

Legislative Assembly of Alberta

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Subcommittee D

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3:03 p.m.

[Chairman: Mr. Clegg]

Committee of Supply: Subcommittee D Labour

THE CHAIRMAN: Hello. We're here in room 512, subcommittee D, and we're here to do estimates for the Department of Labour. I think we had some problems with names or something, but certainly we don't have a problem because we've got lots of extra mikes and extra seats too. We have pages in the room, so if any members want to send notes back and forth or around, it'll be exactly the same as we do in the House.

I think we're all set to go with the Department of Labour, so I will call on the Minister of Labour to make a few opening remarks.

MR. DAY: Mr. Chairman, first I'll seek guidance from the chair and from the committee. All rules, as I understand, do apply as if we were in regular Committee of Supply. Some members have asked about the rule on standing when they speak. I have no problem doing that, but some have asked if they also may sit when they actually speak. So I'll look for direction from the committee if they want to stay with the rule on standing, if you want to give some guidance there.

THE CHAIRMAN: What is the desire of the committee?

SOME HON. MEMBERS: Sitting.

THE CHAIRMAN: Sitting. Okay.

MR. HENRY: Another point of procedure, if I could, Mr. Chairman. I would just want to be very, very clear about the rules we're using here. Are we operating as if we were in the whole Committee of Supply, or are we operating like the other subcommittees we've had in the past? The other subcommittees have been more structured with a question and three supplementaries and rotating. Or do we have the 20-minute rule? Which set of rules are we following?

MR. DAY: The whole Committee of Supply.

THE CHAIRMAN: Yes, just like we would be in Committee of Supply in the House. We're operating exactly the same. I've asked the minister to open with a few remarks, and then I'll . . . [interjection] We don't want to do that in our subcommittee. I guess it would be, but it's my job to see that there isn't too much of that going on.

The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Chairman. For ease of recognition as people address questions to me, if we're not going to be standing, I'll look for people to raise a hand, first to be recognized by you, and then certainly entertain questions.

I'm tabling, first of all, six copies of the Alberta Labour Business Plan, supplementary information. That's '96-97 to '98-99.

I will be brief to allow maximum time for questions, Mr. Chairman. I'll make a few summary comments. If members would care to look, if they have their budget books in front of them, under program 1, departmental support services, you see there's an overall decrease there in terms of 1.3 percent. As we look at issues in regional management, again there's an overall decrease there representing about 18 percent. The decreases that are seen and noted on some occasions are related to certain

operations which are presently being delivered by delivery modules other than within the department, and that is noted and reflected upon in the estimates.

The whole question of performance measurements, if I could just make some quick comments. I don't want to take too much time on that. We do measure what kind of effect we're having in terms of delivery of services. There is quite a critical, I guess you would say, process that's put in place, that we subject ourselves to as a department delivering the service, and there are some key performance measures which are followed each year, catalogued and followed, so that as a delivery organization that has actually moved from a high concentration on delivery of services to facilitation and policy setting and auditing, we still are guided by key performance measures. Those would include person-days lost as a result of labour disputes, reductions in the workplace, lost-time days as a result of injury or death. In both those areas we see decreases, which is encouraging.

We also do a survey of all clients, or as many as possible who would respond to the survey, in terms of ascertaining client satisfaction, and it's a fairly brutally honest process. On a seven-point scale in '93-94 the responses back suggested a 6.2 satisfaction level. In '94-95 that had dropped to 5.9. It's the type of input that we're looking for in the areas that we have concerns. It allows our department officials to really zero in on specific areas that may be indicated to us where there's room for improvement. So guided by those performance measures and by the client surveys, it helps to, I believe, keep the department on a constant edge of customer satisfaction, realizing and trying to maximize efficiency with taxpayer dollars.

Overall, Mr. Chairman, I congratulate the people who work in our department for in many cases performing on task or above task, and as we have reduced expenditures significantly, they are in many cases doing so with less resources yet meeting the needs. So my congratulations definitely are extended to those individuals.

At this point, though I could talk at length and would like to, I would yield the floor to members who have questions, suggestions, and criticisms of this minister and/or the department.

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MS LEBOVICI: Thank you, Mr. Chairman. This is a new situation that we're dealing with even though it seems that we're supposedly in the same Committee of Supply that we have been accustomed to over the last couple of years. I think it's useful to reiterate that if we indeed wanted to break into subcommittees, there were a lot of suggestions that have been put forward in the past by the Liberal opposition in terms of how to do this differently and perhaps better. I don't want to assume as to what the motives of the hon. minister are. I'm sure they're nothing short of honourable and that in fact he is looking at a way to make the Committee of Supply a much better functioning group perhaps than has been seen in the past.

If I can just reiterate some of what we would like to see in terms of that, if we truly want to be effective, we should look at all-party committees that start to meet in the summer prior to the budget being put together so we can review that budget. It's astounding to me that the Member for Medicine Hat says no, no, no. The fact of the matter is that that is part of your job description, and I think that is something that your constituents would want to feel comfortable with, that you really understand what is going on in each department.

DR. L. TAYLOR: Point of order, Mr. Chairman.

3:13

THE CHAIRMAN: Excuse me, Edmonton-Meadowlark, on a point of order. I should have mentioned this earlier. We've agreed as a subcommittee in fact sit when we speak. However, I think if somebody has a point of order – I hope to keep it down to not too many points of order. But if you have, I think if you just stand, then I will recognize that there is a point of order.

The hon. Member for Cypress-Medicine Hat.

DR. L. TAYLOR: Yes. Relevancy. It's my understanding that we're doing estimates here and questioning on estimates. What I hear is a political statement that is totally and completely irrational and out of place in this situation. So I'd ask you to ask the member to deal with the estimates, not go ahead with her political statements, that quite frankly we are not interested in hearing.

MS LEIBOVICI: If I may, I think this is extremely relevant to the whole process. In order for us to deal with the estimates, one of the things that needs to be looked at is the process, and I can't see anything more relevant when you're talking about estimates than talking about the process by which those estimates are looked at.

MRS. HEWES: Or arrived at.

MS LEIBOVICI: Or arrived at. Thank you.

THE CHAIRMAN: On the point of order, the hon. Member for Medicine Hat certainly has a point of order. There is room obviously in the Committee of Supply or in the Legislative Assembly itself to bring these things up. There's time for that. But the comments you've made, Edmonton-Meadowlark, are not relevant to this subcommittee on the estimates of the Minister of Labour.

DR. L. TAYLOR: Thank you, Mr. Chairman.

MR. HENRY: Point of order, Mr. Chairman.

MR. HENRY: With respect to the reasons for your ruling, I'm wondering if the chair would allow either comments or suggestions specific to the estimates that we're debating. It would seem to me that I can understand why there would be some reluctance to open up the whole discussion in terms of what's the total process that we've entered into, but certainly the process of developing these particular estimates is relevant to the discussion here, given that we are discussing the estimates. Would that not be acceptable?

THE CHAIRMAN: No, I don't think it would be acceptable. We are not here to discuss any method or why we're here. We are here because in the House itself it was certainly determined that this is the way these subcommittees be set up. Certainly, Edmonton-Meadowlark, I did allow you to continue on with some opening remarks, but we will not continue that way.

