initiatives.
- Developing and applying performance criteria to assess Departmental performance in the assigned area of Financial management and providing advice, including recommendations for corrective action to management.
- Supporting Departmental managers through the development and maintenance of contracts with central agencies the development of negotiation strategies for use by the Department vis-à-vis the central agencies; and participation at negotiation sessions.
- Planning and participating in the preparation and analysis of financial reports.
- Providing professional financial advice to Crown Corporations which report to the Minister, SOA's which report to the Deputy Minister, and to senior management, regional managers and financial experts on specific Departmental business proposals/plans.
- Managing and/or participating in Branch and Departmental project teams and task forces, to examine such issues as new planning strategies, processes, investment proposals, business cases, and policy/procedural issues.
- Developing and recommending financial planning and procedures in the assigned area.

Internal Control Team Leader, Health Canada **FI-03**

Client Service Results

Management and leads of a complete range of analysis, advice, guidance, expertise, services, policy interpretation and policy implementation related to internal control information to Internal Control Director of Health Canada.

Key Activities

- Manages, co-ordinates and leads assurance activities over financial reporting, entity wide control, information technology control and internal control processes to ensure adequate sign of responsibilities with regards the annual departmental financial statements and annual internal control certification. This involves the collection, analysis, synthesizes and reporting of information. It also involves assessing the adequacy, effectiveness, efficiency and economy of internal control.
- Manages, co-ordinates and leads department and program-wide internal control reviews of various size and complexity, and provides relevant analysis, explanation, recommendations and action plan to address deficiencies identifies to Internal Control Director. This involves the presentation and writing of briefing materials, reports, and related documents for presentation to senior management to facilitate a clear understanding of internal control issues, results and recommendations.
- Manages, co-ordinates, and leads special projects to review, evaluate and investigate the effectiveness and efficiencies of internal control, financial management and compliance with existing policies, systems, procedures and practices.
- Participates in the development of the specific scope, objectives, methodologies and milestones and implements internal control related projects.
- Reviews and develops key internal controls and key financial processes to provide support to program authorities and Chief Financial Officer Branch.
- Acts as liaison officer/facilitator with the Office of Auditor General which includes negotiations on matters of audit scope, timing, audit report content, departmental responses products, management plans for remedial action and follow up on internal control correction actions.
- Researches and prepares reports and briefing materials and other presentation material for (internal) senior management and the Deputy Minister.
- Prepares requests for proposal and contract specifications to obtain appropriate skills form external resources at the right cost and right time for the conduct of special related to internal control reviews.
- Prepares and maintains active project files and database/electronic files.
- Prepares review documentation for the Internal Control Director's review and sign-off on Treasury Board and Cabinet Submissions for the internal control compliance and other regulations compliance where assurance activities, internal control activities, terms and conditions, program choices and authorities need to be verified prior to submission.
- Supports the Internal Control Director, member of the Departmental executive committee on finance, evaluation and accountability, which provides guidance to senior management on accountability, audit, financial management and internal control.

Senior Financial Analyst, DND

FI-03

Client Service Results

Financial reports meeting statutory requirements of the Government of Canada. Researching, identification, development, implementation, and assessment of new accrual accounting processes, business processes and systems, as well as information used to produce departmental financial statements to ensure accuracy, completeness and timeliness of financial information.

Key Activities

- Leading and overseeing the identification, design, development, re-engineering, implementation and enhancement of accrual accounting, new service delivery, or existing business processes and testing and integration of business scenarios in response to changes in government policy and regulations, new departmental objectives and initiatives.
- Managing the conduct of research, analysis and evaluation into opportunities for the use of technology to enhance resource and business management and reporting activities, assessing short and long-term impacts of changes in terms of costs and benefits.
- Planning and leading the conduct of complex multi-dimensional studies/projects and teams comprised of module officers, senior financial analysts, consultants, user representatives, technical developers and training specialists responsible for the development and implementation of accrual accounting processes.
- Managing the development and maintenance of accrual accounting mechanisms, controls, processes and procedures required in the resource management and business systems to ensure they are sufficiently strong to detect and to minimize errors and frauds.
- Facilitating at and/or leading initiatives on the development and configuration testing and integration of business scenarios to maximize opportunities to effect changes in the way we do business and achieve economics of scale through the leveraging to technology and adoption of best practices.
- Researching and planning the introduction of new management technique and technology; participating on departmental and interdepartmental committees to identify, monitor and analyze the impact of new or proposed legislation, regulations and directives and the resource management and business infrastructures and systems, and providing guidance and direction in the application of technology to new business processes.
- Providing interpretation, advice, guidance and leadership to managers and clients on the application of financial and administrative policies and procedures related to accrual accounting, business processes and systems.
- Responding to enquiries on changes to the various acts, laws and regulations that may impact on the ability to support the Department financial and accounting requirements and participating in the review, amendment, and development of Departmental financial policy and procedures.
- Diagnose production problems, research software upgrades and provide resolutions and recommendations to managers and staff.
- Providing functional assistance to users at all levels of the Department on the various functions and capabilities of the Financial Managerial and Accounting System (FMAS), by analyzing requests for changes and designing revisions to current FMAS processes and outputs to support accrual accounting.

Senior Financial Analyst, HRSDC

FI-03

Client Service Results

Complete range of financial management analysis, expertise and services to departmental directors/managers at National Headquarters and Regional Management and/or external partners on an assigned program basis.

Key Activities

- Develops plans and provides financial management analysis, expertise and services to assigned program areas on financial planning and accountability processes, consolidating and generating financial planning and accountability reports, such as HRDC Business plan, Annual Reference Level Update, Expenditure Plan, Departmental Performance Report, Report on Departmental Plans and Priorities, and Part II and Supplementary Estimates, for assigned corporate/operational area.
- Establishes the parameters for in-depth financial analyses of departmental program, policy and legislative initiatives.
- Provides on-going financial management, advice and expertise to departmental program managers and regional finance officers with regard to a wide range of departmental programs/new initiatives.
- Develops the financial framework/criteria and strategies for the national implementation of departmental programs/new initiatives and conducts special reviews.
- Liaises between program managers and central agencies, other government departments and departmental and resource base of assigned client program structures.
- Manages and leads the human, financial and material resources of the unit.

Director, Accrual Budgeting, DND

FI-04

Client Service Results

The development and promulgation of departmental financial policies, procedures and systems which reflect the requirements of DND military and civilian staff within the constraints of governmental central agency policy and regulations.

Key Activities

- Developing and promulgating financial policies, authorities, systems, information systems and procedures.
- Managing the development and modification and implementation of appropriate financial policies in support of existing and new programs required to meet the evolving needs of the government and the Department.
- Providing financial advice to all levels in the Department to assist in management decision making.
- Influencing the development of central agency financial policies.
- Reviewing and interpreting central agency policies, directives and guidelines and assessing their impact on the operation of the Department.
- Ensuring that all DND financial policies, systems and procedures are compliant with overall governmental policies.
- Managing the planning, design, development and implementation of a vast array of information systems.
- Managing the negotiation of agreements with OGD's central agencies and private industry on the application of governmental contracts, agreements, policies and procedures as they apply to DND.
- Preparing responses to ministerial enquiries.
- Supervising a staff of up to ten (10) full-time employees.

