

November 28, 2019

Guy Smith
President
Alberta Union of Provincial Employees
10451-170 Street
Edmonton, AB T5P 4S7

Dear Mr. Smith: *Guy,*

The following information is provided on a without prejudice basis for the purpose of disclosing information related to the upcoming negotiations of new collective agreement between the Crown in Right of Alberta (GoA) and the Alberta Union of Provincial Employees (AUPE).

The information herein includes our understanding of possible initiatives that have been planned or are being contemplated with a real likelihood of impacting the bargaining unit over the next four years. This includes potential initiatives where final decisions and the full scope of impacts have not yet been reached. The information contained in this letter is subject to change as plans are finalized, or in the event of a change in circumstances.

We ask that discretion be exercised in the use and dissemination of this information as the uncertainty could have a real impact on the well-being of our employees. Every staffing decision will be made with care and compassion. We will be looking at a range of options including, restructure, reorganization and alternative service delivery.

Pursuant to the commitment within the current collective agreement, the GoA will continue to guarantee employment security until March 30, 2020 for permanent bargaining unit employees using attrition, vacancy management and redeployment to meet employer needs. Beginning April 1, 2020, the GoA will use all options available under the collective agreement to ensure government is on track to implement key priorities and support the government's path to balance by 2022-23.

The following initiatives could impact approximately 2,500 positions through to the end of the 2022-23 fiscal year. Please note that this number includes both encumbered and vacant positions that may be impacted.

GoA-Wide Initiatives

Departmental program and organizational reviews: Government is implementing a series of initiatives, which are laid out in Budget 2019. A program review is underway to drive efficiency while ensuring front line services are delivered in a cost-effective manner.

Enterprise Resource Planning system (1GX): As AUPE is aware, government is implementing a new ERP system that will reduce manual administrative processes. The implementation of this system is anticipated to result in reductions in staffing requirements over time following implementation.

Financial Service Delivery Model: As AUPE was advised in November 2018, finance services across the GoA are under review. Impacts have yet to be fully understood and identified. The transformation and modernization of the finance system is expected to last for the next 18-24 months. All finance staff may be affected as roles in the service delivery model change to ensure the right resources are positioned across the APS for effective and efficient decision making. As information becomes available, it will be shared.

Departmental Initiatives

In addition to the above, a number departmental initiatives are under consideration. As plans are developed, more specific details including potential sites and workforce impacts will be shared when that information is available.

Agriculture and Forestry

As indicated in Budget 2019, the department will be transitioning to a framework of producer and industry-led research. The goal is to maintain research capacity in the most cost effective manner.

Community and Social Services

As indicated in Budget 2019, spending in Community and Social services will protect Albertans in need, while the ministry will look to reduce administrative costs for the multitude of programs provided. The ministry will also examine its approach to service delivery to ensure that vulnerable Albertans continue to receive the support they require.

Health

Ernst & Young has been contracted to conduct a review of AHS, AHS Subsidiaries and Alberta Health. This work is expected to be completed in December 2019 and recommendations presented to government shortly thereafter. There is the potential that a number of initiatives may come from the recommendations to government that the department and AHS will have to review and/or implement.

Seniors and Housing

A broad seniors program review and transformation of housing programs is in the development stage. As indicated in Budget 2019, new program delivery mechanisms and other savings are anticipated to accommodate growth in seniors programs.

Service Alberta

As indicated in Budget 2019, Government will ensure its commitments to Albertans are kept by expanding online services. This includes introducing self-serve options that will automate procedures and reduce the need for staff.

Transportation

As AUPE is aware, the current service delivery model for road testing is under review and consultation has been initiated.

The Government of Alberta's 2019-23 Business plans, strategic plan, business plans of the ministries, and comprehensive financial information for the Government of Alberta (both on a consolidated and ministry basis) are available publicly. These documents can be accessed

online through the Government of Alberta website at
<http://www.finance.alberta.ca/publications/measuring/ministry-business-plans.html>.

If you have any questions, please contact me at 780-408-8450 or Tim.Grant@gov.ab.ca.

Sincerely,



Tim Grant
Public Service Commissioner

cc: Jim Petrie, Director of Labour Relations, AUPE
Myles Morris, Assistant Deputy Minister, Labour & Employment Policy and Programs, PSC
Michelle Dorval, Executive Director, Labour Relations Policy and Support, PSC
Dave Aldridge, Director, Negotiations, PSC