MRS. HEWES: On the point of order, Mr. Chairman.

THE CHAIRMAN: I'm sorry. We're not going to waste all afternoon on points of order. I've ruled on the points of order from Cypress-Medicine Hat and Edmonton-Centre. Unless it's a totally different point of order, there won't be one.

MRS. HEWES: Mr. Chairman, I don't have the citation. I don't have my little books in front of me. I understood at the outset that you or the minister said that the operation in this room was to be the same virtually as in Committee of Supply as though we were in the Chamber, and I agree with that. Now, when we are in Committee of Supply in the Chamber, there is certainly considerable tolerance for pointing to the context in which the numbers were arrived at and how they were arrived at. That happens over and over, and we all do it. Now, if we are observing the same technique and the same methodology and the same processes, then I think we have to allow for the same kind of commentary to set the context as to how these numbers (a) are arrived at and (b) are critiqued by opposition members, with respect, sir.

MR. DAY: Only to confuse the issue more, Mr. Chairman, if it's any assistance to the members with their concern, I've already been in discussions with the Member for Fort McMurray and others on some suggestions in terms of estimates which include some of the things already mentioned by the Member for Edmonton-Meadowlark. So if that helps the level of discussion, I've given him a commitment that there are some ideas that have already been presented by the Liberals that might bear fruit to consider, if that takes any pressure off for today.

THE CHAIRMAN: Thank you, hon. minister and members, but we aren't going to sit here all day and argue about this process. As you all know, I've been in the chair in committee in the House very often, and I like to be very lenient, but we are not going to sit here and every one of us have a point of order. I let the hon. Member for Edmonton-Meadowlark go on for a short time, and I was about to call her on it when the point of order first came up. Let's get on with the estimates. I'm sure people have good comments and have good questions, and I think we're wasting our time here.

The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, hon. chairman. I would never want to appear obstructionist, and I'm really pleased to hear that the Minister of Labour is engaged in discussions with our members to look at things like meeting in the summertime with regards to the budget and that these committees would have the power to call deputy ministers. I think those are very important points that need to be looked at in terms of setting up these committees if we are indeed to break into subcommittees on an ongoing basis.

In terms of my preliminary comments with regards to the Department of Labour I would like to first thank the minister for including me in some of the preliminary discussions that are starting on some items in occupational health and safety in particular and in the health care sector with regards to some changes that have been proposed by AUMA. I appreciate the advance warning, if you want to call it that, of some issues that are coming to the foreground as well as an indication of what the minister is planning to do with regards to those issues. There are, however, some concerns that I have with regards to the Department of Labour and the Department of Labour budget specifically, and perhaps I can just give a brief overview of those before we get into some of the specifics.

One of those issues is the right-to-work issue, on which the Department of Labour had engaged in a study. In fact, what has occurred is that the Economic Development Authority, which was the body that engaged in that study on behalf of the Department of Labour, came to the conclusion that right to work was not something that was economically required for the province of

Alberta to be involved in. I had sent a letter over to the Minister of Labour a while ago indicating that now that we have that, would the minister on behalf of the government of Alberta indicate that this is no longer an issue? I think that is something that would put a lot of the unions at ease, if they knew that this was not going to be an issue that's recurring and that it is not on the government agenda to institute right to work in this province. The reason I'm bringing it up with regards to the budget is that we expended – and I don't think the figure is actually in the budget – I think somewhere around \$40,000 or \$50,000 to review right-to-work legislation. I think that was a wasteful expenditure of taxpayer funds, and if the government were to say that this is not something they would endorse, then perhaps their backbenchers would not continue to bring forward that particular motion.

In the role of the Department of Labour – and actually this is another complimentary statement that I'd like to make. With regards to the laundry workers' strike in Calgary my understanding is that particularly the issues management group had quite a hand in bringing reconciliation, if we want to call it that, of the various sides, and again I would like to applaud the efforts of the individuals in that particular area. What concerns me, however, is that I see the expenditures in that area appearing to diminish, yet in one area there's an increase – if the minister can address that – and that's with regards to I think the ADM's department, where there's an \$88,000 increase in that area.

The other concern. I realize this is because of the privatization of mediation services, but in actual fact there's a reduction of \$55,000 in that particular area. My question is with regards to issues management. I wonder if the cost benefit of reducing in that area is worth the long-range pain if there are not enough services to provide the kind of service that we saw when we looked at what happened with the laundry workers.

3:23

There are also increasing concerns that I have, and I've heard about the deregulation and privatization within occupational health and safety. Now, I'm sure the minister is going to tell me: no, there is no deregulation, and there are no problems within occupational safety. But when I look at instances such as Northgate, when I look at instances such as the one that I brought up in question period this afternoon, there appears to be a lessening of the ability of occupational health and safety inspectors – and I think that's probably because there are less numbers of occupational health and safety inspectors to actually go into sites to do the inspections that are required, to be there as required, and to then enforce.

The reliance on the government for compliance is an admirable one, but it unfortunately does not always work. When we look at what some of the suggestions are with the Human Rights Commission, for instance, that say that if you bring in a complaint and it's a vexatious complaint, then you should be fined, I wonder why that same thinking isn't extended. If there is an occurrence with an occupational health and safety infraction, why isn't the employer fined? The thinking is not logical to do one without the other. So I would like to have some response from the minister in terms of the overall compliance issue as well as the reductions that are occurring in occupational health and safety.

There are a number of issues that are on page 269 of Agenda '96, I believe is what the document's called, and these are the emerging and emerged issues that the department handled in '94 and '95. I have some questions around those. I notice that some of the issues that came up were actually private members' Bills, if my memory serves me correctly, such as the impact of the Family Day Amendment Act. Amendments to the Regional

Health Authorities Act I believe was one. No, not that one; sorry. The employment relations amendment Act I believe was one, and the Teaching Profession Amendment Act was one. What I'd like to know is: what is the role of the department with regards to private members' Bills that are put forward by backbenchers?

The other question that I have is in terms of an emerging issue. It may be somewhere else in the document, and I'm sure the minister will put me right if I'm wrong. Where's the review for the minimum wage? I thought it was something that was ongoing, and I don't see that as an emerging issue. We know that Alberta is, I believe, either second or third from last, if not lower than that at this point, in terms of the minimum wage, and I would think that there would be some kind of ongoing review to make sure that, I believe it was the Member for Lethbridge-West who indicated today, people have the ability to earn a living. If the minimum wage is so low that you don't have that ability, then it's hard perhaps to get motivated.

The other issue that seemed a bit out of place here was the impact of charter schools. I'm not sure what the Department of Labour would have to do with the impact of charter schools, and that's one of the 18 emerging issues that were handled in '94 and '95.

I notice that there's an item here called amendments to the Regional Health Authorities Act. Perhaps the minister could confirm that that actually is the amendments that would deal with the question right now as to whether the unions' bargaining is to be conducted under PSERA or under the LRC and if those are forthcoming, in which case they probably should be in '95-96 as opposed to '94-95.

Another question that I have in terms of emerging issues that are identified is I don't see any emerging issue here in terms of women and work, women in the workplace, or the issue of safety in the workplace. The minister and I have had some correspondence with regards to that, and I would like to see some forward thinking on that, and perhaps we will see that in next year's budget.