Financial Management Advisor, PWGSC FI-04

Client Service Results

Provision of all co-located financial services under the responsibility of the Assistant Deputy Minister (ADM) of the Government Operational Service Branch (GOSB), for an assigned Branch(es) or Special Operating Agency (SOA), at the corporate level; and, Financial and administrative policy/procedures development and generally accepted accounting principles' implementation, as GOS's representative in the assigned Branch(es) or SOA.

Key Activities

- Directing the development and implementation of the framework and infrastructure, including all associated Branch-specific policies and procedures, for the delivery of the comprehensive, integrated GOS support services to the assigned Branch/SOA, and planning and directing the delivery of services in these areas.
- Planning and managing the delivery of the Branch's business planning activities, such as, operational plans, business plans, Multi-Year Operational Plans, Reference Levels, Budgets and periodic financial reviews, developing planning documents for the assigned Branch, negotiating on its behalf, Reference Levels, and budget allocations with GOS Finance officials, and managing the development of proposals for additional funding through the Project Change Proposal (PCP) process.
- Advising the Branch ADM/CEO/Director General and senior program Branch management on the financial implications and feasibility of decisions being considered, at both the program planning and operational stages.
- Designing and implementing financial control measures, funding strategies and accounting processes for new or changed Branch programs.
- As the focal point of contact co-located in an assigned Branch/SOA, ensuring that GOS support services are provided and coordinated in a timely and quality manner to meet the Branch's operational requirements.
- Managing the participation in and implementation of process and system re-engineering activities, as they pertain to the Branch, to enhance the level of support services to the Branch, while reducing costs and increasing efficiencies.

Manager, Financial Services, PWGSC

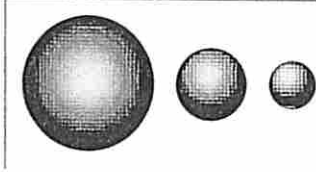
FI-04

Client Service Results

Financial accounting, treasury management, financial reporting and financial systems operations for Corporate Headquarters of PWGSC.

Key Activities

- Planning and directing the development of a financial accounting framework for HQ and the provision of accounting and treasury services, including accounts receivable, accounts payable, accounts verification, payment requisitioning and financial accounting.
- Planning and managing the preparation of financial performance and analytical reports for Corporate Headquarters.
- Devising cash management and other financial strategies and providing professional financial advice to senior management on their application, implementation and benefits.
- Managing the operation and control of the HQ financial management system.
- Managing the definition of specifications for HQ financial systems development/enhancement, and the identification of required interfaces with other corporate systems, and working with IT specialists to ensure the development, testing and implementation of HQ systems initiatives.
- Providing input to the development of departmental policies and training sessions on financial accounting and treasury operations and advising senior management and HQ staff on accounting legislation, policies and directives.
- Acting as focal point of contact at Headquarters for departmental managers, clients of the department, and suppliers, and troubleshooting to resolve financial operations problems encountered by these groups.



Appendix B – Annual Salary Survey Job Capsules



Financial Officer, PWGSC

FI-01

Mercer – Financial Analyst 210.100.350

- Under general supervision, responsible for general financial activities of the organization. Provides support including forecasting, budget analysis, analysis and preparing of financial statements and reports, taxation, insurance, credit control, accounts payable and receivable.

Financial Officer, PWGSC

FI-01

Morneau Sobeco – Financial Analyst 1212

- Performs and interprets internal and external financial analyses, especially regarding return on invested capital or profitability of operating activities. Prepares short- and long-range financial forecasts and ensures coordination with other departments.

Financial Officer, PWGSC

FI-01

**Towers Perrin – Financial Analysis, Audit and Tax - No Applicable Discipline
AFT999**

Intermediate (P2)

- Requires knowledge and experience in own discipline; still acquiring higher-level knowledge and skills
- Builds knowledge of the organization, processes and customers
- Solves a range of straightforward problems; analyzes possible solutions using standard procedures
- Receives a moderate level of guidance and direction.

FORD Financial Analyst, DND

FI-01

Mercer – Financial Analyst – Intermediate 210.352.350

- Under general supervision, responsible for conducting and documenting moderate to complex financial and economic analysis projects.

Towers Perrin – Audit and Financial/Business Controls Generalist/Multidiscipline AFT110

Intermediate (P2)

- Requires knowledge and experience in own discipline; still acquiring higher-level knowledge and skills
- Builds knowledge of the organization, processes and customers
- Solves a range of straightforward problems; analyzes possible solutions using standard procedures
- Receives a moderate level of guidance and direction.

Audit and Financial/Business Controls Generalist/Multidiscipline

- Ensures the effectiveness of internal controls in compliance with corporate objectives and government standards such as the Sarbanes-Oxley Act (SOX).
- Reviews, evaluates, develops, implements, maintains and verifies internal and business controls for processes, systems financial statements, journals and reports in accordance with internal auditing and government mandated standards.
- Identifies internal control gaps in business procedures, processes or systems, and initiates appropriate remedial action.
- Ensures that documentation for all processes across the organization is reviewed and updated periodically.
- May coordinate with external auditors to prepare the attestation of management assessment on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.



FORD Financial Analyst, DND

FI-01

Watson Wyatt – Financial Systems Analyst 0655

- Maintains and updates databases used in financial systems software. May serve as a liaison between IT and departmental staff in regard to required updated changes in software. May provide training on financial and/or other software to departmental staff. General possesses through understanding of databases and general programming concepts.

Junior Financial Policy & Systems Analyst, DND FI-01

Towers Perrin – Financial Analysis, Audit and Tax Generalist/Multidiscipline AFT000

Intermediate (P2)

- Requires knowledge and experience in own discipline; still acquiring higher-level knowledge and skills.
- Builds knowledge of the organization, processes and customers.
- Solves a range of straightforward problems; analyzes possible solutions using standard procedures.
- Receives a moderate level of guidance and direction.

Financial Analysis, Audit and Tax Generalist/Multidiscipline

- Conducts financial analysis activities such as budget variance analysis, capital budgeting, audit, tax, risk management and cash management.
- Develops, directs, plans and evaluates financial plans and policies in budget analysis, financial analysis, treasury operations, audit, taxation and corporation planning or risk management.
- Ensures systems controls are in place and determines operation's consistency with corporate objectives and standards through various verification methods and procedures.

Junior Financial Policy & Systems Analyst, DND FI-01

Watson Wyatt – Financial or Business Analyst 0630

PROF 4 Level 2 – Intermediate

- Knows and applies the fundamental concepts, practices and procedures of particular field of specialization.
- Under supervision, performs work that is varied and that may be somewhat difficult in character, but usually involves limited responsibility.
- Some evaluation, originality or ingenuity is required.

