

Title: Wednesday, June 6, 2007 Public Accounts Committee

Date: 07/06/06

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call the Standing Committee on Public Accounts to order, please. I would like to welcome everyone in attendance.

Perhaps we could start with the vice-chair and quickly go around the table and introduce ourselves.

[The following committee members introduced themselves: Mr. Cardinal, Mr. Cenaiko, Mr. Dunford, Mr. Eggen, Mr. Johnston, Mr. MacDonald, Mr. R. Miller, Mr. Prins, Mr. Rodney, Mr. Strang, and Mr. Webber]

[The following staff of the Auditor General's office introduced themselves: Ms Banasch, Mr. Dunn, and Ms White]

[The following departmental support staff introduced themselves: Mr. Asbell, Mr. Campbell, Mr. Currie, Mr. Sloan, Mr. Stewart, and Mr. Tadman]

Dr. B. Miller: Bruce Miller, Edmonton-Glenora.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: I would also like to introduce Philip Massolin from the Legislature Library. Philip will be the research co-ordinator, handling research requirements for the committee. We will discuss later, hopefully, a process for receiving briefings about the entities which we will be meeting with in September and October. I would ask Philip to please stand. He's at the back. Good morning.

May I please have approval of the agenda? The agenda packages were sent out and delivered on June 5.

Mr. Cardinal: You missed Harry.

The Chair: Yes. Thank you. I would like to formally recognize Mr. Chase, who has arrived. Good morning, Harry.

Moved by Mr. Webber that the agenda for the June 6, 2007, meeting be approved as distributed. All in favour? Opposed? Seeing none, I would like to thank you.

Now, approval of the minutes of the May 16, 2007, committee meeting. The minutes were circulated. Any questions?

Mr. Cenaiko: I so move.

The Chair: Moved by Mr. Cenaiko that the minutes of the May 16 committee meeting be approved as circulated. All in favour?

Hon. Members: Agreed.

The Chair: Opposed? Seeing none, that's carried.

Now, this morning, of course, we have our meeting with Mr. Ulysses Currie, deputy minister, Ministry of Employment, Immigration and Industry. If the deputy minister would like to introduce other staff that are at the back, and if they would like to participate in the proceedings this morning, they are quite welcome to do so.

I would like to advise the deputy minister and his staff that they do not have to touch the microphones. That is taken care of by the *Hansard* staff.

Any members of the Legislative Assembly that are in attendance today who are not committee members are entitled to participate in the proceedings but not to vote, according to our Standing Orders.

Before we get started with Mr. Currie, I would like to remind hon. members that with the government reorganization that took place last December 15, we are looking at the Human Resources and Employment annual report for 2005-06 this morning, parts of Alberta Economic Development 2005-06 annual report, the same with Advanced Education, Agriculture, Food and Rural Development, Aboriginal Affairs and Northern Development, as well as the annual report of the Auditor General and the annual report of the government of Alberta.

With that, Mr. Currie, if you would like to proceed, and please give a brief overview of your department.

Mr. Currie: Thank you, Mr. Chair. I appreciate that. As you've already indicated, the ministry that we're covering this morning has become quite broad with the reorganization. I won't go through all the entities once again since the chair has already done that.

We've already introduced ourselves at the table. I also have with me Ellen Hambrook, an ADM from strategic services, ADM Neil Irvine, from delivery services, and a few other staff members in the back in case we need their assistance.

To skim the tops of the waves here, I just would like to start with the fact that we had a very good year, with no numbered audit recommendations for us from the Auditor General. That's the second year in a row that this ministry has enjoyed that type of performance, so I'm very pleased to start off our presentation with that particular fact. I also think that we exceeded or met most of our performance goals for 2005-2006, with a few exceptions, which I'll note as well.

The highlights for Human Resources and Employment. We invested over \$754 million in 2005-2006 to demonstrate leadership in labour force development, to help Albertans achieve independence and self-sufficiency by offering training and career planning, to ensure that workplaces were safe and fair, and to provide supports to Albertans who needed them. We increased our provincial and local initiatives with industry and employers to better connect Albertans with employment and labour market information. There were more than 3 million visits to the Alberta learning information service, ALIS, website and 1.4 million visits to Alberta's 59 labour market information centres. There was a 48 per cent increase in the number of jobs posted to the Canada/Alberta job order bank service, and the job match feature on the website gave employers and job seekers the chance to make matches in employment.

The income support caseload continued to decrease even as Alberta's population was increasing at the same time. We helped more people find new opportunities to enter the workforce by connecting them to training and the resources they need. One of the targets we did not meet was the satisfaction rate for income support clients. Our goal was 85 per cent, and the result was actually 65 per cent. Rather than a reflection of the services that clients received, we feel that the result is more likely dissatisfaction with the benefit levels or termination of benefits in this particular case. Alberta's supplemental benefits continue to be among the best in Canada, and improvements were made to help Albertans in specific situations, especially those fleeing domestic violence.

We developed and announced the government policy supporting immigrants and immigration to Alberta, which outlines strategies to attract and retain immigrants to Alberta to help address skill and labour shortages and support the successful transition of immigrants into Alberta's social, economic, and cultural life.

After a thorough consultation process with all interested groups, businesses, and industries we partnered with Advanced Education to develop the government's 10-year labour force development strategy called Building and Educating Tomorrow's Workforce. The strategy

focuses on providing a supply of workers with the right skills. Included in Building and Educating Tomorrow's Workforce is ensuring that people unrepresented in the workforce are given help to access employment; developing highly skilled, educated, and motivated people; and fostering innovative and safe work environments.

Ensuring that Alberta's workplaces are safe and fair continues to be a priority in the department. We initiated the employment standards review by holding public and stakeholder consultations, including employer and worker feedback. In addition, the minimum wage increased from \$5.90 to \$7 per hour.

Work Safe Alberta is one of our most important initiatives. It was awarded the silver 2005 Institute of Public Administration of Canada award for innovative management. The lost-time claim rate dropped to an all-time low of 2.4 per 100 person-years. Unfortunately, this was higher than our goal of two; however, we're still shooting for that stretch target. In 2005 Alberta workplaces had their best safety performance in over a decade. A lost-time claim occurs when a worker receives wage loss compensation for one or more days after an injury. A lost-time claim rate of 2.4 represents over 14,000 prevented lost-time worker injuries each year and over \$220 million in annual direct WCB claims cost savings since 2000. Also, on the labour relations front 98 per cent of expired collective agreements were settled without work stoppage: another substantial achievement.

The Alberta Labour Relations Board: just a very few comments on that. They interpret, administer, and enforce Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely, and consistent way. The board's key activities were centred on its obligation to resolve issues arising from Alberta's labour relations activities. One issue of note was, for example, the Lakeside Packers dispute, which had the highest profile in 2005-2006.

The Appeals Commission for Alberta's Workers' Compensation. Again, it's an independent entity that reports to the minister. The commission continues to hear appeals from decisions of the review bodies of the Workers' Compensation Board.

Now, a few comments on some of the new areas that came into the ministry: Aboriginal Affairs and Northern Development and the Northern Alberta Development Council. The NADC is a council of and for northerners. It works to advance the social and economic development of northern Alberta. NADC partners with the private sector, communities, economic development agencies, aboriginal groups, and government ministries on initiatives to address northern opportunities and challenges such as value-added projects, transportation, skill development, and housing. Denis Ducharme, MLA for Bonnyville-Cold Lake, is the current chair, and the outgoing chair was Mr. Ray Danyluk. NADC offices are located in Peace River, Lac La Biche, and Edmonton.

8:40

Northern Alberta, of course, is facing a major shortage of skilled workers, and in 2005-2006 NADC in conjunction with Advanced Education provided more than 130 bursaries to help northern Alberta students with their postsecondary education and then to return to northern Alberta to work.

Advanced Education provided academic assessments for the international qualifications assessment service, which is new to us as well. In addition, learning opportunities were provided through immigrant settling services, English as an additional language, community adult learning, and literacy programs.

In 2005-2006 Agriculture, Food and Rural Development focused on the government's rural development strategy. Almost 30 separate initiatives were directed at enhancing the economy in rural Alberta. Rural development will continue to be community and region based.

Economic Development. In 2005-2006 we continued to implement securing tomorrow's prosperity, the economic pillar of the government's strategic plan. It outlined a value-added strategy for keeping Alberta's economic base strong, competitive, sustainable, and driven by knowledge and innovation. Again, we've done things like work with British Columbia's government and industry to develop the port of Prince Rupert container port study and the British Columbia port strategy. We're also looking at building a great future for Alberta, a vision for 2020. Of course, we also endorsed the joint Alberta/B.C. cabinet meeting to support interprovincial transportation as well.