In objective 10 on page 11 of the '95-96 business plan for Labour – and I'm not sure if that's the same as this one that was just handed out here, but the one that we had – the minister had indicated that by setting up the DAOs, there would be a one-window service provided. One of the issues that I'm starting to hear is that there is no one-window service. There are many services out there, and it's sometimes difficult for individuals to know who do they go to to make a complaint, who do they go to to ensure that the agency that they're dealing with is in fact accredited, and who do they go to perform their services.

Another issue that has been brought to my attention is that there seems to be an unlevel playing field between the authorized contractor and the accredited agencies and that in fact the authorized contractor is at a distinct disadvantage with regards to being in business versus the accredited agencies and that there's a significant cost difference for both of those areas.

I noticed again – and I'm sort of jumping back and forth – on page 269 of Agenda '96, when we talk about the “reduction in the number of repeat offenders under employment standards legislation,” it indicates that the '94-95 result was not available. I'd like to know, if the minister can explain, why that's not available.

Page 268: “Reduction in workplace lost time days as a result of injuries or deaths.” I'd like for the minister to please explain, even though he is no longer I guess directly responsible for WCB, how we can be assured that those figures are accurate, given that the reporting procedures for WCB are changing. Accidents are not necessarily reported unless they are considered to be severe

accidents is my understanding of the change that is going to occur or that they are not going to be accidents that are under a day off or what have you. So how are we going to be assured that these figures are in fact accurate?

The number of lost days as a result of labour disputes and work stoppages: to have a benchmark figure is laudable. However, given the tensions that I'm starting to see within both the public and private sectors over the next year, particularly with the fact that there are wage negotiations that are forthcoming next year, I'm wondering what kinds of proactive measures the minister's department – and I would assume it would be issues management – would be engaged in in order to ensure that there is a minimal impact in terms of work stoppages.

Employment standards is an area of increasing concern as well. It's interesting to note that the minister in his opening statements indicated that the satisfaction level for employment standards has decreased, a minimal decrease, granted. However, it has decreased. I'm wondering whether the minister has done any studies to find out whether or not that decrease is as a result of the privatization, is as a result of the decreased staffing, and is as a result perhaps of the lack of enforcement and the long time periods that individuals are having to wait for their cases to be heard.

There are a number of other issues that are of particular concern as a result of the establishment of the DAOs with the Safety Codes Act. There are elevators; there's just about every area imaginable. We have talked at length about what those changes have the potential of occurring. Has the department engaged in any kind of cost savings to the taxpayer? According to the figures that we have, it appears that the cost saving to the taxpayer is less than \$7,000 per FTE.

3:33

Again, has there been any cost savings analysis done with respect to the job reduction in staff levels within the Department of Labour and the increased accelerated reduction of FTEs in this budget? It's a further 25 FTEs than was previously planned, and have you done the cost benefit with regards to how that savings juxtaposes vis-à-vis the benefits that accrue to the taxpayer?

It would appear also that the department's revenue level has been reduced in this particular budget. Perhaps the minister would be willing to address that as well.

We still note, as I have in the last two budgets, that there seems to be a continuing increase in terms of administrative costs. On page 17 of the '95-96 business plan it appears that there have been increases in funding to finance and administration. Again, we see an increase of \$220,000 in information services as well. I understood a couple of years ago that this was due to having to change computers, something along those lines, yet I wonder why two years later we still have increases in the information services area.

I think with those comments I will close my remarks and allow for someone else to jump in at this point. Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Chairman. I've got a few brief questions that I would like to pose to the minister prior to my leaving and going to the other subcommittee so I can also articulate some questions regarding Municipal Affairs. But I do want to put on the record that if I'm not able to get on the speaking list for Municipal Affairs, I will reserve the right in Committee of the Whole to raise my questions at that point, if that's acceptable.

A couple of questions. If I can focus on the Workers' Compensation Board, hats off to the staff of the Workers' Compensation Board for the work and the changes that have been done in the last few years. I can attest that my office has received less and less complaints about how individuals are treated at the Workers' Compensation Board, especially with the appeals procedure. While I may not always agree with the outcome, I think the procedure itself and the staff have tightened things up considerably, and I'm pleased with that.

I note that in I believe it's Agenda '96 I came across the potential for privatization or examining privatization of the WCB. We'll deal with that when the time comes, but I have a couple of questions with regard to that. I know that the rehabilitation branch – I'm not sure if I'm using the right terminology – the rehabilitation department or section of the WCB, was accredited about three or four years ago by I believe it's CARF, the Canadian association of rehabilitation facilities. I believe that was a large part of addressing some of the liability questions in terms of bringing them up to standards, administrative standards as well as program standards, and they work very hard to continue that.

I'd like to know if there's a commitment from the ministry that one of the parameters governing any discussion about privatization or about restructuring of any sort of the WCB is the maintenance of accreditation. Once we start letting things either be privatized or otherwise restructured, the danger always is that the quality of the service will drop – I'm talking in a generic sense – and the one way we have to ensure that quality will be there now that we've achieved some quality, I believe, with the WCB is to ensure that we maintain that relationship with the outside, independent accrediting agencies and that we have a standard that we continue to meet as we restructure. So I'd like assurances from the minister that that will be one of the parameters or guidelines – i.e., that we have maintenance of accreditation – in any discussions about restructuring the WCB.

In terms of some of the issues raised in the performance measures, I'm interested in the number of emerging issues identified and addressed, one of them being the impact of charter schools. I have two issues there. What was specifically the role of the Department of Labour with regard to examining the impact of charter schools? Of course one of the differences with charter schools as compared to other schools in the province is that the teaching staff do not have to be members of the Alberta Teachers' Association. That was one of the givens in the regulations. My question to the minister. Given that we do have monitoring of what's going on in those schools through the local board, the charter school board, as well as through the parents and of course the minister and given that the teachers who teach in charter schools are not required to be members of any professional association, what recourse, besides the minister, does somebody outside in the community have, a taxpayer who perhaps might appeal to the charter school board and not feel that their concerns have been addressed in terms of professional issues, given that the professional body and the code of ethics are no longer enforceable on that particular teacher?

If we're not going to have those members having to abide by the code of ethics of the profession and have that monitored and enforceable, what role did your department and the Professions and Occupations Bureau have in ensuring that other mechanisms, besides the ones that I've already listed, are there?

One of the emerging issues identified and addressed by the ministry was education restructuring. We know that some of that of course would be the amalgamation and regionalization of school boards and the development of new collective agreements, et cetera. Specifically, I'd like the minister to table any reports,

formal or informal, that he's received from his department with regard to changes that have happened in education over the last three years and the impact of those changes on workload and on stress levels with regard to teaching. We know, of course, the media have reported recently that there have been increases in long-term disability claims among teachers, and I'd like to know if you're monitoring the issue, if you're identifying and addressing it. I would like to know specifically what you've done about that particular issue.