Financial or Business Analyst 0630

- Prepares financial and business related analyses and research in such areas as financial and expense performance, rate of return, depreciation, working capital, and investments. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Utilizing PC and/or mainframe based systems and software; compiles and prepares reports, graphs and charts of data developed. Assists in the development of business policies, conducts special financial and business related studies and cooperates with other departments in the preparation of analyses.

Senior Financial Analyst, HRSDC (Service Canada) FI-02

Mercer – Budget Analyst Senior 210.332.340

- Under general direction, responsible for providing analytical support for the more complex budget projects dealing directly with major department managers.



Senior Financial Analyst, HRSDC (Service Canada) FI-02

Towers Perrin – Budget Analysis AFT020

Career (P3)

- Requires in-depth knowledge and experience.
- Uses best practices and knowledge of internal or external business issues to improve products or services.
- Solves complex problems; takes a new perspective using existing solutions.
- Works independently; receives minimal guidance.
- Acts as a resource for colleagues with less experience; may direct the work of other staff members.
- Represents the level at which career may stabilize for many years or even until retirement.

Budget Analysis

- Complies and reviews the budgets for corporate departments, taking into consideration actual performance, previous expenditures, and estimate expenses and income.
- Maintains accurate spending records and establishes measures for budgetary control.

Senior Financial Analyst, HRSDC (Service Canada) FI-02

Watson Wyatt – Budget Analyst 0350

PROF 4 Level 3 – Senior

- Fully competent professional.
- Possesses and applies a broad knowledge of principles, practices and procedures of particular field of specialization to the completion of difficult assignments.
- Usually works with minimum supervision, conferring with superior on unusual matters.
- May be assisted by Entry/Junior or Intermediate Level personnel.
- Assignments are broad in nature, usually requiring originality and ingenuity.
- Has appreciable latitude for unreviewed action or decision.

Budget Analyst

- Prepares operating budgets for units or departments based on actual performance, previous budget figures, estimated revenue, expense reports, and other factors. Reviews expenditures of requisitioning departments to ensure conformance to budget. Maintains records of expenses, inventories and budget balances. Audits vouchers and expense accounts. Maintains records of actual operating figures for comparison with estimated budget. Assists in the installation of budgetary control systems. Utilizes computer to input, retrieve, or display budget information.

Financial Analyst, DND

FI-02

Mercer Financial Analyst – Senior 210.352.340

- Under general direction, responsible for conducting and documenting complex financial analysis projects. This is the most senior skill level without supervisory responsibility. Position may provide functional advice or training to less-experience financial analyst positions.

Financial Analyst, DND

FI-02

Towers Perrin – Financial Analysis, Audit and Tax Generalist/Multidiscipline AFT000

Career (P3)

- Requires in-depth knowledge and experience.
- Uses best practices and knowledge of internal or external business issues to improve products or services.
- Solves complex problems; takes a new perspective using existing solutions.
- Works independently; receives minimal guidance.
- Acts as a resource for colleagues with less experience; may direct the work of other staff members.
- Represents the level at which career may stabilize for many years or even until retirement.

Financial Analysis, Audit and Tax Generalist/Multidiscipline

- Conducts financial analysis activities such as budget variance analysis, capital budgeting, audit, tax, risk management and cash management
- Develops, directs, plans and evaluates financial plans and policies in budget analysis, financial analysis, treasury operations, audit, taxation and corporation planning or risk management
- Ensures systems controls are in place and determines operation's consistency with corporate objectives and standards through various verification methods and procedures.

Financial Analyst, DND

FI-02

Watson Wyatt – Financial or Business Analyst 0630

PROF 4 Level 3 – Senior

- Fully competent professional.
- Possesses and applies a broad knowledge of principles, practices and procedures of particular field of specialization to the completion of difficult assignments.
- Usually works with minimum supervision, conferring with superior on unusual matters.
- May be assisted by Entry/Junior or Intermediate Level personnel.
- Assignments are broad in nature, usually requiring originality and ingenuity.
- Has appreciable latitude for unreviewed action or decision.

Financial or Business Analyst 0630

- Prepares financial and business related analyses and research in such areas as financial and expense performance, rate of return, depreciation, working capital, and investments. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Utilizing PC and/or mainframe based systems and software; compiles and prepares reports, graphs and charts of data developed. Assists in the development of business policies, conducts special financial and business related studies and cooperates with other departments in the preparation of analyses.

Financial Analyst, HRSDC

FI-02

Mercer Financial Analyst – Senior 210.352.340

- Under general direction, responsible for conducting and documenting complex financial analysis projects. This is the most senior skill level without supervisory responsibility. Position may provide functional advice or training to less-experience financial analyst positions.

Financial Analyst, HRSDC

FI-02

Towers Perrin – Financial Analysis, Audit and Tax – No Applicable Discipline AFT999

Career (P3)

- Requires in-depth knowledge and experience.
- Uses best practices and knowledge of internal or external business issues to improve products or services.
- Solves complex problems; takes a new perspective using existing solutions.
- Works independently; receives minimal guidance.
- Acts as a resource for colleagues with less experience; may direct the work of other staff members.
- Represents the level at which career may stabilize for many years or even until retirement

Watson Wyatt – Financial or Business Analyst 0630

PROF 4 Level 3 – Senior

- Fully competent professional
- Possesses and applies a broad knowledge of principles, practices and procedures of particular field of specialization to the completion of difficult assignments.
- Usually works with minimum supervision, conferring with superior on unusual matters.
- May be assisted by Entry/Junior or Intermediate Level personnel.
- Assignments are broad in nature, usually requiring originality and ingenuity.
- Has appreciable latitude for unreviewed action or decision.

Financial or Business Analyst 0630

- Prepares financial and business related analyses and research in such areas as financial and expense performance, rate of return, depreciation, working capital, and investments. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Utilizing PC and/or mainframe based systems and software; compiles and prepares reports, graphs and charts of data developed. Assists in the development of business policies, conducts special financial and business related studies and cooperates with other departments in the preparation of analyses.

Senior Financial Officer, PWGSC

FI-02

Morneau Sobeco Financial Analyst – Senior 1213

- Plans, performs and interprets internal and external financial analysis, especially regarding return on invested capital and assets or profitability of operating activities. Prepares short- and long-range financial forecasts and ensures coordination with other departments. Prepares various financial analysis reports. May see to training and functional oversight of more junior financial analysts.

Senior Financial Officer, PWGSC

FI-02

Towers Perrin – Audit and Financial/Business Controls Generalist/Multidiscipline AFT110

Career (P3)

- Requires in-depth knowledge and experience.
- Uses best practices and knowledge of internal or external business issues to improve products or services.
- Solves complex problems; takes a new perspective using existing solutions.
- Works independently; receives minimal guidance.
- Acts as a resource for colleagues with less experience; may direct the work of other staff members.
- Represents the level at which career may stabilize for many years or even until retirement.