The website www.alberta-canada.com provides a wealth of information about living and working and doing business in Alberta to people and businesses world-wide. The number of visits to the website increased to nearly 1,150,000, well above the target of 900,000.

We facilitated partnerships, networks, and alliances to expand capabilities and improve competitiveness, including the Hydrocarbon Upgrading Task Force and the Canadian Steel Partnership Council. We organized Premier- and ministerial-led missions to international markets to attract investment to Alberta.

We also had the sixth annual Alberta buyer/seller forum, which brought together oil and gas and services industries to learn about supply chain development and how to best access the bid lists for energy projects and development. Twenty-two Alberta manufacturers were provided with competitive assessments of their operations and recommendations to improve competitiveness and productivity.

We partnered with other industry associations, agencies, and manufacturing industry stakeholders to deliver Alberta's innovative Manufacturing Week. Nineteen industry events were organized across the province, showcasing industry innovation capabilities and encouraging industry to pursue continuous improvement.

Employment opportunities for skilled workers were showcased to foreign nationals in the United Kingdom, France, and Germany as part of the immigration promotional activities. Again, we've enhanced the provincial nominee program for Alberta, and the number of provincial nominees increased by 149 per cent, from 211 to 525 in the year. The number of candidates landing increased by 48 per cent, from 140 to 208. As well, temporary foreign worker seminars were delivered to Alberta employers interested in the employment of foreign nationals.

We've also been developing rural economic development alliances in 260 Alberta communities, with 12 alliances now created in Alberta. Eighty-nine per cent of the REDA management boards were satisfied with the department staff support for the REDAs.

Finally, aboriginal incentives and programs. We collaborated with Aboriginal Affairs and Northern Development to identify opportunities to increase aboriginal participation in the Alberta economy. We provided advisory and financial support to the Métis Nation of Alberta Association for development and implementation of their annual economic development work plan.

To conclude, overall the new and combined ministry has high client satisfaction and success rates, considering the breadth of the ministry. In fact, the combined ministry received three Premier's awards of excellence in 2006. Moving forward, we're, again, diligent with the mandate that the Premier has entrusted us with.

We would be prepared and happy to answer any questions of the group this morning. Thank you.

The Chair: Thank you very much.

Mr. Dunn: Very briefly. Our comments are starting on page 135 of

volume 2 of last year's report. During the year we followed up on two recommendations. One recommendation related to the ministry's contract management system. That was a prior year recommendation that we followed up. Another one related to the WCB's systems for determining what they call the economic loss payments. In both cases we concluded that management had successfully implemented those recommendations.

That, Mr. Chairman, is my opening comment.

The Chair: Thank you very much.

We have a list of members anxious to ask questions. We'll start with Mr. Rick Miller, please, followed by Ivan Strang.

Mr. R. Miller: Thank you very much, Mr. Chairman, and thank you, Mr. Currie, for your opening comments. I'd like to direct your attention to the financial statements and, in this particular case, page 115 of the HRE annual report. I note in there that the budget for the personnel administration office jumped from \$8.6 million in the previous year to \$12.6 million in '05-06. I'm just wondering if you could outline for us the reasons for the added expenditures.

Mr. Currie: With the personnel administration office that increase of \$4 million was for the executive mobility program. The executive mobility program operates across all government ministries and allows for interchange of senior managers and executive managers to gain experience. It was part, again, of the anticipated turnover at the executive levels in the public service to provide succession planning and succession management.

Mr. R. Miller: Okay. Thank you. On page 141 there is a notation under writeoffs: \$15.393 million that was written off for supports for independence and AISH. I'm wondering if you could clarify or add to that the reasons for those writeoffs.

Mr. Campbell: Can we get back to you with a written answer on that one? There is some detail there that I think we need to be more specific on.

Mr. R. Miller: Yes. Sure. As much as you could provide. I know that the chair is going to ask you to provide it to all members through the clerk. Thank you.

Mr. Currie: On that one I think everyone is aware that the AISH program has been moved to Seniors and Community Supports, so that's probably the reason. We're going to get clarification with their assistance on this matter.

Mr. R. Miller: Thank you.

The Chair: Okay. We will look forward to that written response. Mr. Strang, followed by Reverend Miller.

Mr. Strang: Thanks very much, Mr. Chairman. My first question is related to your program 3, schedule 5 on page 130 of your human resources and employment annual report for 2005-06. The spending on that program that supports Albertans to acquire knowledge and skills they need to participate in the workforce is down by about \$11 million. Why the variance?

Mr. Currie: In that particular case what's happening with the hot economy right now is that people are choosing work over the skills upgrading. We anticipated that, and we're about to reinvest that money into skills upgrading for workplaces rather educational,

academic upgrading. People are making a choice with the fact that it's very lucrative to work right now, and that's the reason for the variance.

Mr. Strang: Okay. Thank you. My supplementary is: what are the various types of training and employment programs that you're working on now?

Mr. Currie: Right now employment and training programs include training for work, self-employment, and job skills training that are occupationally focused as well as basic skills and academic upgrading programs. Examples include the wholesale technician training, tile and floor covering training, drywalling training, warehousing and product support training, pre-employment training for urban aboriginals to assess a trade and make career choices, and job placement services. Just some of the examples.

Mr. Strang: Okay. Thank you.

The Chair: Thank you.

Reverend Miller, followed by Mr. Johnston, please.

Dr. B. Miller: I've sort of fixated on page 47 in your annual report of human resources and employment, performance measures and the caseloads for income support. I'm not surprised that the people didn't evaluate the program very highly – 65 per cent as opposed to your target of 85 per cent – considering that the benefits are so low. My question is: considering that so much money is spent on income support – people expected to work, \$105 million; and people not expected to work, \$112 million – what criteria do you use for determining what the benefit levels are? I mean, we were on a housing task force recently and heard from people on income supports throughout the province who really suffer because they don't have much money, especially for housing. How do you determine those levels?

8:50

Mr. Currie: In terms of setting those levels, we were at one time using a market-basket measure, and we found that measure not really valuable. You know, it didn't take into account regional differences, for example. Right now, in terms of criteria, we're just looking at issues around the economy here in Alberta and what it takes to support individuals or individuals and families and so on. In terms of the dissatisfaction with the benefit levels, of course, it's in the budget that the benefit levels are going to increase by 5 per cent for people that are in dire straits here in Alberta. That is, of course, something we have to continue to look at.

Alex, can you supplement on this?

Mr. Stewart: Thanks, Uly. As you've heard the minister say, we believe that the best social support is a job. One of the things we look at in establishing an appropriate benefit rate for the expected-to-work part of our caseload is not to provide a disincentive to work. What we look to do is to have an incentive so those individuals will want to work. We provide a lot of supports that will help them find their way into the labour force. We put our dollars in that area.

In relation to the not-expected-to-work one of the things we look at is interprovincial comparisons. We don't want, again, to provide an incentive for people to move to Alberta simply to access benefit rates that are higher than other provinces, so we look at comparable benefit rates in other provinces. You'll notice that our benefit rates for not-expected-to-work are significantly higher than our expected-to-work for that reason.

Dr. B. Miller: But does that give you justification for having Alberta Works rates the lowest in Canada? No one would have any incentive to move here and be on welfare because the rates are so low. I don't understand. The rates are so low. It's supposed to be a disincentive so that people don't want to stay on receiving social assistance, but they're just really close to being homeless as a result of the rates being so low. Are we encouraging people to move up the housing continuum towards independence and self-reliance? Actually they're on the verge of being completely homeless.

Mr. Stewart: I think you have to be careful in looking at the rates in isolation. Again, as you heard the minister say, first of all, I don't believe we have the lowest rates in Canada. There may be some particular family composition areas where our rates are lower, but we don't have the lowest rates in Canada. We also provide supplementary benefits that are, if not the best, then among the best in Canada.

In looking at income support rates in isolation, you may get an inaccurate sense of where we lie. Yes, our income support rates for expected-to-work are low, but again they're to provide an incentive to work. We provide all kinds of other supports. In the example you're using, we provide supports to individuals who are at risk of potentially losing their apartment and things like that. There are other benefits. Looking at the rates in isolation, I think, can lead you to an inaccurate conclusion around where we fall.