As well, I'd like to know what the ministry has done in conjunction with Alberta Health and with the professions in looking at what sorts of health services teachers are using, because they're all insured by the teachers' specific plan. Have there been any trends in terms of increased use of health care services or products over the last three years since we've had all the changes in education, not only the restructuring that I've identified with regard to amalgamation of school boards but also the reduction in funding of about a quarter of a billion dollars, which local professional associations in my consultations with them have indicated has placed increasing stress load on teachers and that there have been adverse health effects as well?

3:43

I note – and I'm going to bounce back here – that some of the issues that are monitored or performance measures that are looked at are “person days lost as a result of labour disputes and work stoppages” as well as “reduction in workplace lost time days as a result of injuries or deaths.” I'm wondering why the department has not established as performance measures the number of individuals on short-term and long-term disability as a result of workplace-related issues as well as the number of sick days used. We know that a person's work environment, both physical and psychological, can have a positive or negative effect on the number of sick days he uses. It seems to me that if we have a Department of Labour, we should not only look at organized labour in terms of work stoppages and whatnot but at how many days we are losing because of adverse changes, I believe, in the workplace, again both the kind that were raised by my colleague from Edmonton-Meadowlark in today's question period as well as the ones identified by the teaching profession. Specifically and as well, more than one health care professional has indicated to me that they have concerns about individuals' stress on the job and the effect of uncertainty and the effect of lack of clarity of roles and how that impacts on the individual. So I'd like that information and to have the minister table it.

The next issue I'd like to address – and I do want to acknowledge here that I'm bouncing around a bit. If the minister doesn't have all the information today, I would understand him perhaps wanting to provide it at a later date, but I would appreciate that happening before we get into the full committee in terms of the review so that I can vote on it with a good conscience. One of the issues that has been monitored is the increased international co-operation between the U.S., Mexico, and Canada on occupational health and safety issues in the petrochemical industry.

When we had the NAFTA deal being discussed in our country and of course in the U.S. and Mexico, one of the things that I looked at was research in other jurisdictions. Of course, the concern expressed was that occupational health and safety standards in Mexico are lower than Canada's and that if we have free trade, we'll have a lowering. That was one of the concerns. I see the Minister of Energy responding. However, I know that there was some evidence in the European Economic Community, specifically with Portugal, that what happened as a result of Portugal coming in as part of the European Economic Community

was that occupational health and safety standards in places like Germany and France did not drop. In fact, Portugal's came up. For that reason, frankly, I was one of the people to support the NAFTA deal, because I thought it was good for our province.

If the department, as you state in your business plan, is involved in co-operation on OH and S standards with regard to the petrochemical industry, I'd like to know specifically what sort of objective information we have that either our standards have dropped or that we have had the same experience they had in the European community, that Mexico's standards have actually come up closer to our standards? If you're monitoring that, what did you find out? Let us know. I'd like to have some information about that.

As well, with regard to the transfer of educational responsibilities from communications – I'm talking about Access here and the privatization of Access – I know that the Department of Education has agreed to buy a certain number of hours of the privatized provider's time for its purposes. I'm wondering if that's on an ad hoc basis or if when it was privatized, it was a part of the deal that it would continue.

I have several other questions, Mr. Chairman, but I think what I would like to do at this point is let some other people enter into debate. Perhaps if the minister can respond with some of that information now or later, then I can re-enter.

Thank you.

THE CHAIRMAN: The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Chairman. I'll respond really as briefly as I can to as many points as I can, and that'll increase the possibility, then, that I can give responses back on the unaddressed areas before we go into that reporting back process so that members can have them. Then they can let me know if they're satisfied with the response or not. So I'll try and go quickly, and I'll maybe go in reverse order, addressing the comments just made and then back to some of Edmonton-Meadowlark's issues.

I appreciate the observation about the WCB and about less complaints. That is something that I'm hearing across the board from MLA offices, and yes, full credit to the staff at WCB. There's been a real emphasis in terms of professional dealing with clients, recognizing that whether the client in a particular case may be right or wrong, they are people who are experiencing hardship, probably pain, loss of work, and the greatest degree of patience and professionalism has to be shown. I also would concur with the observation that the Appeals Commission appears to be increasingly consistent in their rulings. So I appreciate that observation.

On the potential for privatization, there are no plans, and there's nothing in a draft stage at all in terms of privatization of WCB as an entity. As the member is probably aware, WCB does go to the private sector for delivery of certain services; it might be rehabilitation or other areas. I know the question of privatization comes up, especially over the last couple of years now that this is actually an operation with a surplus. I can be totally frank with members here and indicate that there have been questions coming from large organizations who have shown interest now that there's a surplus there; i.e., that means a possible profit to some.

At the risk of sounding like we're couching the answer, there are no plans to privatize the entity. It does not have a for sale sign on it. When somebody comes, be it someone from the labour community, the private-sector community, or the public at large, either an individual or a group, and says, “Could you look at this idea on how to make this operation work better?” then, as

I've consistently said in the past, we need to be open. But we're not kicking the door open and saying: WCB is for sale; give us the offer. So that's the context there.

The member talked about accreditation. I don't want to say that as we look to privatization, we'll maintain accreditation. I will say, however, that accreditation – forget any privatization issue – is something that WCB and myself as the minister responsible strongly endorse. There is an increased focus on that on both sides, not just in service delivery. Some of the injured workers' advocates, who, as you know, can offer their services for sale, have even approached from the point of view of professions and occupations and said that there should even be a designation for those people. There are some very good injured workers' advocates out there, and there are some by which questions have been raised.

As far as recourse of the taxpayer to a school board related to the charter schools, I'll have to get back on that. But to answer the question – and also it was raised by Edmonton-Meadowlark – on issues management, we do stay proactive on potential labour issues. When the whole charter school issue came up for discussion, we did receive questions in terms of, okay, what is the impact? What about collective bargaining, these types of things? So my resource people in issues management are not advocates; they are resource people. The time taken to do the research and then say, "From our perspective here are the sensitivities that have to be dealt with and approached," would also apply. For instance, Edmonton-Meadowlark raised a question related to private members' Bills. The same type of thing as private members' Bills. We will often get requests for what the legal implications are of a certain Bill. What are other Acts that would have to be consolidated? So again the issues management people would not be advocates for a particular piece of legislation but are there to do the research and say: from a legal perspective, from a collective bargaining perspective, from a Labour Relations Board perspective, here are the issues that would have to be dealt with.

3:53

Why no measurement on sick days used? I take that as a good suggestion. It is pertinent, especially if there's sickness related to stress. I will take that back to our officials and see if that's something that, you know, given confidentiality about health, et cetera – I think that's something worthy of looking at. We haven't done that, so I'll take that as advice. If we can't do it, I will offer to the member what I would see to be legitimate reasons why it can't be done and look for a response. But I take it as a good idea and say, "Why don't we do this?" because it's an important measurement.

Again, I'm a supporter of free trade for economic reasons, but I've also endorsed it publicly because of the effect it has on the developing country, or nation. Because of protest back home if your products are being made in substandard conditions, even international companies find that they can be hurt by that type of revelation. I don't have the information related to Portugal. I'd like to see that, if the member has it. That could give us some ideas in terms of how to better monitor. I will make the commitment that I will not travel to Portugal to investigate that, but that will be helpful information, and we'll look at that.