Audit and Financial/Business Controls Generalist/Multidiscipline

- Ensures the effectiveness of internal controls in compliance with corporate objectives and government standards such as the Sarbanes-Oxley Act (SOX).
- Reviews, evaluates, develops, implements, maintains and verifies internal and business controls for processes, systems financial statements, journals and reports in accordance with internal auditing and government mandated standards.
- Identifies internal control gaps in business procedures, processes or systems, and initiates appropriate remedial action.
- Ensures that documentation for all processes across the organization is reviewed and updated periodically.
- May coordinate with external auditors to prepare the attestation of management assessment on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.

Financial Advisor, PWGSC

FI-03

Mercer – Financial Analysis Supervisor 210.352.230

- Responsible for supervising financial analyst staff by providing functional advice on financial analysis projects and co-ordinating team activities. Work closely with staff to ensure that financial analysis projects are accurate and complete. May assist with the development and implementation of processes, procedures, and/or financial systems improvements.

Watson Wyatt – Financial or Business Analyst 0630

PROF 4 Level 4 – Lead

- Possesses and applies comprehensive knowledge of particular field of specialization to the completion of complex assignments.
- Under general supervision, plans, conducts and supervises assignments. Reviews progress and evaluates results.
- Plans and assigns personnel for given projects or tasks.
- Assists with the review and evaluation of personnel performance.
- Interprets and applies organization policy.
- Recommends changes in procedures.
- Operates with substantial latitude for unreviewed action or decision.
- Review progress with management.

Financial or Business Analyst 0630

- Prepares financial and business related analyses and research in such areas as financial and expense performance, rate of return, depreciation, working capital, and investments. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Utilizing PC and/or mainframe based systems and software; compiles and prepares reports, graphs and charts of data developed. Assists in the development of business policies, conducts special financial and business related studies and cooperates with other departments in the preparation of analyses.

Internal Control Team Leader, Health Canada FI-03

Mercer – Internal Control Manager 210.200.220

- Responsible for identifying, documenting and implementing internal financial controls. Ensure compliance with regulatory requirements (e.g. Sarbanes-Oxley). Co-ordinates process to document and communicate with senior management, internal audit functions, external auditors, and the accounting function. Typically requires a Bachelor's degree in accounting, finance or related field and two to five years of experience.

Internal Control Team Leader, Health Canada

FI-03

Towers Perrin – Audit and Financial/Business Controls Generalist/Multidiscipline AFT110

Specialist (P4)

- Requires specialized depth and/or breath of expertise.
- Interprets internal or external business issues and recommends best practices.
- Solves complex problems; takes a broad perspective to identify innovative solutions.
- Works independently, with guidance in only the most complex situations.
- May lead functional teams or projects.
- Is recognized as an expert in own area within the organization.
- Progression to this level is typically restricted on the basis of business requirements.

Audit and Financial/Business Controls Generalist/Multidiscipline

- Ensures the effectiveness of internal controls in compliance with corporate objectives and government standards such as the Sarbanes-Oxley Act (SOX).
- Reviews, evaluates, develops, implements, maintains and verifies internal and business controls for processes, systems financial statements, journals and reports in accordance with internal auditing and government mandated standards.
- Identifies internal control gaps in business procedures, processes or systems, and initiates appropriate remedial action.
- Ensures that documentation for all processes across the organization is reviewed and updated periodically.
- May coordinate with external auditors to prepare the attestation of management assessment on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.

Senior Financial Analyst, DND

FI-03

Towers Perrin – Audit and Financial/Business Controls Generalist/Multidiscipline AFT110

Specialist (P4)

- Requires specialized depth and/or breath of expertise.
- Interprets internal or external business issues and recommends best practices.
- Solves complex problems; takes a broad perspective to identify innovative solutions.
- Works independently, with guidance in only the most complex situations.
- May lead functional teams or projects.
- Is recognized as an expert in own area within the organization.
- Progression to this level is typically restricted on the basis of business requirements.

Audit and Financial/Business Controls Generalist/Multidiscipline

- Ensures the effectiveness of internal controls in compliance with corporate objectives and government standards such as the Sarbanes-Oxley Act (SOX).
- Reviews, evaluates, develops, implements, maintains and verifies internal and business controls for processes, systems financial statements, journals and reports in accordance with internal auditing and government mandated standards.
- Identifies internal control gaps in business procedures, processes or systems, and initiates appropriate remedial action.
- Ensures that documentation for all processes across the organization is reviewed and updated periodically.
- May coordinate with external auditors to prepare the attestation of management assessment on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.

Senior Financial Analyst, DND

FI-03

Watson Wyatt – Financial Systems Manager 0650

- Has overall responsibility for maintaining and updating databases used in all financial systems software. Software may be internally developed or third-party software. Serves as a liaison between IT and departmental staff in regard to required updates/changes in software. Provides for training on financial and/or other software to departmental staff. Generally possess thorough understanding of databases and general programming concepts.

Senior Financial Analyst, HRSDC

FI-03

Towers Perrin – Financial Analysis, Audit and Tax Generalist/Multidiscipline AFT000

Specialist (P4)

- Requires specialized depth and/or breath of expertise.
- Interprets internal or external business issues and recommends best practices.
- Solves complex problems; takes a broad perspective to identify innovative solutions.
- Works independently, with guidance in only the most complex situations.
- May lead functional teams or projects.
- Is recognized as an expert in own area within the organization.
- Progression to this level is typically restricted on the basis of business requirements.

Financial Analysis, Audit and Tax Generalist/Multidiscipline

- Conducts financial analysis activities such as budget variance analysis, capital budgeting, audit, tax, risk management and cash management.
- Develops, directs, plans and evaluates financial plans and policies in budget analysis, financial analysis, treasury operations, audit, taxation and corporation planning or risk management.
- Ensures systems controls are in place and determines operation's consistency with corporate objectives and standards through various verification methods and procedures.

Senior Financial Analyst, HRSDC

FI-03

Watson Wyatt – Financial or Business Analyst 0630

PROF 4 Level 4 – Lead

- Possesses and applies comprehensive knowledge of particular field of specialization to the completion of complex assignments.
- Under general supervision, plans, conducts and supervises assignments. Reviews progress and evaluates results.
- Plans and assigns personnel for given projects or tasks.
- Assists with the review and evaluation of personnel performance.
- Interprets and applies organization policy.
- Recommends changes in procedures.
- Operates with substantial latitude for unreviewed action or decision.
- Review progress with management.

Financial or Business Analyst 0630

- Prepares financial and business related analyses and research in such areas as financial and expense performance, rat of return, depreciation, working capital, and investments. Prepares forecasts and analyzes trends in manufacturing, sales, finance, general business conditions and other related areas. Prepares forecasts and analyzes trends in manufacturing, sales, Finance, general business conditions and other related areas. Utilizing PC and/or mainframe based systems and software; compiles and prepares reports, graphs and charts of data developed. Assists in the development of business policies, conducts special financial and business related studies and cooperates with other departments in the preparation of analyses.

