Under the new BCGEU collective agreement, employees will receive two separate one-percent . wage increases in Year 1 of the contract on April 1, 2012 and Aug. 15, 2012 and two separate one-percent increases in Year 2 on April 1, 2013, and Dec. 1, 2013.

The total new savings each year required to fund the above wage increases is $22.9 million in 2012/13 (Year 1) and $24.0 million in 2013/14 (Year 2).

The 2012 round of public service bargaining took place under the Province's "Co-operative Gains" mandate. Under the Co-operative Gains mandate all negotiated cost increases must be offset by equivalent savings. We are unable to release the full details of our savings plan that was used to fund the negotiated salary increases because public sector bargaining is still ongoing under the Co-operative Gains mandate and such disclosure could prejudice employer bargaining positions at other tables. We are, however, able to discuss one of the initiatives that supports the negotiated wage increases – notably the introduction of the Lean approach to the Public Service.

Lean is a process improvement methodology that originated over 50 years ago in the Toyota Production System. Lean process improvement is another approach to further enhance customer service in the public service while also building our internal capacity through the elimination of unnecessary rules, processes and non-essential steps. It is a powerful and proven philosophy and methodology that encourages innovation and recognizes quality, cost, productivity, safety and people as key performance indicators that drive organizational performance and effectiveness. It's a way of looking at how we use resources for our various business processes and putting value on those steps that benefit our customers. Steps that don't benefit our customers are considered wasteful and eliminated if possible.

69 Lean projects have been started since May of last year and most are complete or in the final stages of implementation. Below are three examples of Lean projects:

1) **FLNRO Range Tenure Program**

The Range Program authorizes grazing on Crown Lands. 1700 licences and permits are authorized under the Range Act and another 400 leases are authorized under the Land Act. Finding ways to standardize processes was a major objection of this project as it covered over 20 district offices.

The goal of the Lean project was to simplify and standardize processes to free up resources for stewardship and monitoring of impacts on the range resource.

Results
➤ 87% reduction in delays
➤ Process steps reduced by over 60%
➤ Potential cycle time reduced from over 18 months to a maximum of 3

2) MSD – Cheque Run

Each month MSD administers approximately 210,000 payments. Of this, approximately 128,000 are paid by physical cheque and the rest are by electronic transfer. This is the largest monthly cheque run in the provincial government – taking approximately two weeks. The monthly cheque run process incurs approximately $2.7M annually in postal costs and significant labour costs.

The goal of the Lean project was to review the cheque run process for the purpose of streamlining and improving service to clients and alleviating workload stress and frustration.

Results (based on an estimated 1 536 000 cheque per year (128 000 per month)
- Total number of steps saved (45) = 69.12 million/year
- Total number of transfers saved (36) = 55.3 million/year
- Total number of decisions saved (44) = 67.6 million/year

3) Pharmacare Special Authority Drug Approval

Special Authority Drug Approval documents are manually submitted and require manual handling, tracking through the adjudication process and physical storage following the review and approval process. The process is labour intensive, complex and time-consuming for staff and involves multiple transfers of files.

The goal of the Lean project was to develop an improved submission, adjudication and response system for receiving and processing coverage requests from practitioners.

Results (based on an estimated 180,000 SAs per year)
- Total number of steps saved – 2.34 million
- Total number of transfers saved – 936,249
- Total number of decisions saved – 1.55 million

Process Changes
Oct 2011: Average Backlog was 1586, Oct 2012: Average Backlog was 113