Mr. Currie: Further to that are the criteria that are allowed to be used out in the field. One thing we convey to our people working in the offices is: rather than the speed of getting someone through the door and cutting a cheque, sit down with people and look at individual circumstances. That is what Alex was talking about with respect to looking at the totality of their circumstances. Do they need supplementary benefits? It's not just a matter of giving them the amount that is the basic rate. It's their total circumstances. It might involve housing, might involve utilities, might involve health benefits. We look at the entire package.

The Chair: Thank you.

Art Johnston, please, followed by Mr. Eggen.

Mr. Johnston: Thank you, Chair. My question on program spending has been answered.

I understand that there's assistance to help employees, but what is EII doing to help employers and industry with hiring and retention issues?

Mr. Currie: Right now we work extensively with employers, industry, and industry associations. I'm very lucky to be one of the co-chairs of the deputy minister industry advisory committee for Building and Educating Tomorrow's Workforce. Through that committee we work with all industry associations across the province, ensuring best practices and, again, not competing with each other, for example, in how we retain and keep our employees.

Just a couple of examples of success that we've had. Last September in a world forum on retaining and attracting people, we released a strategy for retail in Alberta which is being mirrored in Canada now. We also just released on May 31 a strategy for the hospitality and tourism industries. So we're constantly working with employers, associations to give them information and ideas on how to retain and attract their people.

What's forthcoming in this year are strategies in energy, construction, not-for-profit, the aboriginal workforce strategy, logging and forestry coming up, logistic and transportation. We're working with

all groups to give them information. Part of it is a co-ordination role. Of course, government can't be expected to do everything, so it's not a matter of always giving funding, for example, but it's giving ideas and exchanging ideas with industries and employers, and I think it's working very well.

The Chair: Anything else at this time?

Mr. Johnston: No.

The Chair: Okay.

David Eggen, please, followed by Harvey Cenaiko.

Mr. Eggen: Thanks, Mr. Chair, and deputy minister and staff for coming here today. My first question is a reflection of a lot of people's views in the aboriginal community on the loss of aboriginal and northern affairs. I think that I could characterize the termination of the ministry as, you know, sending a shock through the community, quite frankly. My first question is to please give an account of all the programs that might have been lost or terminated as a result of the termination of the ministry of aboriginal and northern affairs from the 2005-2006 budget area. I realize that's a question with a lot of breadth, so certainly you could submit that in writing for us, please.

Mr. Currie: I think I can give you an early in-depth answer and, I think, some great assurance that no programs were lost with the change in the ministries. While we accepted part of what was in aboriginal and northern affairs already, quite frankly, it focused on economic development. Of course, we already were working extensively on labour and employment programs with the aboriginal communities, so that hasn't changed. There are no programs, I think, that have been lost.

As a matter of fact, with the change – and this is a look-forward comment – we're currently in the process of consolidating and having a complete inventory of our programs for aboriginal peoples and how we can work, actually, better with the fact that this ministry now combines both the employment and the economic development potential for aboriginal communities. I think it's actually a positive move. I look forward to reporting on that in next year's Public Accounts, but I can supplement in writing as well.

Mr. Eggen: Yeah. That's fine. Well, I guess the flip side of that same coin is then, if we look at the whole budget and the existence of the ministry from last year, perhaps you could comment on why it was wrong to have that ministry in the first place, that we would choose to terminate it. So why is it so much better now? Why would we even have had it in the first place, right?

Mr. Currie: I'm probably not the person to answer that question. But being the eternal optimist and a huge supporter of this new great ministry, that's the outlook I choose to take.

The Chair: Thank you.

Mr. Cenaiko, followed by Harry Chase.

Mr. Cenaiko: Good morning, Uly. It's good to see you again. You did and EII did very well at last night's Committee of Supply.

In 2001 the hon. Minister of Infrastructure and Transportation and I co-chaired the review of ambulance service delivery, and in 2002 we provided a report to the then Minister of Health and Wellness, Gary Mar. The report was submitted and released to the public, and I believe, to the best of my knowledge, it had seven recommenda-

tions. This is going back five years. I believe recommendation 5 was that EMS be an essential service as they themselves defined their role in the community as providers of emergency health care. The legislation was drafted but never brought forward, so my question would be: does the legislative template presently exist?

Mr. Currie: I would have to say that the template, I'm sure, still exists, but it was withdrawn from further activity after the decision was made in the previous year to not turn the ambulance services over to the health authorities. I think with respect to the question on a go-forward basis as a matter of policy, that would be a question for the minister. I can also say that I am sure this question is focused on what's happening down in Calgary right now with respect to the negotiations with EMS and Calgary. We, of course, are watching those negotiations very closely, as we always do, and have the mechanisms in place to effectively deal with any issues that are arising, and of course that would mean anything that would be detrimental or have a negative effect on the health and welfare of the people of Alberta.

9:00

Mr. Cenaiko: Thank you very much. You're right; six years ago we were dealing with issues here in Edmonton, where EMS locked all the keys in the cars and went on strike. These are issues that really are going to place the public at risk.

The second question I have is that the department provides the ability to move forward in direction-setting versus policy. So my question is: where is the department in its direction-setting on this labour issue?

Mr. Currie: Well, I think that in terms of answering that, again, my particular confidence is in the labour relations mechanism that we have in place right now. Just to give an example, I'll use Flagstaff as one of the interim steps that happened that was successful, which was the appointment of a DIB, a disputes inquiry board. That's sort of a mid-term step in terms of keeping the parties at the table and avoiding a work stoppage. Of course, the next step, if it's determined to be becoming a public emergency, is bringing it forward to cabinet as an ROC, as a public emergency tribunal, which, again, we can bring that forward to the minister. The department in its advisory capacity would recommend that to the minister if it thought it appropriate, seeing direct harm or potential harm to the citizens of Alberta.

Mr. Cenaiko: Thank you very much.

The Chair: Mr. Chase, please, followed by Mr. Dunford.

Mr. Chase: Thank you. While my constituency office has noted a great improvement in WCB communication this year – and I'd like to thank specifically Kathleen* and Jordan* for their help – the WCB is again forecasting a large surplus, which means that either injured employees may have been underserved or employers may have been overcharged in the 2005-2006 year. My question: what WC oversight responsibilities does your ministry have to see that claims are fairly and expeditiously settled?

Mr. Currie: I'm going to have to refer that question to the CEO of the WCB, Mr. Guy Kerr. I will convey it along to him.

Mr. Chase: Thank you. I will look forward to that, and if you can pass out that bouquet, that I do see an improvement in communication.

My second question, then: what percentage of improvement in WC settlement claims occurred in the 2005-2006 year?

Mr. Currie: I'll refer that one, again, to Mr. Guy Kerr. I think I feel compelled, since the WCB is on the table and because of the fact that they are of great assistance: my compliments to them in funding our initiatives around worker safety in Alberta. As a matter of fact, their influx to our budget allows us to hire this year 36, 37 more safety inspectors to help out on work sites in the growing economy here in Alberta. So their success in the Workers' Compensation Board with respect to managing their claims and managing their finances also has a direct effect on our ability to provide safe workplaces for Alberta.

The Chair: Thank you. Mr. Currie, if you could provide written responses through the clerk to all members in regard to Mr. Chase's questions, we'd be grateful.

It's interesting that a WCB representative is not here today. We have one from the Appeals Commission, the Labour Relations Board. Perhaps, Mr. Chase, you can consider at some point suggesting that we have the WCB appear before the committee.

Mr. Dunford.

Mr. Dunford: Thank you. I'm on pages 62 and 63 of the annual report. Just as a note of interest, looking at the reduction in lost-time injuries, \$220 million in direct annual WCB claims cost savings, that \$3.3 million that the WCB gave the government to initiate the Work Safe Alberta program was maybe the best investment they ever made. It's one helluva return.

On that point, though, there's a new measurement in '05-06 that is being developed, and there's no detail, at least that I've noticed, in the report, but it's something called total disabling injury rate. Would somebody explain that, what the criteria is for that rate, and what it might look like?

Mr. Currie: I'm happy to tackle that, and I acknowledge the further injection of capital, that the WCB is probably going to have a greater return as well. I know that this is a program near and dear to yourself.

What we were trying to look at with that new measurement is that we were getting some indications that the lost-time claim rate was not a true indicator of the actual injury rates in Alberta. Where that was coming from, I'll use the word "modified" work. In some cases it was being portrayed as employers being creative with ways of getting employees back to work – for example, on modified duties that are less strenuous – and of course to get off the WCB rolls quicker and back to work.