MRS. BLACK: I'll go.

MR. HENRY: We've got volunteers to go to Portugal here.

MR. DAY: I never cease to be amazed by the degree to which

people are willing to sacrifice and do things like that, so we'll look at those travel arrangements.

We do have some indications of the impact of NAFTA on standards in Mexico, and I'll forward what we have. It's not always easy to monitor, but what we have I'll forward.

The occupation health and safety issues raised by both of the previous speakers. Yes, there have been reductions in expenditures, a reduction of about \$1,125,000, so that is significant. I want to point out that most of those reductions are in head office. For instance, just the elimination alone of the OHS grant program is \$500,000. The privatization of the OHS lab, which has gone successfully, is \$240,000. Then the ADM's office – and there was a question. There was both an increase and decrease. I'll address the decrease right now. There was actually an elimination of one ADM's office, so another reduction of \$115,000. Sensing the concern from both speakers, I can tell you that the OHS resources that are contained in the field offices have not had a significant reduction, and it's our intent not to do that. There's presently a commitment to those offices of \$9.9 million, 134 FTEs. We see that the OHS officers in the field are absolutely critical to our knowledge of what's happening in the workplace and facilitation and all of that. So that hit, that reduction, is administration, is head office, and I am not looking to significant reductions in the field.

Those are the issues. Some of the questions I can respond to directly and get back.

Then moving just quickly to Edmonton-Meadowlark, some of these have touched on both at once. The Member for Edmonton-Meadowlark is correct that time spent related to amendments to the regional health amendment Act is to deal with the administrative difficulties that have arisen with identification between the Public Service Employee Relations Act and the LRB. It is the intention to address that, and that's at the request of both the RHAs, as the member is aware, and also the employee representatives. So that's being addressed.

It's interesting, the Member for Edmonton-Meadowlark saying that there's a distinct disadvantage between authorized contractors and accredited agencies and in fact saying that the authorized contractor may be at a disadvantage. In fact, I've heard more from accredited agencies saying they feel they're at a disadvantage because of the fact that an authorized contractor has the ability to take out that overriding permit and then go to individual customers and say, "I've already paid the shot for my permit." That allows the authorized contractor to charge a substantially lesser amount for the permitting work. As a matter of fact, they can include it right in their operations. So any more information you can get to me on that I'd like to look at. But it's the accredited agencies I'm hearing from more than the authorized contractor on that.

The repeat offender numbers not being available: I will do everything I can to get those. The Member for Edmonton-Meadowlark will remember when I brought in changes in the legislation and said at that point, in the last session, that these changes recognize the fact that most employers do follow employment standards, but there are some habitual offenders. I'll get the numbers. Overall on the percentage it's encouraging to see that, as we thought – and I think the member agreed at the time that this type of legislation would bring the bad actors into line. It has appeared to do that, with a reduction coming from repeat offenders of some 50 percent, but I will try and get the actual numbers.

I'll look for suggestions in terms of accuracy of accidents. All accidents are required to be reported, whether they actually result in a lost-time injury or not. I want to make that clear. I will look

for suggestions on how we can get messages out to the workforce in general. If they feel accidents are not being reported, and still trying to maintain a good spirit of co-operation at the workplace, what do we do to deal with situations where accidents are not being reported? Even if it doesn't result in a lost-time injury, it still should be reported so that areas of risk can be identified.

The Member for Edmonton-Meadowlark, too, addressed the area of being proactive. That is the overriding mandate of the issues management people, to be out there in front of these issues. Whether it's wage reductions or whatever, they are out there. I'll pass on the recognition of the job that was done in Calgary in that particular situation. A model that was set there was actually applied in Edmonton and in Lethbridge when there was disruption there.

There was also a question on the finance and administration budget for '96-97, I believe. An increase there. There are a couple of factors related to that increase. There were decreases of \$115,950 and five FTEs from the '95-96 estimate. That was offset by expenditures that amounted to \$314,000. As members may be aware, there were a number of transfers that took place of responsibilities from Public Works, Supply and Services to departments. So that increase of \$314,000 was associated, then, with the department assuming costs related to telephone, communications, repairs, maintenance costs, and that type of thing. Also, the transfer wasn't adjusted for comparability, as they often are. There's some skewing of numbers there, but in fact the member is correct. There was an increase, and that accounts for the main part of the increase.

I'll just close with remarks related to right to work. It is not on our agenda as an issue, but I can't guarantee to the member – because other people raise it as an issue. I can tell you from radio ads which were ongoing in my own constituency that it was being raised as an issue. But our position has been clear and consistent: this is not on our agenda to do. Of course, we've heard from the labour community saying they don't want that, but it's significant what we've heard from the business community. I have letters from the Alberta chamber, letters from the Edmonton chamber and the Calgary chamber saying, "Leave it alone." Not saying that they don't think philosophically it's a good idea; they're just saying: "The way things are going is not too badly. Leave it alone."

So as I've said to those people who've asked me about this, regardless of how I might feel philosophically, we do not have a mandate to do that. If we had said to the electorate before the last election, as we did with many areas of change that we were talking about – we said that we were going to cut this, were going to do that. But we did not go to the electorate – that's a very major issue, and in fairness we would have to make our intentions clear there. We did not do that. We have no mandate to do it. That has been our consistent position, though there is a difference of opinion around a variety of tables on that.

I'll look to the remarks that I didn't address and try to get those to members before there's a reporting back on this.

4:03

THE CHAIRMAN: Thank you, hon. minister.

The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman. To the minister. Just in reviewing the budget along with the business plans, I'm constantly struck by the rapid mobility towards privatization and commercialization of services heretofore performed by the department. With my continuing anxiety about whether or not we have sufficient forces in place to monitor the effects related

certainly to public safety, employee satisfaction, and so on – and it reoccurs in a number of places through the reports. In your business plan, Mr. Minister, on page 300 under major strategies, it tells me – of course, this is not news, this is old, but the budget is set within this – that

privatization, where appropriate, of certain services and functions . . . will create viable business opportunities for current staff to pursue.

Now, that's one of your major strategies.

Examples of this are mediation services, employment standards and Occupational Health and Safety Laboratory.

So not only am I concerned about the monitoring of that transition of those services – I'm not saying that it's not a reasonable idea to privatize some of these services. But how are we in fact monitoring and measuring? Are we saying to current staff, "Go forth and set up a business, and I'll give you the contract"? Surely not. Are we saying: "Here's what we're going to do. You're going to be terminated. Your position will be over, so if you want to, you can bid on a tender to enter into a contract with the government to do it"? Or what is it? That's a bit of a puzzling statement to me, Mr. Minister, and I think we need an answer to it.

On the next page are some of the ones that are being privatized. Now, I've expressed concern in the House about boilers and pressure vessels delegated to a DAO. Can you give me some idea about how that has worked, whether there's been any increase in accidents in that specific one? When I read the numbers, I can't pick out if we have had any problems as a result of that particular privatization.

The occupational health and safety lab being privatized. I've expressed concern right along about the public health lab, the proliferation of private labs and the public health lab. I believe, Mr. Minister, that there's always a responsible public function for there to be a public responsibility within lab testing. I have wondered about your rationale for privatizing this particular piece of business. I am concerned once again that this leaves an opening for difficulties that could accrue in the future.