Director, Accrual Budgeting, DND

FI-04

Mercer – Finance Manager 210.100.220

- Manages the day-to-day financial activities of the organization; controls financial resources and ensures that all financial transactions, systems and procedures comply with regulations, accounting principles and standards. Activities may include: financial analysis and reporting taxation; insurance; credit control; accounts payable and receivable; inventory and cost control; and budgeting and forecasting.

Director, Accrual Budgeting, DND

FI-04

Towers Perrin – Financial Analysis, Audit and Tax Generalist/Multidiscipline AFT000

Manager (M2)

- Manages professional employees and/or supervisors; may manage technical/business support or production/operation staff.
- Is accountable for the performance and results of a team within own discipline or function.
- Adapts departmental plans and priorities to address resource and operational challenges.
- Decisions are guided by policies, procedures and business plan; receives guidance from senior manager.
- Provides technical guidance to employees, colleagues and/or customers.

Financial Analysis, Audit and Tax Generalist/Multidiscipline

- Conducts financial analysis activities such as budget variance analysis, capital budgeting, audit, tax, risk management and cash management.
- Develops, directs, plans and evaluates financial plans and policies in budget analysis, financial analysis, treasury operations, audit, taxation and corporation planning or risk management.
- Ensures systems controls are in place and determines operation's consistency with corporate objectives and standards through various verification methods and procedures.

Financial Management Advisor, PWGSC

FI-04

Towers Perrin – Audit and Financial/Business Controls Generalist/Multidiscipline AFT110

Manager (M2)

- Manages professional employees and/or supervisors; may manage technical/business support or production/operation staff.
- Is accountable for the performance and results of a team within own discipline or function.
- Adapts departmental plans and priorities to address resource and operational challenges.
- Decisions are guided by policies, procedures and business plan; receives guidance from senior manager
- Provides technical guidance to employees, colleagues and/or customers.

Audit and Financial/Business Controls Generalist/Multidiscipline

- Ensures the effectiveness of internal controls in compliance with corporate objectives and government standards such as the Sarbanes-Oxley Act (SOX).
- Reviews, evaluates, develops, implements, maintains and verifies internal and business controls for processes, systems financial statements, journals and reports in accordance with internal auditing and government mandated standards.
- Identifies internal control gaps in business procedures, processes or systems, and initiates appropriate remedial action.
- Ensures that documentation for all processes across the organization is reviewed and updated periodically.
- May coordinate with external auditors to prepare the attestation of management assessment on internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.

Financial Management Advisor, PWGSC

FI-04

Watson Wyatt – Division/Region Controller 0823

- Responsible for accounting, budgetary control and related functions in a division or specified region. Major duties include preparing and maintaining division financial and management reports and records; coordinating division budget preparation; interpreting budget variances; administering credit and collections policy within division.

Manager, Financial Services, PWGSC

FI-04

Mercer – Financial Analysis Manager 210.352.220

- Responsible for analyzing and evaluating alternative financial plans as they relate to the organization's objectives. Maintains positive relations with the financial community and assists the CFO with securing long-term financing. Responsible for the supervision of the financial analysis staff.

Manager, Financial Services, PWGSC

FI-04

Towers Perrin – Financial Analysis, Audit and Tax – No Applicable Discipline AFT999

Specialist (P4)

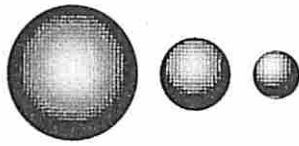
- Requires specialized depth and/or breath of expertise
- Interprets internal or external business issues and recommends best practices
- Solves complex problems; takes a broad perspective to identify innovative solutions
- Works independently, with guidance in only the most complex situations
- May lead functional teams or projects
- Is recognized as an expert in own area within the organization
- Progression to this level is typically restricted on the basis of business requirements.

Manager, Financial Services, PWGSC

FI-04

Watson Wyatt – Financial Analysis Manager 0620

- Manages staff within the company's financial analysis area. May provide members of management with financial information or projections. Evaluates current and proposed financial plans and policies including one or more of the following activities: company planning, divisional planning, profitability analysis, cost analysis, or management services and recommends changes that will accrue to the organization's profitability.



Appendix C – Project Team Profiles

Project Team Profiles

Ian Cullwick – Partner, CMC, CCP, CHRP

- Ian Cullwick is a Partner in Deloitte’s consulting practice in the Ottawa office. He is the National Practice Leader responsible for Deloitte’s Human Capital practice. Ian brings extensive knowledge and specialized expertise in the areas of compensation, performance management, human resources and organizational strategy. Ian is a graduate of the University of Western Ontario with a Master's degree in Business Administration. He also holds a Master's degree in Industrial Relations from the University of Toronto and a B.A. (Honours) degree from Queen's University. Ian is a member of the Institute of Certified Management Consultants of Canada, the Human Resources Professionals Association of Ontario and World at Work (formerly the Canadian Compensation Association).
- Ian Cullwick is the Engagement Partner and a core technical resource for this assignment. His role is to guide and review the analysis of external market data, oversee the development of all deliverables, and participate in meetings with the Project Authority.

Project Team Profiles

Greg Hedgecoe – Manager

- Greg is a manager in the Ottawa office of the Canadian Human Capital consulting practice. Upon graduating from Saint Mary's University with a Master of Business Administration degree, Greg joined Deloitte's Total Rewards service line where he worked extensively with organizations in both the public and private sectors. Greg enhanced the breadth and depth of his expertise as a human resources leader in a hospital environment before moving on to lead the organization development team of a large university.
- Greg's role on this assignment is to lead the gathering and analysis of external market data and assist in developing the final report.

Amy Gow – Consultant

- Amy Gow is a consultant in the Ottawa office of Deloitte's Human Capital consulting practice. She has an Honours Bachelor of Commerce degree from Carleton University Sprott School of Business and experience in compensation market research, job evaluations, survey design and administration and job profiling in both the public and private sectors.
- Amy's role on this assignment is to gather and analyze external market data and prepare the final report.

Deloitte.

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SECTION

M

Policy on Harassment Prevention and Resolution

1 Effective Date

1.1 This policy takes effect on October 1st, 2012.

1.2 This policy replaces the following:

- *Policy on the Prevention and Resolution of Harassment in the Workplace (2001)*

2 Application

2.1 This policy applies to the core public administration which includes the organizations named in Schedule I and the other portions of the federal public administration named in Schedule IV of the *Financial Administration Act* unless excluded by specific acts, regulations or Orders in Council.

2.2 The provisions in sections 6.2.2, 6.2.3 and 7 relating to the role of the Treasury Board Secretariat in monitoring compliance and directing measures to be taken in response to non-compliance do not apply with respect to the Office of the Information Commissioner of Canada and the Office of the Privacy Commissioner of Canada, the Office of the Chief Electoral Officer, the Office of the Commissioner of Lobbying, the Office of the Commissioner of Official Languages and the Office of the Public Sector Integrity Commissioner. The deputy heads of these organizations are solely responsible for monitoring and ensuring compliance with this policy within their organizations, as well as for responding to cases of non-compliance in accordance with any Treasury Board instruments providing principles and guidance on the management of compliance.