What we're trying to do now is to develop this new measure that will identify the people that are completely disabled and off work and at the same time have a mechanism of identifying people that have gone back to work on legitimate modified work duties so that we're getting a real clear and accurate picture of the injury rates here in Alberta. That's the intent, again, to find a finer focus so that we understand and that we're not just looking at numbers reducing in lost-time claim rates when, in fact, someone is still injured but back to work, for example.

Mr. Dunford: Well, a supplemental, then, on that. I would encourage, though, some qualitative measure. In performance measures we're looking for quantitative analysis, but in this particular one I would want to encourage some consideration for a qualitative measure. There are things that we know, and one of them is that the longer a person is severed from the workforce, the harder

*These spellings could not be verified at the time of printing.

it is to get them back. It doesn't matter what the reason is. It can be injury. But it could be unemployment, it could be illness, it could be family matters, whatever it is. How would you feel about providing, then, some kind of psychological interpretation of modified work? Even though it might be somewhat illegitimate as work, it's the psychological aspect of having the person at work that is important. I would suggest that we would not want to lose sight of that.

Mr. Currie: I actually think that's a very, very good point. It has clearly been shown that the sooner someone does re-engage in the workforce, whether it be from injury or disease, for that matter, the better the outcomes are. You know, even looking at the criteria in front of me, it is very quantitative criteria. Your suggestion to look at some qualitative measures on legitimate modified work and the psychological effects is reasonable, and I certainly have no problem undertaking to keep that in mind.

Mr. Dunford: Thank you.

The Chair: Thank you.

Mr. Rick Miller, please, followed by Dave Rodney.

Mr. R. Miller: Thank you, Mr. Chairman. If I could draw your attention, Mr. Currie, to page 122 of the HRE annual report. Note 7 talks about our contractual obligations. I note that contractual obligations for service contracts more than doubled from 2005 to 2006. I'm just wondering if you could offer some sort of an explanation for that.

Mr. Currie: I'm going to have to get back to you in writing on that one. I'm afraid I'm not able to answer that question.

Mr. R. Miller: Thank you. My supplementary question, then, would be – and I'm going to guess that you may have to put this in writing for us as well – that I'd be curious to know whether or not any of those service contracts were for verbal advice and what criteria the department uses to issue a sole source contract as opposed to a public competition or an RFP.

Mr. Currie: Right. I'll include that in the written response.

Mr. R. Miller: Thank you.

The Chair: Thank you very much.

Mr. Rodney, please, followed by Dr. Miller.

9:10

Mr. Rodney: Thank you, Mr. Chair. Let's face it, everyone around the table and beyond, if you go back far enough, in this province is an immigrant.

Mr. Cardinal: Not me.

Mr. Rodney: I said: if you go back far enough. If you go back far enough. I did say that. A lot of respect there. No worries.

Of course, looking forward is where we have to go. I was at the federal/provincial immigration agreement signing a few weeks ago. I know that I can't ask you about that because that's this calendar year, but of course I can ask you about this year's, the 2005-2006 annual report. My question relates to page 57, strategy 3.6, to be specific. I use that word on purpose. I want to be specific. I want to know what the department is doing to make sure that our immigration policy and our programs are changing. You know, we have

different economic and social realities and priorities now. What's the department doing to make sure that those are all aligned? I wonder how specific you can get on that.

Mr. Currie: I think fairly specific on it. I'll ask Rick Sloan to supplement here on this. While I realize that the agreement was just signed, quite frankly, we had already headed down that path of doing some of the work in anticipation of a good outcome with that agreement. Just to use some of the examples, for the PNP, well, that announcement came out at the same time. We already had the agreement in place with the federal government, in fact, to lift caps on numbers, and we just waited to bring it out at the same time as a matter of expediency. For example, taking that program, allowing employers now to engage and not have their selections interfered with, especially around medical professions and so on. So that would be one, for example, that is problematic here in Alberta.

In terms of professionals coming in and enhanced language training: great successes in bringing in engineers and accountants and getting the language training up a lot faster and getting them engaged in the workforce faster. Then, on top of that, moving from settlement type services into recognizing their credentials, so credential recognition. That's when we're talking about the aligning of the programs. Instead of before, having them, you know, going one place for credential recognition, another place for their professional associations, and another place for English language, having these kinds of services integrated within the department. So that's the flavour the department took on, and we'll continue to grow that as well.

Rick, I don't know if you can elaborate further on that.

Mr. Sloan: One would see in the HRE annual report a reference to the development of an immigration policy. Within the Alberta Economic Development portions of our annual report for that year you would see an increase in the provincial nominee program, which was sort of an emanation of that policy direction.

The other significant emanation within the Alberta Economic Development portfolio was the expansion of the preliminary work that we did in preparing to promote Alberta as a destination for immigration abroad. So some of our investment attraction staff and their time and effort was redirected to, if you like, human capital attractions. We began the preliminary work of developing our promotion and marketing plans for immigration.

Mr. Rodney: It looks like there was a plan leading up to the immigration report. I just want to encourage you to continue to do that.

The second question is related. You just have to flip a page, page 59, supplemental information 3.1, in that same report, HRE 2005-2006. There is an increasing number of occupational groupings that are in a skills shortage situation despite all the work that has been done. The unemployment rate is below 3 per cent, which in great effect is zero. I'm wondering what your department is doing to alleviate these pressures. I guess my point is that your 3.1 is quite general. Again, I'm looking for specifics. What's actually happening to change those numbers?

Mr. Currie: It's a good question. I'll refer back to a previous answer. In response to those shortages, in the first place, building and educating tomorrow's workforce, to try to deal with these sectors and deal with them in a rational way rather than a general, airy-fairy, you know: okay, someone will do something in engineering, someone will do something in trucking, whatever the case may be. That was the driver behind that. At the same time, one of the

specific things that we're doing is looking beyond the industries themselves but just in general terms, like flexibility in pension plans, for example, flexibility in work arrangements. We're trying to work with, you know, different strategies across all these occupations that will help them, but it's occupation specific.

The last point that I want to make on this as well. I guess I'm looking ahead here again right now, but our last meeting of our advisory task force was May 29. What's really interesting is that some of the pressures that showed up in 2005-2006 actually have softened a little bit for us here, especially in the energy sectors. I think part of that is that some of our strategies are actually having a real positive effect out there. Do we need to do more in each of the occupational groups? Undoubtedly the answer is yes, and we'll commit to keep doing that. But it's specific by occupation because they have specific needs.

Mr. Rodney: Thank you, Chair.

The Chair: Thank you very much.

Dr. Miller, please, followed by Mr. Cardinal.

Dr. B. Miller: Thank you. I'm still on page 47. I'm kind of fixated on the same page. You know, one of the things that I really appreciate in the department in recent years is the development of continuing to provide benefits for people moving from social assistance into the work world; for example, health benefits. The Alberta child health benefit and the Alberta adult health benefit I think are tremendous programs. They help people not to fall back on social assistance. I would like to see more of those kinds of supplementary programs. There is a category here: people working – supplement to earnings. There aren't many cases in that area. I'm not sure what those extra income supports are, but anything that can be done to help people who are moving off social assistance is great. How do you track the results, you know, of how effective the program is in enabling people to get on their feet through that extra assistance as they move into the work world?

Mr. Currie: The way of tracking is actually quite simple for us because of the fact that if we're successful – I'll use the words – the revolving door stops. While they get engaged in the workforce and finally get to an income level that supersedes any ability of getting support, then they don't return to us. We have to use some assumptions there, of course. We're assuming that they're staying engaged in the workforce because they're not on our rolls anymore. You know, there is the potential that they could have moved to another province. That is a potential, but I think that if they're engaged with us as long-term clients and have been supplemented and then got back in the workforce – and we sometimes keep track of them with their employers if they have special needs or need assistance with their employers. We have a pretty good way of seeing that they're gainfully employed.

Any supplement, Alex?

Mr. Stewart: Yes. Let me add that we had begun to change the way we did business even back in 2005-06. When an individual enters our office for help, we try to find a way to help them reach their highest level of independence, which often may include a job. Rather than just looking first at income support, our staff looks at how we can help this individual find their way into the labour force, even if it's only on a part-time basis initially, or find their way into training or find their way into some kind of assistance that will help them grow and develop and increase the likelihood of them achieving independence, and we have ways of measuring our success in relation to those programs. This is only part of the picture here.

When most people, I would suggest, at this point enter our offices, we get them into some kind of a proactive assistance-type approach, and then we measure how successful that is by how many of them are in employment three months following completion of their intervention. As you can see in other parts of the annual report, we've been quite successful there, and our success is in the order of 80 per cent. So I think you have to look at it in a more holistic way and not just focus on the supplement to earnings to get a full picture of what it is the department does and what their staff do at the local level.