Mr. Minister, on the next page, on 302 – and it's in the business plan as well – there's: "Number of Workplace Changes Introduced which Support Economic Development," and some measurements here. I don't understand these. There were six; there were two; there were seven; there were seven. And our target is three to six. What is this?

This measure provides information on the number of activities in which the department is engaged that complement and support directions being undertaken by the government to promote the "Alberta Advantage."

Well, for the life of me – I mean, that's a measurement that we use. It looks good. It looks as though it's going up. Is going up what it's supposed to do? I guess so. But what are they? When we're supporting the budget, Mr. Minister, I think we need to know what those are.

While I'm on that subject, last year the women's advisory council did a very definitive study on the disadvantages that are faced by women from the cuts that happened in Alberta. Certainly this affects in a very dramatic way women in the workplace, yet I don't see in your performance measurements and your emerging issues this issue addressed either last year or this year. I wonder why. I think they made an excellent case, Mr. Minister, for us to deal with it, and I commend their recommendations, some of which I think would be relatively simple to implement. So I'd like your comments on that.

Again on the same issue: the performance measurements for emerging issues. Health care severance. Can you tell me whether or not we've achieved consistency? You've already

spoken to the amendments to the Regional Health Authorities Act. I'm not really at all sure about whether we're going with that.

Another one that I would like your comments on, Mr. Minister, is the national social security reform. Perhaps you could explain what that is and how your department has identified and addressed that issue to advantage Albertans.

My colleague has spoken about charter schools.

The impact of Family Day. Are we intending from your department to bring forward more legislation or a motion to consider repealing that one?

Mr. Chairman, Mr. Minister, perhaps if you'd just walk me through page 270, the performance measures that are introduced to support economic development. All of these are puzzling to me. "Increased cooperation between employers and [employees'] unions on compensation reduction." That says that that's a result. How do I know? If I'm going to support this budget and this department, I need to have some confidence of what that means and what that is. I need to do more than just read it on the page, sir.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Minister of Environmental Protection.

MR. LUND: Thank you very much, Mr. Chairman. First of all, I want to congratulate the minister on what I believe is a very fine job. The changes that we have seen and one of the major ones, in Workers' Compensation, I think are quite remarkable. I want to take this opportunity as well to thank the staff of the Workers' Compensation Board because, as was mentioned earlier, the number of calls to my office certainly has decreased dramatically. It used to be that it seemed we would get a couple a week from very disgruntled workers. That isn't happening anymore, so things must have improved dramatically over there. To be able to do it and at the same time eliminate the unfunded liability is very remarkable.

4:13

I want to just make a few comments from a few items raised on page 301 of the 1996-97 government and lottery fund estimates. The first one: the occupational health and safety bullet talking about the \$9.97 million that will flow into that program and the 134 full-time equivalent positions. I remember when Shell built the large plant at Caroline. They achieved a very remarkable record on the number of hours worked without a time-lost accident. Actually, they won an award. One of the comments that one of their senior officials made was that while they were pleased to have attained that record, they also indicated that that was still substantially above the record that their same company was obtaining in some other jurisdictions, like Holland and some of the other areas that they worked in. We were in a partnership program with the oil industry and of course manufacturing and other industries. Where has that gone? What's going on in that whole field now with the partnershiping and the programs development to reduce the lost-time accidents? I think it's a very important area, and I'm very pleased to see that in fact you're maintaining this kind of support.

Moving on down to the comments in here about the Alberta Fire Training School and in fact increasing the budget there by \$330,000 and four full-time equivalents. That of course is an extremely important facility. The municipalities with their volunteer fire departments find it extremely useful. As a matter of fact, I think it's saving the province and society just horrendous amounts of money because of the excellent training that the

volunteer fire departments get from that facility. I wonder if you could tell me what kind of subsidy – or is there still a subsidy? – is going out to the people that use that facility. I'm thinking on the municipal side, where the volunteer fire fighters are taking training. How much training is being sold at that facility, and what kind of opportunity is it? I know that it has a reputation as being one of the top training schools in Canada. Certainly in my own department we have found that at the training school out at Hinton we in fact have developed programs relative to forest fire fighting that are salable all around the world, and we have people going there from all around the world. I wonder if you have pursued that option, to utilize that facility even more and possibly sell some of those programs to other countries and in that way reduce the amount of money that we would have to subsidize the school by.

Moving on down, the hon. Member for Edmonton-Gold Bar did touch on the boilers and pressure vessels delegated administrative organization. Around that whole issue of the safety codes I'm curious: how is the safety council being funded? Are they able to maintain themselves on the permits? Is the price of permits going up dramatically? I've heard some horror stories, particularly as it relates to the building codes. I have maintained and I still maintain that in the rural area, if somebody wants to build a house out of tar paper and bubble gum, they should be able to do it, and we should be out of it. That obviously is not what's happening. I do recognize that if there is a risk or danger to the neighbour or some problem like that, then of course, yes, you have to take that into account. But I for the life of me don't understand why, as in one story I heard just the other day, that in a rural municipality, if you're going to build a house out on the farm, it'll cost you \$3,000 just to get the building permit. That doesn't make a lot of sense.

On page 309 it shows a reduction of 105 full-time equivalents, yet in this other book, *A Better Way II: A Blueprint for Building Alberta's Future*, we find on page – well, it's page 16 of the Labour part of the book. We find a reduction of 83.8 full-time equivalents in 1996-97. I wonder which is accurate, if you could explain maybe why the confusion.

I think with those few comments, Mr. Chairman, I will leave it at that.

THE CHAIRMAN: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you very much, Mr. Chairman. I'll go through what I have. I've not been able to get everything down. The first one. I'll start out using your book on mission statements, although I notice there's a duplication over here on the other side that'll make it work out. One of the areas I'll start out with is the pursuit of development of delegated administrative organizations, and this hangs on a little bit to what the Member for Edmonton-Gold Bar already mentioned. I gather we have two in place now. I wonder: is there any use asking the questions? He takes them, does he, and answers them later? Or should I wait till he's looking, or what?

THE CHAIRMAN: Well, he can talk and listen at the same time.

MR. N. TAYLOR: Well, I just didn't know. Mind you, I think I would rather do what he's doing than what I'm doing anyhow. Nevertheless, I wanted to know whether he was listening or not or how we're going to handle this.

MR. DAY: I can assure the member that although he rarely gets my eye, he always has my ear.

MR. N. TAYLOR: I was just complimenting your judgment, really, but go ahead.

We have, I think, two DAOs, and I wanted to know how many you would tend to go with further this year. I couldn't quite get, through this here, just how we're doing that. While we're on these DAOs, it bothers me a bit, and I'm just wondering how you're going to answer it. I think it's one thing to have a DAO looking at plumbing and maybe wiring, but to put out to the private sector the judging on boilers and explosives, things that could cause a death in a school or anything else, seems to me to be taking a very, very big risk with a new idea, and I was just wondering how we cover ourselves. Is the government of Alberta still liable, for instance, if a boiler under a DAO has been approved in a school and it blows up and kills a number of children or injures them? How are we covered for damages? When you set it out, are the DAOs completely responsible for all the liability, or does it flow back to the government? Surely some of these are so large that I don't think anything's big enough . . .

