

Message – February 8, 2012

This week saw the beginning of collective bargaining with Local 42 of the NSGEU, which represents almost 4000 healthcare workers at Capital Health – one of the 50 separate collective agreements across the province. In a landmark move, all provincial health districts and the IWK are taking a common approach to bargaining – acting like a system – to be more efficient and to create a health system we can all afford.

We all have a responsibility to do what we can to be more efficient and to control costs. As a health system, we must transform to meet the significant challenges we are facing today and to become more sustainable for the future.

Over the past two years, the districts and IWK have reduced administrative costs to 5.1 percent – one of the lowest in Canada. Efficiencies and reductions in administrative functions (which includes areas such as finance, human resources, communications, payroll and executive) at Capital Health have brought our administrative costs down to 4.11 percent. There will be further reductions through Shared Services, a province-wide initiative to consolidate administrative functions and further reduce costs.

Our health care system is facing financial challenges unlike anything we have seen in the past. The impact is that we must find three percent in cost savings this year across Nova Scotia's health system. At Capital Health alone, that equates to \$32 million. We are facing increasing demands for our services, and we are working very hard with you to achieve these savings while minimizing the impact on patients.

We recognize that the RN's represented by NSGEU were recently awarded a 5.1 percent wage increase through a binding arbitration process. Extending this same increase to all unionized workers across the provincial system would cost taxpayers more than \$42 million. At Capital Health, this kind of wage increase would cost an estimated 8.5 million for the Health Care Bargaining Unit members alone. A wage increase of this magnitude in our current economy is simply not affordable for the taxpayers.

The reality is that no one person, department or bargaining unit is immune to the changes we are facing as a system. We do believe there are opportunities to be more efficient and control costs and we are hopeful that the provincial health care unions will again partner with us to create a sustainable future.

We know this is not the position any of us would choose for ourselves, our colleagues or our patients. This level of change takes its toll on each of us and we appreciate the choice you make to bring our best to our organization, and the people we serve, during these times.

In keeping with our commitment to transparency, attached is a copy of a media release being distributed today on behalf of all the provincial health districts and the IWK as well as a Q&A.

We will continue to provide you with updates as the negotiations progress. In the meantime, if you have questions about your collective agreement, we encourage you to connect with the NSGEU directly. If you have any questions or need any clarification from Capital Health about the Collective Bargaining process, please contact capitalnews@cdha.nshealth.ca.

Kind regards,

Kathy