The Chair: Thank you.

Dr. B. Miller: Just a follow-up question. I am concerned about how long a person might be receiving the child health benefit or the adult health benefit as they move into the work world. When I asked this question during the budget debate, I was told that there are income thresholds. For example, if a single person makes more than \$13,000 a year, they're off health benefits. That threshold is so low. I think it's about half of the LICO, the low-income cut-off, that the federal government sets. I don't understand what the criteria are for setting those kinds of threshold levels in terms of, you know, when a person is not able to receive health benefits anymore.

9:20

Mr. Currie: I'll commit to providing some written explanation on the cut-off itself, but in terms of a matter of policy for the government that's beyond my purview.

Dr. B. Miller: Right. Okay.

The Chair: Thank you.

Mr. Cardinal, followed by David Eggen, please.

Mr. Cardinal: Thank you, Mr. Chairman. I see that there's no shortage of foreign workers here this morning.

Anyway, it's really hard to question a department that runs almost perfect other than to thank the existing minister and the former minister and, of course, the deputy and the staff. I see that some of the staff have been here since about '92, '93, when the original changes took place to the welfare system. They are to be thanked.

I do have a question – I think it's quite important – tied in with aboriginal affairs a bit but mainly under northern development. There are a lot of questions as a northern MLA about the work towards expanding the boundaries of your existing northern development area to highway 16 north. The reason for that and the reason why it's so important is that northern development in the past hasn't been involved in the development of proposed plans and policies as to the direction the north should take in many areas of development.

One important one, of course, is the northwestern Canadian integrated road network, for which the Northern Alberta Development Council took a lead role in development. In Alberta, for an example, a road connecting to Saskatchewan, north from Fort McMurray to the Northwest Territories, from Fort Smith to High Level, and then a road across from Rainbow Lake to Fort Nelson and then, of course, towards highways 63, 881, and 813. All those roads are in. But in addition to the need to develop that road network – and there's a lot of work going on there now – is the bottleneck in the system just north of highway 16. There's a lot of work that needs to be done on that. The question is: is the department looking at changing the boundaries of the northern development area?

Mr. Currie: I'm not aware at this time that the department is

looking at that, but I will take your suggestion to the minister and to the chair of the Northern Alberta Development Council and pass on your comments.

Mr. Cardinal: The final question – and it won't be long – is in relation to another program that was developed by the Northern Alberta Development Council, a very valuable program. That's the youth apprenticeship program. It is being piloted now in a number of communities in the north. Lac La Biche is one, I know. Wabasca is another one. I think Slave Lake, High Prairie, and Grouard are the other areas. The program works excellent in the area of trades exposure and getting some credits while you're still in K to 12, jointly with the technical schools. I just wonder: is there any work being done to expand this program province-wide?

Mr. Currie: Right now the program is being maintained at current levels, but bringing up an interesting point is getting interest in the uptake. We're developing that again through something you're very familiar with, the job corps, and getting people that are actually succeeding in job corps and moving on to some of the youth apprenticeship programs as well.

As a matter of fact, the entire executive team was just up at the job corps at Lac La Biche to again look at what they're doing in these programs, attracting youth into the apprenticeship programs, especially aboriginal youth. I think that we're making progress and, I think, committing at the same levels right now. That's about the capacity of our uptake, and the numbers we're getting aren't increasing as well. We'll continue the program, though, and keep shepherding it along.

The Chair: Thank you.

Mr. Eggen, please, followed by Mr. Webber.

Mr. Eggen: Well, thanks, Mr. Chair. My question is in regard to the satisfaction rate of income support clients. You suggested that your target was 85 per cent, and you're hitting 20 per cent lower on that. So my first question is: what is the perception of the ministry as to why the satisfaction rate is so low, and what are you doing about it?

Mr. Currie: This is a bit of a dilemma for the ministry. I referred to it in my opening comments, and I think it's been alluded to around the table in some of the questions. Our interpretation of that success rate is not based so much on the level of service. I think that the satisfaction with our staff around the province is extremely high. Our belief is that the dissatisfaction rate is due to the level of the benefit and sometimes in case of termination of benefits, when people, for example, exceed the criteria. So that's our analysis of what's happening out there. How to solve that, of course, is a matter of policy in terms of benefit rates. Again, I'm very confident in the service level provided by our staff, and I believe that that analysis is correct.

Mr. Eggen: Yeah. I would concur with that, certainly. The service and what is made available to Alberta Works people and other income benefit providers on the front lines is certainly good. It's just that there's a high level of frustration there. My concern is, you know, if we are somehow making the whole thing smaller as in trying to get people off benefits as fast as possible and into the work world. That's certainly a laudable goal, and Mr. Dunford earlier alluded that it's important to reduce the length by which someone is off, right? That certainly helps. What I'm seeing on the field – and we see this at a constituency level – is that you start to disengage a certain percentage of the population who feel as though the benefits

are outside of what's to assist them somehow. I'm just wondering if the ministry tracks how many people they feel would be eligible or would be benefiting from your programs and how many people you're perhaps not reaching somehow with those benefits.

Mr. Currie: It's a great question. I don't believe the ministry tracks that. Where it has been illustrated, actually, just lately to us – and while again I'm getting outside of 2005-2006, it answers the question – I believe is when people have been in some cases coming to us with questions around issues around rent and housing and so on. We've been finding that some of these people that have been coming to us actually qualify. They're looking for rent subsidies, and actually they qualify for some of our income support benefits or other types of child benefits or adult health benefits, whatever the case may be, and of course we're trying to make sure that we deal with that.

That illustrates another problem. Do we need to get information out to people? Of course, people that are on the margin of getting that information – we're always thinking in this day and age: let's put something on the web. Well, that's the people that can't access this. So I think we have to tackle in the department a way of getting information out on our benefits to people that are in need so that people that are slipping through the cracks can actually approach one of our offices.

The second part of that question – and Alex has referred to it. Our new way of doing business, again, is going back to our granting the flexibility to the front-line staff to make good decisions on behalf of the client. What we're asking them to do on the front line as well, at least from a rules and procedures perspective of the department, is to challenge us in the department when they're seeing a rule that we have around benefits and so on that doesn't make sense for the current situation or a current client, challenge the rules. So we're trying to encourage that kind of behaviour to address some of these people that are falling through the cracks and get benefits out. But is there more that we can do? I would say that the answer is yes.

Mr. Eggen: Thank you. That's a good answer.

The Chair: Mr. Webber, followed by Mr. Chase, please.

Mr. Webber: Thank you, Mr. Chair. Gentlemen, my question relates to the results analysis on page 40 of the human resources and employment annual report for 2005-2006. The percentage of the following groups employed postintervention is well below the general population percentage of 80 per cent as you can see in 2(a). The aboriginals are at 72 per cent. People with disabilities are at 63 per cent, and the immigrants are at 71 per cent. So my question is: what is being done to increase the workforce participation for these groups?

9:30

Mr. Currie: That's a really good question. I think we're making some progress, and think I have a fairly detailed response to this. Clients in these categories, as you can appreciate, usually have multiple barriers, and that's not a surprise to us. So we're trying to make every effort to increase the abilities of these groups because of the barriers by selecting, for example, selected training providers who have experience in working with people with multiple barriers and also providers that have, for example, sensitivity to cultural issues that, again, would be helpful in certain needs. That's a broad brush. That's what we're trying to do. But on each group in particular – just for example aboriginals: again, we continue to partner with aboriginal organizations and employers to try and

increase the employment rate amongst aboriginals in Alberta. Our First Nations training to employment program provides financial support to partnerships between industry and aboriginal groups to deliver training leading directly to employment, and we're having great success with that program. We're really pleased with that program. That's just an example on the aboriginal side of things.

I think I can continue on something else that we're, I think, pushing the envelope on. Again, we've been piloting and working with INAC, and a lot of the success we've had in getting people to work and engage in the workforce in Alberta was not being enjoyed on reserve in Alberta. We're getting some opportunities and piloting with the engagement of INAC and some of the more sophisticated bands, piloting our work on reserve as well with great success. So, again, we're trying to work with the aboriginal communities and the individual bands and Métis associations to make progress for aboriginals.

Persons with disabilities. Again, we're trying to provide access to providers across the province who, quite frankly, are the converted. I was just out speaking to a group last year of 120 employers, you know, from a local area here, for example, that actively engage and come to us looking for people with disabilities, to work with people with disabilities and also to provide flexibility for them with great success stories. Also, our department has a disability-related employment program as well, where we provide funding, so if an employer comes to us and needs assistance in funding to make or change the workplace to accommodate a person with disability, we will happily engage in that kind of work as well.