MS LEIBOVICI: Nobody's liable; that's the problem.

MR. N. TAYLOR: I see.

. . . that an organization is big enough to be able to do that.

Now, the other area that I wanted to cover was our low minimum wage. People have a tendency to look at a low minimum wage as being a way of allowing people, industry, to hire cheap help, but it's a massive subsidy to industry, a low minimum wage, because what we're doing is paying welfare and topping up low . . . I can hear the minister of the environment shaking his head. [interjection] Nevertheless, I'm going on from that.

The lower minimum wage. Have you calculated what kind of a subsidy we pay in topping up minimum wages? In other words, how much payment do we give out of the other pocket of social services to people that are getting the minimum wage? In other words, nothing but a subsidy for industry. I think that's something that industry should pick up itself. We talk about not subsidizing the poor and not subsidizing farmers and so on, but I don't see any reason why we have to subsidize McDonald's fast food and other outlets here by having a low minimum wage which we then make up with welfare. I'd be interested in the economics on that.

4:23

Moving on here. This is a question. You're in the "final phase of privatization initiative for Mediation Services leaving only a small policy and audit function." I'm kind of a proponent of that, even though a couple of my kids are lawyers. I try to undercut their income occasionally. Have you looked at moving the mediation services to tie into the courts somehow or another? I'm not too sure the mediation services that you're talking about here couldn't be developed to a larger extent to be actually accessed by people instead of the courts to solve disputes, whether we could push that. It's just a thought.

"Transfer of educational responsibilities from Communications to appropriate industry organizations." Well, how do you get this to happen? Do you just quit doing the education and then hope like heck that industry comes in? Or do you go out and find industry that will do it if you move out of the field? Industry – and I've spent more life in industry than I have in politics – is notoriously tight. If you can get the government to do the communications or the education, you certainly do so, and one of the problems that may be in our minds is education. Society loves to sit there at the spicket of our universities and our secondary

schools and hire everybody that comes out and brag how many people and staff they got this year to sell stock and then, three years later from now, to can them all and brag about how much they've been able to cut back. So society is often stuck back and forth with what mistakes industry makes. I was just wondering how you are going about transferring the educational responsibility to industry, because from what I've seen, industry is not that easy to saddle and bridle and ride out the door.

Oh, yes, back to the DAO. You've not only mentioned boilers; you're also going to put them in charge of elevators, amusement rides, and passenger ropeways. There again some of the most dangerous things we have in our society seem to have been moving out first to the DAO. Something's wrong here. I just don't know what's going on, and I'd really again like to know what we're doing for liability, whether the people are going to do that themselves.

You mention WCB funding, and I'd have to go back here. I notice WCB funding is decreased because we're paying out less. Your constituency office and I'm sure many of the others around here get a lot of WCB complaints, and one of the most common complaints I get is that the victim or the complainant or whatever – what do you call it?

MRS. BURGNER: Client.

MR. N. TAYLOR: The client.

MRS. HEWES: Worker.

MR. N. TAYLOR: The client worker complains that his or her doctor is not recognized. In other words, when they go to try to appeal their case on that, all we're getting is the Workers' Compensation Board's medical doctor. Medical doctors haven't quite got as bad as politicians and lawyers in order to play whatever violin they have to play, but they can swing over quite a little when it comes to evaluating somebody who is paying for it. I'm just wondering: how much of your saving, what you're passing on to industry – thank God you're not putting it in their pocket – is due to a better accident rate and better treatment of workers? How much of it is just by telling them that they're wrong, that indeed their claim is not valid when it might have been valid a few years ago?

You have said that there are "a number of emerging issues identified and addressed." You've addressed the labour relations issues related to health care regionalization. Are we moving to a provincewide salary system for health care workers in the areas, or are you letting the unionization or the AUPE look after that? I was just wondering. Teachers have a fairly roughly standardized system of compensation around the province. Are the RHAs moving in that direction? Do you have anything to do with letting them organize? Are they automatically members of the AUPE when they come on? Can they be members of the AUPE if they are working for an RHA? I don't quite understand that.

Also, you mentioned that an emerging issue identified and addressed was the Teaching Profession Amendment Act. I'm just plain ignorant on that one. I just wonder if you could tell me what it is.

My worthy opponent the hon. Member for Rocky Mountain House brought up some rather interesting fire organization, and it's a very good point. I've had reason – because I'm looking at things that possibly the hon. minister's overlooked – to check out the various systems of fire fighting across Canada. I notice we pay the lowest wage, I think partly because they are native people and partly because they're not unionized. I think it's a bit of a

crime, because fire and forests are something that can be dangerous work, and it's of course necessary work.

British Columbia, for instance, has taken just a smaller number of people. We keep nearly 1,000, 1,200 on our list, maybe higher than that, 2,000, and we hope we can find them when a fire starts. B.C. has a small list of only about 300, but they get paid the year round, and their pay is about 50 percent more per hour than ours. They have them trained. I think the minister was correct in that we've got a great fire training school. We've done great at putting the school together, but maybe the Department of Labour could take on a little bit of initiative and try to see that these people who really can't bargain for themselves – they're scattered around our native reservations, through the north and so on, and are not organized. Maybe we could do a little bit more for them than we have been doing. Certainly they're paid much less than in British Columbia. I can hear the hon. member shaking his head again, but he can't refute the facts. They are paid less.

Now, we go on to the interprovincial labour mobility. Again, you appear to have met the foe, conquered him, and gone on. I'm just wondering: when you say interprovincial labour mobility, what has been your progress at getting trades organized? I won't even go so far as professions, because I know lawyers, engineers, and doctors still can't allow each other to move back and forth. They're the worst labour union of all. I'm just wondering: what have you done on the mobility of plumbers and electricians and maybe all the different levels of labour? You say that you have met the problem and conquered it, but my reading isn't that way. I'd be interested to know what you have done.

Moving on here, faster than I thought, Mr. Chairman. How many hours do I have?

THE CHAIRMAN: Plenty of time. Take your time.

MR. N. TAYLOR: Yeah. The Workers' Compensation Board budget on page 297 is just zero. I know it's around somewhere. It has to be lurking behind one of these pages. I'm just wondering where you've moved it. Where is it? That's my own fault, for not understanding the books that you're using.

4:33

MR. DAY: Page 307. Is that what you're looking for?

MR. N. TAYLOR: Page 297 has nothing but blanks.

MR. DAY: Page 307.

MR. N. TAYLOR: No. Page 297. [interjections] Yeah. Don't get me wrong. I know it's somewhere, but I just wondered where you've hidden it. Being a House leader opposite you when you were House leader, I know you have many pockets that you can conceal things in.

AN HON. MEMBER: This book.

MR. N. TAYLOR: It's in that one, is it? I'm sure it's around somewhere.

Page 303 of the same book. I just plain don't understand it: "Reduction in the Number of Repeat Offenders Against Employment Standards Legislation." It says 51 percent in '93-94; target, 56 percent. I just don't understand what that means. It sounds like a very bureaucratic system. I just don't really understand what it's reducing from, what it started out to be, or what.