2.3 The scope of this policy applies to employee behaviour in the workplace or at any location or any event related to work, including while:

- On travel status,
- At a conference where the attendance is sponsored by the employer,
- At employer sponsored training activities/information sessions, and
- At employer sponsored events, including social events.

3 Context

3.1 The values of the public sector uphold the practice of respect, fairness and courtesy and the importance of demonstrating human dignity within professional relationships. These are also core components of a fair, supportive and ethical workplace as envisaged in the *Policy Framework for People Management* and the *Workplace Policy* (under development). Success in the practice of these values will foster a safe and healthy workplace free from harassment.

When allowed to persist, harassment has adverse effects on the mental health and engagement of employees and on the quality of their work. In a complex and demanding work environment that brings together diverse people and in which collaboration is essential to success, misunderstandings and interpersonal conflicts are inevitable. The organizational culture has an influence on how colleagues interact with one another, and should therefore promote the awareness and practice of good communication and effective interpersonal skills. The ongoing effort to demonstrate respect is everyone's personal responsibility.

Interactions between supervisors and subordinates may be especially sensitive because of the power differential they embody. Exercising the normal supervisory functions such as assigning and appraising work is not harassment, but how such functions are exercised can risk giving rise to the potential for harassment or perceptions of harassment.

Inevitably, there will be occasional instances of conduct that are incompatible with public sector values, and where informal requests for change in behaviours do not succeed. For such situations, a more formal process remains necessary. This policy and the associated *Directive on the Harassment Complaint Process* should be read in the spirit that early, informal, and less bureaucratic approaches are to be sought, even once a formal process has been engaged.

3.2 This policy stresses the responsibility of deputy heads to protect employees from harassment beyond the requirement of the *Canadian Human Rights Act*, which forbids harassment on prohibited grounds of discrimination, by requiring deputy heads to act on all forms of harassment. It also responds to the *Canada Labour Code Part II* and the *Canada Occupational Health and Safety Regulations* Part XX-Violence Prevention in the Work Place, that require every employer to provide employees with a safe, healthy, and violence-free work environment and dedicate sufficient attention, resources and time to address factors that contribute to workplace violence including bullying, teasing and other aggressive or abusive behaviours. Harassment is a factor that can contribute to the risk of workplace violence and must be promptly and adequately addressed.

3.3 Deputy heads have the responsibility and are accountable for the establishment and maintenance of a respectful and harassment-free workplace and for the prompt resolution of related complaints. This policy provides deputy heads with strategic direction to prevent and manage harassment in the context of creating wide-ranging support for a safe and respectful workplace. It intends to give enough flexibility for tailoring mechanisms and practices to the distinctive operational needs and culture of each organisation. Minimum requirements and expectations of all organizations are stipulated in this policy and the associated directive.

3.4 This policy is issued pursuant to Sections 7 and 11.1 of the *Financial Administration Act*.

3.5 This policy should be read in conjunction with the following:

- *Canada Labour Code* , including the *Canada Occupational Health and Safety Regulations* - Part XX dealing with Violence Prevention in the Workplace
- *Canadian Human Rights Act*
- *Values and Ethics Code for the Public Sector*
- The principles listed in the *Policy Framework for People Management*

3.6 Additional mandatory requirements are set out in the:

- *Directive on the Harassment Complaint Process*

4 Definitions

For definitions to be used in the interpretation of this policy refer to Appendix A.

5 Policy Statement

5.1 Objective

The objective of this policy is to provide deputy heads with strategic directions and set out expected results to foster a respectful workplace and address potential situations of harassment.

5.2 Expected results

The expected results of this policy are that:

5.2.1 Employees have been given ample opportunity to learn about harassment prevention strategies, the harassment complaint process and their right to a harassment free workplace and there are effective incentives for employees and managers to demonstrate a high level of respect for people.

5.2.2 Employees have access to an effective, timely and confidential¹ harassment resolution process without fear of reprisal, either through informal resolution or a formal harassment complaint process or both;

5.2.3 Employees perceive their work environment as generally fair and respectful.

5.2.4 There is an enhanced collaborative union-management approach on harassment.

6 Policy Requirements

6.1 Deputy heads are responsible for:

6.1.1 Ensuring that preventive activities are in place to foster a harassment-free workplace. These include informing employees about the employer's commitment to fostering a harassment-free workplace and ensuring that results are achieved in a manner that respects employees. Other possible preventive activities are suggested in the Definitions Section- Appendix A.

6.1.2 Optimizing the use of the informal resolution processes and ensuring that those who are involved in managing and resolving harassment complaints have the required competencies, including informal conflict resolution skills.

6.1.3 Regularly consulting with bargaining agents, informal conflict resolution practitioners and other stakeholders on the application of the Directive on the Harassment Complaint Process.

6.1.4 Designating an official or officials for the application of the *Policy on Harassment Prevention and Resolution* and the *Directive on the Harassment Complaint Process*.

6.2 Monitoring and reporting requirements

6.2.1 Within organizations

Deputy heads are responsible for monitoring compliance with this policy and its associated directive within their organizations.

6.2.2 By organizations

The achievement of expected results by deputy heads will be assessed by Treasury Board of Canada Secretariat, Office of the Chief Human Resources Officer (TBS/OCHRO) through data collection mechanisms such as the Public Service Employee Survey and the Management Accountability Framework.

Organizations may be required to provide additional information considered necessary for assessing compliance. For example, TBS/OCHRO may conduct focus groups with representatives of identified organizations, in partnership with the bargaining agents, to better understand challenges in organizations with relatively poor results.

6.2.3 Government-wide

TBS/OCHRO is responsible for reviewing this policy and its effectiveness at the five-year mark of implementation.

7 Consequences

7.1 Deputy heads are responsible for taking corrective measures when significant issues arise regarding policy compliance. When corrective action is not implemented satisfactorily or in a timely manner, the Chief Human Resources Officer may request that deputy heads take corrective actions and report back on the outcome. Consequences of non-compliance with this policy or failure to take corrective actions requested by the Chief Human Resources Officer may result in Treasury Board taking actions under the *Financial Administration Act*.

7.2 For a range of consequences of non-compliance, please refer to the *Framework for the Management of Compliance*.

8 Roles and responsibilities of government organizations

8.1 In addition to its monitoring role, TBS/OCHRO assists the designated officials with the implementation and application of this policy through the provision of advice and the issuance of related administrative guidelines and tools.

9 References

9.1 Other relevant legislations/regulations

- Access to Information Act
- Privacy Act
- Public Service Employment Act
- Official Languages Act
- Public Service Labour Relations Act

9.2 Related policy instruments/publications

- Foundation Framework for Treasury Board Policies
- Framework for the Management of Compliance
- Policy on Official Languages for Human Resources Management
- Policy on Language of Work

Guides

- Getting to know Informal Conflict Management Systems (ICMS) better
- A guide to the key elements of an ICMS
- Screening Tool for the Delegated Manager and the Harassment Prevention Coordinator (under revision)
- Is it Harassment? A Tool to Guide Employees (under revision)
- Dealing with harassment: A guide for managers (under revision)
- Dealing with the complaint process: A guide for delegated managers (under revision)
- Investigation Guide for the Policy on the Prevention and Resolution of Harassment in the Workplace (under revision)
- Restoring the Workplace Following a Harassment Complaint: A Manager's Guide (under revision)

10 Enquiries

For interpretation of this policy, departmental officials should contact TBS Public Enquiries. Employees should direct enquiries about this policy to their responsible departmental officials.