And immigrants. Again, the most common reasons cited for a lack of engagement in the workforce: first off the bat is language skills usually and then, of course, work experience and then transferability of foreign credentials. That sort of chicken-and-egg kind of scenario, where, you know, they can't get their credentials until they get their experience, but they can't get experience because they don't have the language skills. What we're trying to do is look at English as an additional language and services funded for individuals that are coming in, especially in professions and so on, so we can get them fast-tracked into their work experience and bridging programs. Again, bridging programs, for example engineers and accountants, I already referred to, to get work experience or education in that particular occupation, to provide that bridging so that they can make that gain into a related occupation here in Alberta itself. So I think we're making tremendous progress on all those different fronts.

I want to go back to the aboriginal situation, though, because it's really important that we always talk here about Albertans, Canadians, and then look at immigrants. In the first aboriginal training program we had 58 projects across the province: Piikani scaffold, Cold Lake First Nations truck driving, the Blood tribe petroleum land administration program, the Alexis introduction to residential construction trades, and so on. Again, very specific outcomes with the aboriginal population.

The Chair: Thank you.

Mr. Webber: Great. Thank you, Mr. Currie.

You've mentioned a bit about the aboriginal people and persons with disabilities and also the immigrants, but I want to focus in on the older workers right now. In my constituency of Calgary-Foothills I've got quite a number of seniors who are retired, collecting pensions, who have said to me, "Lenny" – my friends call me Lenny – "we want to get to work; we want to get back to work; we want to help out with this labour shortage, but it's just not worth it for us. It affects our pension too much and, you know, you have

to provide us with some type of an incentive to go back to work. So what can you do for us?" My question to you, Mr. Currie, is: have you been working with the federal government at all to provide some type of incentive, tax breaks or whatever, to seniors who are retired to get back to work?

Mr. Currie: Unequivocally, the answer is yes. It's a problem we recognize as well. Also, unequivocally, it's a tough row to hoe on the taxation side. I can commit that we are going to keep working, and we've got industry behind us on this now as well because they are also realizing that access to the mature workforce is extremely important. Quite frankly, the tax incentives for someone that does have a previous pension limit them because it's just not worth it, for example.

There are other situations, though. It opens up, I think, another issue as well. I'm just going to use another example because he keeps talking high-end occupations, quite frankly, and I want to go back to trades again. We have a situation where, for example, I'm talking to a skilled tradesperson that's retired. They've paid their dues up in the north for 30-some years, and they're here in Edmonton. They're drawing their pension, and then they'd like to go back and teach young people. Of course, we have this shortage of skilled tradespeople and shortage of educators, and you look at the situation. What happened to the old shop classes in high schools, where someone retired could come in and teach the kids? Of course, they can't do that because they don't have an education degree.

So there are issues around mature workers other than just pensions and benefits that we can do to encourage people to engage in the workforce as mature workers. We're working on that front and commit to keep working on that front, but I'll have to admit that working with the feds on the pension side right now, to say that we're making huge progress: I can't claim that.

Mr. Webber: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Alana DeLong.

Mr. Chase: Thank you. Interestingly, the Lenny reference, which also relates to *Of Mice and Men*, leads into my farm labour questions. In this province the majority of farm workers and their families have little protection from or compensation for injuries suffered. In the 2005-2006 year a Black Diamond man tragically died in a granary while many other farm labourers were injured. My question: what, if anything, did your department do to promote farm safety and compensate farm workers and their families in the 2005-2006 year?

Mr. Currie: The issue around farm safety and compensation is an issue the department continues to work on, recognizing the fact that there are some differences from the small family farm to the large farming organizations right now. What we're trying to do at this point in time is bring forth some changes that will allow for coverage and compensation on the big contracting farms when someone on a contract, for example, comes in off the farm, and he's got construction workers on the farm and maybe electricians and so on. That should be properly covered by compensation, and we're continuing to pursue that as well.

At the same time through our initiatives in education and bringing farm safety as an educational piece, we're continuing to work on that, especially with the youth in the farming communities. We'll continue to do that as well. We do recognize the issues around farm safety. We find it difficult when an accident happens on the farm.

Actually, I shouldn't call it an accident. That's the incorrect term. A situation happens on a farm, and we can't go in and investigate and find out what happened. It's something we want to be able to do, again, through our Work Safe program, so we'll continue pursuing that.

Mr. Chase: Thank you.

Alberta on a per capita basis has among the highest worker fatality rates. Beginning in 1994 as part of the cutbacks most government safety inspectors were laid off, making worker safety a self-regulatory practice for employers. What steps did your department take in the 2005-2006 year to increase government safety inspections? And, simply stated, is your government-initiated safety program primarily reactive or proactive?

Mr. Currie: The safety program is a combination of both, and we have a couple of different ways of looking at it. We have, of course, unscheduled spot inspections that happen. I don't have the numbers at my fingertips, but they're in the thousands. Of course, in terms of the number of safety inspectors I know that there were layoffs back in the early '90s, but we, I believe, have passed and exceeded the number of inspectors that we have now on staff in the department and are working to increase that capacity.

We also have a program, very proactive, on targeted employers. You allude to the fact that there are more fatalities. What we're doing is we're tracking where these fatalities happen, we're tracking where the serious injuries happen, we're tracking where the number of these injuries happen, and we target these employers. They get on one of our targeted employer lists, and once they're on our targeted employer list, then we pay particular attention to them. Even if there's not an accident, we'll be, quite frankly, all over them, and it usually makes them fairly uncomfortable. In many cases if we are able to get the information that they're a targeted employer up to the CEO level, they become very interested in the attention we pay to them and try to push down those rates. At the same time, of course, we are reactive in investigating when serious issues do happen, for example at CNRL. Now there's a serious investigation, and that's a reactive investigation. But we have both sides of the coin covered.

Mr. Chase: Thank you.

9:40

The Chair: Thank you.

Alana DeLong, please, followed by Rick Miller.

Ms DeLong: Thank you very much. It seems that we've got the wrong department in here, judging by the Auditor's comments. But we'll proceed anyway.

Before the affordable housing started hitting the front pages of the newspaper, for years I've been sending my constituents off to your offices when they're having problems with housing or utilities and they're in danger of becoming homeless. I just wondered: do you have sort of a separate budget that you track, like a discretionary budget that handles things like utilities and housing? Do you allocate it sort of more to places that have the high housing costs or the high inflation areas?

Mr. Currie: It's not, I think, allocated to specific areas. Wherever the need shows, they have the discretion to use it. For example, we have what's called manager's discretion, up to a thousand dollars in each office. So if someone comes in and it's something out of the

norm, whether it's utilities, a damage deposit, something unusual, the managers have that ability to say: this is unusual; I use my discretion and can grant that. That can be in any office around the province.

In terms of last year – and I may be corrected by my colleague. I think in terms of roughly tracking some of these contingencies even before the rent and housing issue came up – for example, I think we were around \$10 million last year in sort of contingent monies and discretionary monies that we would have put out when people came in with a particular issue that needed immediate attention.

Ms DeLong: Thank you.

The Chair: Thank you.

Mr. Miller, please, followed by Mr. Herard.

Mr. R. Miller: Thank you, Mr. Chairman. If I could direct your attention to schedule 2 of the financial statements in the HRE annual report, page 127, it's indicating a total dedicated revenue shortfall of just over \$3 million, \$2.5 million of which was related to the workplace health and safety regional services – it looks like that was money that was to have come from WCB – and then a further \$935,000 from the Canadian agricultural skills service. I'm wondering if you could just expand upon that information for us, why we incurred that dedicated revenue shortfall.

Mr. Campbell: The \$2.5 million with the WCB is strictly a timing issue. We put the revenue expectation in our budget in one year, and it actually got paid in the following year, so we're not short. It's just that they work on a fiscal year that runs January to December, and we are April to March, and so there's an overlap. I think we've got that fixed now in terms of when we're getting our payments.

The other is the Canadian agricultural skills service. For that particular program we have to spend the money in order to get the money. Our estimate of what we were going to have in take-up in that first year was a little bit higher than what actually happened, so we got less revenue.

Mr. R. Miller: Okay. Thank you for that explanation. I appreciate it.

Then if I could draw your attention to pages 130 and 131, schedule 5. Under the actual expenditures there's a notation (d), which refers to achievement bonuses, \$3.204 million. I'm just wondering if you might be able to explain that as well, the nature of those achievement bonuses and where actually they went. I can't see a specific place where they went under that column.