That's all for now, Mr. Chairman. As a matter of fact, that

might be all of them.

THE CHAIRMAN: Thank you, hon. member.

The hon. Member for Peace River.

MR. FRIEDEL: Yes, Mr. Chairman. Am I allowed to continue here, or does the minister need time to wrap up?

MR. DAY: I want to allow maximum time for members, so go ahead.

THE CHAIRMAN: That was a good point. I think it's important that we do allow as many members in, and I know the minister's so co-operative that if he hasn't got time to answer the questions, he'll do it and he'll table them in the House. I just know he will, although I can't tell him to do that. But he will.

MR. FRIEDEL: It's good to know that the minister's so gracious, even if you had to be the one that told us this.

Last year there were significant changes made in the operation, specifically in the regulation under the Safety Codes Act. Because of the magnitude of the change that was undertaken, the minister had agreed at the time that there was going to be intensive monitoring and a review of these changes, that this review would be taken in 1996, and that it would include measuring the impacts and the effects that have resulted. Now, I'm wondering if the minister would be able to advise us what specific measures are being undertaken as part of this monitoring program and if there have been any areas of the program identified so far as requiring additional adjustments. Further, are there any areas of the province where the delegation of this administration of service has failed to attract any private-sector or municipal office to deliver the required inspection services?

Perhaps the minister could indicate how the working relationship is maintained in places where both the private accredited agencies and a municipality operate in a common area. Also, what is the level of auditing that is still required by the department to ensure that the program is working as it was intended? I'd also be interested in knowing if there are some general statistics that would indicate the level of participation. In other words, how many from the municipalities, from private corporations, and from accredited agencies are actually participating in this program to date?

Finally, is there any early data available as to the impact on actual standards by the change in the method of delivering the inspections? I realize this is a short time, not much more than eight months into the program, but are there any early results that we could hear about?

Then still on the same issue of privatization, if you like, or privatization of the administration of services but in a different field – and I know it was touched on by several other members here this afternoon. The final phase of the boilers delegated administration organization, or the DAO, has been completed. I'd be interested in knowing if there are any statistics regarding efficiencies by way of actual reduction in dollars spent and reduction in departmental staff from when the department was required to provide this service directly. Again relating to the boiler DAO, since this particular service could have some impact on our export markets because we're dealing with national and international standards here, is there any indication as to the effect or the potential effect this could have on Alberta's role in the manufacturing of pressure vessels?

Finally, there have been statistics – and I'm not sure if they're our own or how valid they are. But Alberta has generally been

recognized as a leader in the field of manufacturing of pressure vessels, and this is primarily because of the standards. Almost as a supplementary to my last question: is it possible or has the option been raised that we could market not only the vessels themselves – I noted that the inspection services and such are being privately delivered – but also export the expertise of a professional consulting service, say, to other provinces or countries? I guess the question is: is the structure that we are working with now such that it would allow this service? We would previously not have been able because it was a government service and we don't get into the commercial business as government anymore. Would this now be something that we could use as a plus in addition to privatizing the service?

I think, Mr. Chairman, I'll stop there in view of the very short time left.

MR. DAY: Mr. Chairman, obviously I won't be able to address each and every of those issues raised before concluding here. In my discussions with the Opposition House Leader – there's the understanding of the usual process as we do each year with estimates – we do have to return to also give consideration to supplementary supply Bill 10. So we need to allow some time to get downstairs to do that.

I'd like to say that a number of members have commented – the Member for Redwater, the member for Clover Bar . . .

MRS. HEWES: Gold Bar. It's all right.

MR. DAY: Thank you. My aging grandparent brain.

. . . and the Member for Peace River talked about the DAO. Let me tell you what's happened with the boilers DAO. With that becoming a delegated administrative organization, supported now and funded by industry but entirely with the standard setting of government – that's the government's public policy role – industry now picks up the 4 and a half million dollar cost of that operation.

There were over 60 employees with that operation within government who are now working in and for industry, having to meet the very clear guidelines of the delegated administrative agreement. It's been interesting to track. We haven't done it with every single case, but with those employees who were previously paid by the entire tax base now being paid by industry, most of them, because industry recognizes and is able to give raises without the same sanction that often accompanies a raise in the public sector, many of those employees – I'm being careful when I say “most.” I think it is most, but a good number of them actually have a higher compensation package than when they worked for government because of the job they're doing.

That DAO is tied right in not just to our Alberta standards but the national and the international regulatory bodies, and Alberta is continuing to be seen as the lead role in the manufacturing of the pressure vessels and in the standard setting. So the question is very good: are we able to export the expertise? That's been an exciting process to watch. It was a little over a month ago when I met with the vice-minister of labour from China, and he brought with him a group of their engineers and scientists who are directly involved in this very particular thing. As they become a developing country, obviously the whole question of pressure vessels for the sake of industrialization is very key to them. They see Alberta and what we've done with the DAO and our government standard setting as definitely being leading in not only technology but expertise. The amount of trade back and forth is very encouraging there. The manufacturers' association of Alberta has

applauded the direction here. So it has been positive. There has been obviously no reduction to any standards. There's been no change to any number of safety concerns or incidents. There is no increase in terms of accidents, because the industry more than anybody is concerned about maintaining that high level.

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So I use that to show that if it is done correctly, this is a positive initiative that enhances the industry and also goes along with our philosophy of user pay. The companies involved are the ones who are levied by their industry association to finance this particular DAO. It's the same with the Safety Codes Council. That is totally financed by an extra levy. It averages about \$3 per permit in the inspection business. That covers the cost. So again it's user pay. If you need the inspection, you pay, and part of your payment goes toward that levy. It is working. We're monitoring it closely. We maintain that public policy role on standard setting and writing out the agreement, and there can be no changes in the agreement without agreement from government.

On the liability question the whole area of joint and several liability is still the overriding factor whenever there's a problem anywhere, be it within a government operation or a private or a public one. Somebody mentioned a boiler, for instance, maybe exploding in a school or something like that. If the liability is clearly addressed – and it's clearly addressed that the school board, for instance, would be liable. But, as the Member for Sherwood Park can probably articulate clearer than I could, if an incident happens and somebody is going to sue, they'll name everybody even remotely connected. That would include the minister. It would include the government, the school board. Everybody gets named anyway even though liability is clearly addressed.

I'd just like to close my remarks by using the boilers DAO as being one – we've been very encouraged with how that one has gone, and we'll carefully use that as a model for the other ones.

Given our necessity to look to Bill 10 in the full Assembly and also to report, I would move in fact at this point, Mr. Chairman, that the progress of the subcommittee be reported when the committee rises and that at this time we now adjourn debate in the subcommittee.

THE CHAIRMAN: Thank you, Mr. Minister. All in favour of the motion by the Minister of Labour that we rise and report, say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, if any.

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

Just before we do adjourn, though, for everybody's information only members of the subcommittee can vote. However, I'm extremely pleased today that members that aren't on this committee showed up today and gave good comments and good questions. I'm happy to see that members that are not on the subcommittee were here and were interested in the Department of Labour and asked very good questions.

Thank you everybody.

[The committee adjourned at 4:47 p.m.]