Appendix A - Definitions

Harassment (*harcèlement*)

improper conduct by an individual, that is directed at and offensive to another individual in the workplace, including at any event or any location related to work, and that the individual knew or ought reasonably to have known would cause offence or harm. It comprises objectionable act(s), comment(s) or display(s) that demean, belittle, or cause personal humiliation or embarrassment, and any act of intimidation or threat. It also

includes harassment within the meaning of the *Canadian Human Rights Act* (i.e. based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability and pardoned conviction).

Harassment is normally a series of incidents but can be one severe incident which has a lasting impact on the individual.

Harassment prevention activities (*activités de prévention du harcèlement*)

activities which aim to reduce the potential for harassment, or perceptions of harassment in the workplace. These may include :

- communicating to all employees the informal and formal processes available to them to resolve issues related to harassment;
- communicating to all employees the departmental resources available such as a harassment prevention advisors, union representatives, Employee Assistance Program counsellors, and informal conflict resolution practitioners;
- informing employees about the employer's commitment to a respectful workplace;
- delivering workshops on harassment prevention, anger management, meaningful conversations, collaborative problem solving, etc.;
- developing communication tools;
- identifying risk factors;
- managing conflicts promptly;
- promoting a culture of self-awareness, collaboration and respect; for example, putting in place 360-degree feedback mechanisms or comparable processes to ensure that results are achieved in a manner that respects employees.
- providing appropriate training and tools to those who are involved in managing and resolving harassment complaints;
- staying vigilant to the workplace climate.

Informal Resolution Process (*processus de résolution informel*)

a confidential and voluntary collaborative problem-solving approach such as face to face conversation, conflict coaching, facilitated discussion or mediation that has the advantage of addressing the parties' needs, concerns and mutual interests. Informal resolution processes are also commonly called interest based conflict resolution, Informal Conflict Management System (ICMS) and alternative dispute resolution.

Footnotes

¹ All parties directly involved in the process are expected to limit the discussions of all aspects pertaining to the complaint to those who need to know.

Directive on the Harassment Complaint Process

1 Effective date

1.1 This directive takes effect on October 1st, 2012.

1.2 It is issued in conjunction with the Treasury Board *Policy on Harassment Prevention and Resolution* dated October 1st, 2012 and both instruments replace the 2001 *Policy on the Prevention and Resolution of Harassment in the Workplace*.

2 Application

2.1 This directive applies to the core public administration which includes organizations named in Schedule I and the other portions of the federal public administration named in Schedule IV of the *Financial Administration Act* unless excluded by specific acts, regulations or orders in council.

2.2 The provisions in sections 6.2.2, 6.2.3 and 7 relating to the role of the Treasury Board of Canada Secretariat in monitoring compliance and directing measures to be taken in response to non-compliance do not apply with respect to the Office of the Information Commissioner of Canada and the Office of the Privacy Commissioner of Canada, the Office of the Chief Electoral Officer, the Office of the Commissioner of Lobbying, the Office of the Commissioner of Official Languages and the Office of the Public Sector Integrity Commissioner. The deputy heads of these organizations are solely responsible for monitoring and ensuring compliance with this directive within their organizations, as well as for responding to cases of non-compliance in accordance with any Treasury Board instruments providing principles and guidance on the management of compliance.

2.3 The harassment complaint process established under this directive is available to employees of organizations described in 2.1. For individuals who are not employees as defined in Appendix A, managers must address any allegation of harassment from these individuals in accordance with the spirit of this directive.

2.4 In circumstances where an employee files a harassment complaint against an individual who is not an employee as defined in Appendix A, managers must apply the complaint process as established in this directive to the extent possible.

3 Context

3.1 The prevention and resolution of harassment in the workplace is an essential component in the effective people management of an organization. The goal of Treasury Board as the employer is to maintain a productive, healthy and respectful workplace where positive working relationships and practices are promoted and where everyone is guided by the values of the public sector which includes treating each other with respect and fairness.

In keeping with the *Policy on Harassment Prevention and Resolution*, the Treasury Board is committed to having a harassment-free workplace. In part, this can be achieved by ensuring that every organization remains sensitive to the potential for harassment, or perceptions of harassment in the workplace, and actively managing any such situations whenever and wherever they arise. Requiring organizations across the core public administration to implement measures for preventing and managing workplace harassment will help the employer reduce the effects of stressful work situations on employees, and improve their overall wellbeing and productivity, which in turn will lead to better results for Canadians.

3.2 Harassment is serious and needs to be addressed promptly, with sensitivity, competence and discretion. The primary goal is to resolve allegations of harassment in the most informal way feasible, with the least disruption possible for the parties involved and the work environment. While the seriousness of harassment allegations calls for access to a careful and rigorous process from the outset, it is consistent with such a process that many cases may, upon closer exploration and with the consent of all parties, be effectively dealt with through informal resolution processes.

3.3 This directive flows from the *Policy on Harassment Prevention and Resolution* and requires the establishment and the maintenance of an effective harassment complaint process. It sets out specific roles and responsibilities of the designated official(s) pertaining to the application of this directive.

3.4 Deputy heads have the responsibility and are accountable for the establishment and maintenance of a respectful and harassment-free workplace, and for the prompt resolution of related complaints. Treasury Board provides broad direction to deputy heads while the latter are responsible for implementation.

3.5 This directive is issued pursuant to section 7 and subsection 11.1 of the *Financial Administration Act*.

3.6 This directive is to be read in conjunction with the following:

- *Policy on Harassment Prevention and Resolution*
- *Canada Labour Code* , including the *Canada Occupational Health and Safety Regulations* - Part XX dealing with Violence Prevention in the Workplace
- *Canadian Human Rights Act*
- The principles listed in the *Policy Framework for People Management*

In addition, the *Guidelines on Applying the Harassment Resolution Process* (under development) should be read in conjunction with this directive as they are fundamental in interpreting and applying efficiently the harassment complaint process.

4 Definitions

For definitions to be used in the interpretation of this directive, refer to [Appendix A](#).

5 Directive Statement

5.1 Objective

The objective of this directive is to describe the minimum requirements of the harassment complaint process and set out expected results in order to ensure the timely and efficient resolution of complaints.