Mr. Currie: The achievement bonuses are from the executive managers to our senior managers, so there's a certain pool of eligible bonus money dependent on the level and the level of performance. That would be across the whole department. Of course, given the size of the department, it gives significance to the number.

Alex, is there anything to supplement to that?

Mr. Stewart: I think you've already said it, Uly. In terms of where it shows up – I think that was the second part of your question – there are program support elements in all the different programs. The program support elements in addition to supplies are where our staff salaries and benefits are shown. The achievement bonus amounts would be shown within all of those program support elements. They don't show up in any one area.

Mr. R. Miller: Thank you.

The Chair: Thank you.

Mr. Herard, please, followed by Mr. Eggen.

Mr. Herard: Thank you very much, Mr. Chairman. First, let me say that as a rookie observer coming up on 14 years of observing the workings of HR and E from a distance, I can say that I've found your department to be, certainly, the most responsive to any of the things that I was ever interested in in terms of my constituents, so I just want to provide those kudos.

On page 51 the report talks about the percentage of participants employed postintervention. I think you're to be commended. It says that 80 per cent of clients who participated were employed three months after, but then there's a disclaimer that says, "This result exceeded the target by 10 percentage points, but the result was not directly comparable to prior results due to differences in methodology." I'd like to understand where the number would have been had the methodology not changed, first of all.

Mr. Stewart: I believe the methodology change – and maybe I'll look back – is in terms of when we measured. We're now measuring at a three-month follow-up. Using the old methodology, the results were 79 per cent in 2003-04, 81 per cent in 2004-05, 80 per cent in 2005-06. So that's what the results were using the old methodology. I believe we changed the duration. We used to follow up after one month. Now we're following up after three months.

Mr. Herard: Okay. Thank you. My follow-up question. I'm really more interested in the 20 per cent that were not successful. Just as I've been observing for a long time, I've got a bias that's been building for an awful long time as well, and that is that, in my view, we don't seem to get to the real core of the person very much in terms of being able to describe what it is that interests them in their life, in other words what their calling is, and having determined what that is, then training to give them the ability to fulfill their innermost dreams.

I guess I'm wondering, you know: is there anything being done to go down that road? Instead of saying, "Well, you know, if you take some training, there might be a job at the end of it," saying, rather: "What is it that you want to be, and we'll tailor the training to get you there. But we'll do one better. We'll actually get you a contract with someone that says that if you get those skills, in six months or a year the job is yours." I've seen that those kinds of programs in other jurisdictions have considerably better results than 80 per cent. I guess I'd like to know if your methodologies are evolving to include the spirit of the person that you're actually working with.

Mr. Currie: I'll start off with that, and then perhaps Alex can supplement. The answer is yes, and I'm going to go back to the 20 per cent because the 20 per cent concerns us as well. What we're trying to do is find out what's happening with that 20 per cent and the reasons why and then, of course, come up with solutions to re-engage them. First of all, one of the reasons for that 20 per cent goes back to what I previously mentioned around re-engagement of the workforce. The longer you're out of the workforce, the harder it is to re-engage, and we're finding that people that have recent employment insurance type of experiences are more recently in the workforce, and they're usually that part of the 80 per cent that are more successful. The people that are disengaged longer fall into that 20 per cent, but they're also – I'll refer to my previous comments – a multiple-barrier people.

9:50

So what we're trying to do is identify those specific multiple-barrier people, especially when they drop out: what's the reason, and how can we follow it up? I'll try to illustrate with a couple of examples. We're finding that some of the issues are not around even knowing what they want to do, their calling in life, for example. It's even more basic than that. I'll use the words "soft skills." There's the fact that they don't realize that they have to show up every day on time. They don't realize that they have to show up with some sense of hygiene, you know, whatever the case may be.

What we're trying to do now is work with employers in that 20 per cent and in these programs and say: "Listen. When this happens, don't just fire them out the door. If they walk away, let's ask why." We're finding that we're now able to provide support to those people and to the employers or the training provider to say: okay, this is what's happening. We need to sit down with the individual, for example – and this is almost case-by-case work – and give them the support they need, the education they need, some of the basic skills they need before they can get to the calling stage. Then, of course, after that it's engaging programs that will, you know, help people make choices, not just jamming them into a program at NorQuest College, and they leave after five months because "I just don't like it there."

So we're working on all those fronts to try and deal with that 20 per cent. I would love to see these numbers in the high 90s.

Alex, can you supplement?

Mr. Stewart: The kind of work that Uly is describing takes a lot of time, as you could appreciate. We have a process now, that Uly is describing, we call a service needs determination process, where we do precisely what you were suggesting. We sit down and take the time. That's why we're really working hard to simplify the rules and have our people become less administrators of producing cheques for people and more sitting down in a holistic way and trying to understand exactly what the person needs. That may take three, four, five, six, seven sessions. You're not going to find that out in an hour, perhaps. So that's what we call our service needs determination process. I think we're doing almost exactly what you're suggesting, and some of our results show that.

In relation to the second part of your question around a contract with an employer, that's where the partnership part comes in. In many of our programs we involve employers as workplace hosts. Part of the program is to get some initial training, spend some time with an employer in a work experience setting, and then enter the labour market. Often they end up working for the employer with whom they spent their workplace host experience. We haven't gone as far yet as having a contract, but in essence we've achieved the same thing.

We try to involve employers as workplace hosts and engage them because they have a similar interest to us. They have an interest in filling a labour market need, and they have a role to play. I mean, learning in a classroom is one thing, but as you know, learning on the job is equally important, and they need to provide that. We're working closely with employers to do that.

The Chair: Thank you, Mr. Stewart.

We are running out of time quite quickly, and we have another item on the agenda. Mr. Currie, it is a tradition of this committee that when we run out of time and we still have members with questions, they read them into the record, and the department responds through the clerk with a written response to all members.

So if we could start, please, with Mr. Eggen if you have questions that you'd like to get into the record.

Mr. Eggen: Sure. I'll be very brief. First of all, I would certainly like to second the idea that the WCB should have representation here. My question is to them, in fact, and if you could pass it on. I'm wondering if the WCB has in fact terminated their policy to pay bonuses to their agents who have reduced their caseload of individuals seeking compensation. That's it.

The Chair: That's it? Thank you.

Ivan Strang, followed by Harry Chase, please.

Mr. Strang: Thanks, Mr. Chairman. Mr. Currie, I guess just a couple of quick ones. If you'd turn to your business plan, page 243, what I'm looking for is how you work interdepartmentally to assess if you can move them forward into the apprenticeship scenario and work with them. I know we've worked with some of them in my region, and it's working well. I'm just wondering what kind of results you're having with that.

My supplementary is on the bursary program with NADC. I see where you have an aspect where, you know, they go back north to work. I'm just wondering: how far back do you track that to make sure that, you know, we're keeping the people in the north that have worked under these programs? I think it's important. We're always short in the north, and people seem to come south a lot. I'm just wondering if you can give me some out-years from 2005-06.

Thank you.

The Chair: Thank you.

Mr. Chase, followed by Mr. Dunford, please.

Mr. Chase: Thank you very much. The theme is temporary foreign workers. I'm referencing page 101 of the HRE annual report, entitled Future Challenges. My first question: how many complaints did the department receive about temporary foreign workers' rights violations in 2005-2006?

My second question: in 2005-2006 what protections did your ministry provide temporary foreign workers against employers who tried to take additional but unnecessary deductions from their pay, forced overtime, or other foreign worker abuses in general?

Thank you.

The Chair: Thank you.

Mr. Dunford, and we'll conclude with Mr. Cardinal.

Mr. Dunford: As a minister in 2004-2005 I believe I can say this. In the Executive Council we were shocked when we investigated in terms of providing needs to low-income Albertans that there were 13 departments in the government of Alberta that were providing some kind of benefit but that in some cases these benefits were actually in conflict with each other. A person could actually find their benefit level actually going down as they were getting more benefits because of clawbacks and different criteria. I think that happened at the equivalent of around \$21,000 or \$23,000 a year of either direct cash benefit or in-kind benefit, and it took them almost up to \$30,000 a year in order to get back to that proper level.

From that came an acronym, and I don't want people around the table to get boogie-woogie on me because it was CIA. [interjection] See, I warned you. But that stands for cumulative impact assessment. I would like to know if that model was being used in '05-06 and, I guess, to the present day.

The Chair: Thank you.

Mr. Cardinal, if you could be brief, please.

Mr. Cardinal: Thank you. Very brief, Mr. Chairman. It's in relation, again, to the rationale for the expansion of the northern development boundaries to highway 16. I mentioned the bottleneck in the road network, and it's critical to document some of the road network. I'll start off with one. Smoky Lake north, 855; north of Gibbons, highways 28, 28a, 827, and 813; and also a bridge across the Athabasca River.

Thank you.

The Chair: Thank you.

I'm pleased that Mr. Ouellette's department is coming next week. Maybe we can get some roads built.

Thank you, Mr. Currie. On behalf of all committee members I would like to thank you and your staff and the delegation that's with you for your time and your attention this morning. We have other items to deal with on our agenda, so feel free to leave if you'd like. We wish you the very best.

Mr. Currie: Thank you very much.

The Chair: If we could now quickly move on to item 5, Other Business, on our agenda. The committee has an opportunity to receive briefings on questions or issues it feels would be relevant to all committee members in preparation for the meetings in September and October. Earlier we had a brief introduction from Philip Massolin, and we are pleased to have him work with the committee. I think it's a step in the right direction.

I would like now to ask Philip to address the committee on what research he has done already, what role he could possibly play to help us do our jobs. Please proceed.

Mr. Massolin: Okay. Thank you very much, Mr. Chair. I know we're running out of time, so I'll be brief. As was indicated, my name is Philip Massolin, and I was recently appointed by the LAO as research co-ordinator for a few committees, this particular committee as well as the policy field committees.

My role is to provide nonpartisan research in line with the main objective of the LAO and to provide research for this committee as a whole, not to single individual members. I guess we can talk about the specifics of that as I move along here.

10:00

I just wanted to give you a little bit of insight as to who I am, a little bit on my personal and professional background. I've been working with the LAO, with the Legislature Library, since 2004. I was hired as an editor, as an historian, actually, to work on *The Centennial* series, this project that was recently launched. In working with the library, I became well schooled in the intricacies of nonpartisan research. Before working for the LAO in the library I worked in Ottawa for the Treasury Board Secretariat as a policy analyst. My academic background is in history. I received a PhD in Canadian history in 1998 from the University of Alberta.

What services can we provide as a research unit? Well, this is sort of in process here, but based on some of the research that I've already done and looking at other jurisdictions that have research units, I can tell you the sorts of categories of research services that we can provide. First of all is background information, and I'll go through the list briefly here. We can provide discussion, information papers, more in-depth research-type papers. We can provide backgrounders, briefings. Another important category is cross-jurisdictional analyses. We can aid in specific research requests on legislation. Now, this doesn't necessarily apply to this committee particularly but in general.

We can also keep records of committee proceedings so that you don't have to look through *Hansard* for that sort of thing. In terms of witnesses and public hearings, before the hearings take place or the meetings, whatever you would like to call them, we can prepare questions that may or may not be asked by the committee members. We can assist in preparing an action plan or a strategy for those hearings. After the hearings have taken place, we can compile an analysis of evidence heard by the committee. We can also provide sort of a summary report of the hearing.

Specifically pertaining to this committee, Public Accounts, and based on my research of the situation in Ontario, what they do there, basically, is to prepare a summary of the Auditor General's report for the committee before the hearings take place or of ministry initiatives. Then they go on to brief the committee in camera on that in concert with the AG. They also in Ontario write the PAC report. They prepare it, draft it, including recommendations, and obviously work with committee members on that.

Now, I'll end here just with some specific suggestions as to how we can get the ball rolling, knowing that we have important meetings in September and October with the health authorities and the institutions of higher learning. If I could make a humble suggestion for committee members here to start thinking about the sorts of questions that they would like to ask. My role will be to try to help you along in that, to try to provide research support that may inform those questions or perhaps lead you in a different direction, focus the questions. That background information and research that I could provide could come in the form of providing, you know, background reports or briefings.

I could also along with my team sort of draft certain questions that you could perhaps use. Certainly, summaries of the reports that are submitted could be prepared as well in preparation for these meetings in September and October, and that can be circulated. We could have, you know, a briefing session in camera as well before the hearings take place. Afterwards, of course, a summary report of the meetings in September and October could also be prepared.

So that's, I hope, something for you to think about, to consider to go on. Are there any questions for me at this point?

The Chair: Yes. I would like to thank you, Philip. Now, you're going to be on the 8th floor, you're going to have an office up there?

Mr. Massolin: That's right. I do already have an office there. Maybe the committee clerk could speak on this, but I would think that the communication should happen through a single point of contact, and since Corinne has been doing that, that would probably be best.

The Chair: Okay.

Now, I would like to get some direction from the committee, please. Would you like to wait until our next meeting to possibly give Philip some direction? Or we could also have the opportunity over the summer of providing the committee clerk with questions that would be beneficial to all committee members, and the committee clerk could co-ordinate with Philip on this. Okay?

The deputy chair and I would like to suggest that the committee receive written briefings and materials from the entities at least two weeks before the September and October meetings and, further, that the committee meet informally in committee room B at 9 a.m. on September 11 and also on October 16 to discuss the briefing materials with the Auditor General and Philip before the meetings start. Is that agreeable?

Hon. Members: Agreed.

Mr. Chase: I'm just seeking confirmation that the proposed meeting with the Solicitor General's department on June 27 will not proceed if the Legislature finishes its business on the 14th?

The Chair: Correct.

Mr. Chase: Thank you.

Mr. Eggen: So, Philip, when are you sort of starting this new role, then? Or are you already in it?

Mr. Massolin: Yeah, I've already started it as of, you know, a few weeks ago. So just new in it, but I'm prepared to start in earnest in terms of providing research.

Mr. Eggen: Okay. That's great. Well, welcome. I look forward to working with you. Then we make our requests through Corinne, right?

The Chair: Right.

Mr. Prins: It's also my impression that you'll be here next week on Wednesday. Is that correct? And then if any of us have questions or some concerns at the very end of next week's meeting, we can bring them up again and maybe have some suggestions or maybe have questions answered.

Mr. Massolin: That's right. I'll be here next week.

Mr. Prins: Okay. Thank you.

Mr. Herard: One of the comments you made was that you're here to provide research for the committee as a whole and not individuals. What does that mean in terms of: do you take your directions from the committee? In other words, the committee ought to decide what it is that you're going to do research on, and then that's what you'll do, that's where you take your cue? Just how is that going to work?

Mr. Massolin: I'm not absolutely sure, to be honest with you, how's it's going to work in terms of the dynamics, but my understanding in terms of the principle is that it's not sort of a research service provided for individuals on the committee. In other words, the interests of the committee as a whole have to be served by the research request. Obviously, a lot of these ideas for research tasks will emanate from individuals. That's just the way it works. I'm not suggesting, you know, anything formal where a vetting process has to occur.

Mr. Herard: I guess that what I'm saying is: is the matter going to be brought to the committee, voted on, tah-dah, tah-dah, in order for you to begin, or are you going to be able to get started on something? I don't know.

Mr. Prins: Can I answer that? We had a little meeting yesterday, and my understanding is that if any individuals have questions, you can direct them to Philip through the clerk. The answers to those questions or the response to the investigation or research will be available to all members. So if you want an answer to a question that's specific to yourself or to the PC caucus or the Liberal caucus or the ND caucus, you would have to use your own researchers to research those kind of questions. But if you ask a question – you can

ask it individually or through the clerk – the answers to those questions will be given to all members of the committee. They'll be available for everybody.

Mr. Herard: I guess, then, I would have to ask you if that's your view of how this is to work because I think you were very specific by saying that you're here to serve the needs of the committee. So the committee makes the decisions, and then you go to work.

10:10

Mr. Massolin: Right. Well, I guess it's the committee's decision as to how that is carried out, and if the committee believes that this is the way to do it, then I have to accept it. My mandate is clear: to provide, you know, some nonpartisan support.

The Chair: Mr. Herard, if we could think about this. It's certainly at the direction and the will of the committee, the entire committee. Next week if the committee wants to give Philip some formal direction, preferably by motion, let's do it. We can start preparing

for our meetings in September and October. If the chair could have your patience on this – we are going into new territory – I would be very grateful. Okay?

Mr. Herard: Thank you.

The Chair: The next meeting, of course, is next Wednesday, June 13, with the Ministry of Infrastructure and Transportation.

If there's no other business, can I have a motion to adjourn, please?

Mr. Strang: So moved.

The Chair: Moved by Mr. Strang that the meeting be adjourned. All in favour? Opposed? None.

Thank you very much, and sorry that we're over time.

[The committee adjourned at 10:11 a.m.]