5.2 Expected results

The expected results of this directive are:

5.2.1 Complaints of harassment are handled fairly, confidentially¹, effectively and in a timely manner.

5.2.2 Steps are taken to restore the well-being of the workplace.

6 Requirements

6.1 The designated officials are responsible for the following:

6.1.1 Ensuring that the harassment complaint process is carried out promptly; respects the principles of procedural fairness towards the complainant, the respondent and all other parties involved; and that it contains the following five steps:

Step 1 - Acknowledging receipt of the complaint while ensuring that:

- employees understand that if a complaint on the same issue is or has been dealt with through another avenue of recourse, the complaint process under this directive will not proceed further and the file will be closed.
- the written complaint is submitted within 12 months of the last incident or event of alleged harassment (unless there are extenuating circumstances); and
- the parties are made aware of the options for informal resolution from the outset and throughout the process.

Note: The *Canada Occupational Health and Safety Regulations* - Part XX dealing with Violence Prevention in the Workplace found in the *Canada Labour Code* should be considered in cases of incidents of violence including alleged threats. Assaults, including sexual assault and criminal harassment are subject to the *Criminal Code* and such cases should be promptly referred to the appropriate authorities.

Step 2 - Reviewing the complaint to determine whether the allegation(s) meets the definition of harassment as described in this directive (see [Appendix A](#)). The respondent is notified of the complaint whether or not the complaint is admissible.

Step 3 - Exploring options for resolving the complaint while ensuring that consideration is given to informal resolution processes. Should there be an investigation², the person conducting the investigation is appropriately qualified³ and applies the principles of procedural fairness.

Step 4 - Rendering a decision and notifying in writing the parties involved as to whether or not the allegations were founded.

Step 5 - Restoring the well-being of the workplace while ensuring that:

- the work unit manager in consultation with the Informal Conflict Resolution practitioners and other relevant organizational resources addresses the needs of the parties concerned and the work unit throughout the complaint process as well as any detrimental impacts resulting from the incidences of harassment; and
- the work unit manager takes timely corrective and/or disciplinary measures, if warranted, including addressing reprisal or risk of reprisal.

6.1.2 Ensuring that steps 1, 2, 3 and 4 are completed in a timely fashion, normally within 12 months unless there are extenuating circumstances, and step 5 is initiated within the same time frame.

For additional information on the application of the steps in the harassment complaint process, consult the *Guidelines on Applying the Harassment Resolution Process* (under development).

6.2 Monitoring and reporting requirements

6.2.1 Within Organizations

Consistent with the requirements in section 6.1, the deputy head is responsible for monitoring the performance of the organization with respect to the application and administration of this directive.

6.2.2 By Organizations

The Treasury Board of Canada Secretariat, Office of the Chief Human Resources Officer (TBS/OCHRO) is responsible for assessing organizational performance with respect to the administration of and compliance with the requirements herein. The results organizations are expected to achieve may be assessed by data collection mechanisms such as the Public Service Employee Survey and the Management Accountability Framework.

As deemed appropriate by TBS/OCHRO, the deputy head may be required to provide information considered necessary for assessing compliance with this directive. For example, TBS/OCHRO may conduct focus groups with representatives of identified organizations, in partnership with the bargaining agents, to better understand challenges in organizations with relatively poor results.

6.2.3 Government Wide

TBS/OCHRO will review the directive and its effectiveness at the five-year mark of implementation.

7 Consequences

7.1 The deputy head is responsible for taking corrective measures when significant issues arise regarding compliance with this directive. When corrective action is not implemented satisfactorily or in a timely manner, the Chief Human Resources Officer may request that deputy heads temporarily withdraw or suspend delegated authorities to his/her staff,

undertake corrective actions or impose measures to restore compliance with this directive.

7.2 For a range of consequences of non-compliance, refer to the *Framework for the Management of Compliance*.

8 Roles and Responsibilities of Government Organizations

8.1 In addition to its monitoring role, TBS/OCHRO assists the designated officials with the implementation and application of this directive through the provision of advice and the issuance of related administrative guidelines and tools.

9 References

9.1 Other Relevant Legislation/Regulations:

- *Criminal Code*
- *Access to Information Act*
- *Privacy Act*
- *Official Languages Act*
- *Public Service Labour Relations Act*

9.2 Related policy instruments/publications

- *Values and Ethics Code for the Public Sector*
- *Framework for the Management of Compliance*
- *Policy on Official Languages for Human Resources Management*
- *Policy on Language of Work*

Guides:

- *Getting to know Informal Conflict Management Systems (ICMS) better*
- *A guide to the key elements of an ICMS*
- *Screening Tool for the Delegated Manager and the Harassment Prevention Coordinator (under revision)*
- *Is it Harassment? A Tool to Guide Employees (under revision)*
- *Dealing with harassment: A guide for managers (under revision)*
- *Dealing with the complaint process: A guide for delegated managers (under revision)*
- *Investigation Guide for the Policy on the Prevention and Resolution of Harassment in the Workplace (under revision)*
- *Restoring the Workplace Following a Harassment Complaint: A Manager's Guide (under revision)*
- *Harassment Complaint Form (under development)*

10 Enquiries

For interpretation of this directive, departmental officials should contact TBS Public Enquiries. Employees should direct enquiries about this directive to their responsible departmental officials.

Appendix A - Definitions

Complaint (*plainte*)

is an allegation of harassment communicated verbally or submitted in writing. For the harassment complaint process, a written complaint must be submitted.

Designated Official (*responsable désigné*)

person designated by the deputy head to be responsible for the overall application of the *Policy on Harassment Prevention and Resolution* and the *Directive on the Harassment Complaint Process*. The deputy head may designate more than one official in his organization.

Employee (*employé*)

for the purpose of this directive, employee refers to those employed as indeterminate employees, part-time employees, term employees, seasonal employees, casual workers, students and part-time workers in organizations defined in section 2.1.

Harassment (*harcèlement*)

improper conduct by an individual, that is directed at and offensive to another individual in the workplace, including at any event or any location related to work, and that the individual knew or ought reasonably to have known would cause offence or harm. It comprises objectionable act(s), comment(s) or display(s) that demean, belittle, or cause personal humiliation or embarrassment, and any act of intimidation or threat. It also includes harassment within the meaning of the *Canadian Human Rights Act* (i.e. based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability and pardoned conviction).

Harassment is normally a series of incidents but can be one severe incident which has a lasting impact on the individual.

Informal Resolution Process (*processus de résolution informel*)

a confidential, voluntary and collaborative problem-solving approach such as face to face conversation, conflict coaching, facilitated discussion or mediation that has the advantage of addressing the parties' needs, concerns and mutual interests. Informal resolution processes are also commonly called interest based conflict resolution, Informal Conflict Management System (ICMS) and alternative dispute resolution.

Restoration of the workplace (*rétablissement du milieu de travail*)

the establishment or re-establishment of harmonious working relationships amongst individuals and within the team, group or unit, following a harassment complaint.

Footnotes

¹ All parties directly involved in the process are expected to limit the discussion of all aspects of the complaint to those who need to know.

² An investigation may not be necessary if the designated official is satisfied that he has all the facts based on his inquiries and that the parties have been heard in accordance with procedural fairness.

³ Investigators must meet the Competency Profile for the harassment investigators.