

Title: **Monday, February 23, 1998**

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8:02 p.m.

[Mr. Tannas in the chair]

**Subcom.C: Labour**

**Subcommittee C – Labour**

Tannas, Don, Chairman  
Fischer, Robert, Deputy Chairman  
Barrett, Pam  
Cao, Wayne  
Clegg, Glen  
Evans, Iris  
Gibbons, Ed

Klapstein, Albert  
MacDonald, Hugh  
Marz, Richard  
McFarland, Barry  
Smith, Murray  
Soetaert, Colleen  
Stelmach, Ed

Stevens, Ron  
Strang, Ivan  
Thurber, Tom  
Trynchy, Peter  
Woloshyn, Stan  
Zwozdesky, Gene

THE CHAIRMAN: If the subcommittee is ready to commence.

DR. MASSEY: A point of order, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Yeah. I'd confirm that even though we aren't members of subcommittee C, we can take part in discussion. We just can't vote or take part in procedural matters.

THE CHAIRMAN: You can what?

DR. MASSEY: Even though we aren't listed as members of subcommittee C, we can still take part in debate and questions. We just can't vote.

THE CHAIRMAN: You certainly may. Yes, absolutely.

DR. MASSEY: Thank you.

THE CHAIRMAN: Right.

Well, this evening under subcommittee C we have the Department of Labour estimates for 1998-99. We'd call upon the hon. minister to begin tonight's deliberations.

The hon. Minister of Labour.

MR. SMITH: Well, thank you very much, Mr. Chairman. I have distributed to every member a copy of the organizational chart of the Department of Labour complete with phone numbers, and I invite members who have calls or requests or needs for information to please not hesitate to get hold of us.

I will speak briefly on some of the more salient items in the estimates and, most importantly, talk about the new perspective and approach that the Department of Labour is taking.

Mr. Chairman, it's very clear that our job is to keep the "you" in Labour. We intend to do that as a customer-focused department that has made some tremendous transitions from two years ago. This department has now moved down from a manpower complement in 1993 of over 512 FTEs to less than 375. In fact, the department has reduced itself from the 1993 benchmark year in terms of funding by some 46 percent, in terms of FTEs by some 47 percent. So we're an organization that has trimmed the plant and has in fact increased its capacity. When I say increased its capacity, we've delivered core business services, kept a customer focus, and we're doing it in an economy that is some \$16 billion larger than what it was in 1993, where GDP has moved from \$75 billion to over \$91 billion in, lo, these five short years of the Klein government.

Also, Mr. Chairman, throughout that there have been over 200,000 more people working to help generate that \$16 billion worth of economic activity. It's interesting to note that the membership of trade unions in this province has not increased. In fact, it has declined over that period even though there has been an increase of some 200,000 jobs created by the private sector in this fair province.

We intend, Mr. Chairman, to continue to put the customer first in this department, to keep a customer perspective, realizing that our service is our product and that we have a variety of customers that must be served in the private sector and in the public sector. We intend to continue to do that.

A part of what makes this customer focus work, Mr. Chairman, is the hard and able efforts of all people in the department but notably those here tonight: Veronica Pysmeny; Charlotte Moran; George Hammond, looking very resplendent in his blazer; Peter Kruseinicki, the deputy minister; and Gerry Brygidyr, chief guru of financial planning and business plans. These people have contributed to the quality of the estimates and also contributed to the quality of the business plans.

The core businesses of Labour quite frankly influence a great deal of the economic activity in the land, whether it be the occupational health and safety side where you look at enforcement and ensure compliance of occupational health and safety regulations, safety services to ensure that work is being carried out in a safe manner, the regulation of professions and occupations, employment standards, or the administration of private pensions. These core businesses, Mr. Chairman, are what we do. We focus on mediation and labour issues and feel that we've been able to provide a reasonable service through private-sector mediators and arbitrators. We have rejigged our safety services so that the resources are focused on the pointy end of the stick, or at the customer level. We run those through a codes council which works at arm's length from the Department of Labour.

Occupational health and safety has seen some strong measurables over the last couple of years. We've been fortunate to have the lowest number of injuries recorded per person-day of work in the history of Alberta. We hope that that continues, although vigilance points towards some up-ticks in various sectors of the economy.

Employment standards, as you know, Mr. Chairman, are undergoing a rigorous review of employment standard regulations – including the minimum wage, hours of work, exempted industries – ably assisted by the Member for Calgary-Fort, Mr. Wayne Cao, who has done just a super job in getting out there with some 4,000 questionnaires and with some 500, 600 outputs to key stakeholders in this important part of the Department of Labour.

Also, as members pour diligently through the business plan, as I see, they'll come to the measurables. They'll see closely that those measurables indeed have changed. They've become

simplified. They're not 29 anymore, Mr. Chairman. They're only seven, but the seven that we know are important. They're easy to read. They're hard to achieve, but in the Department of Labour we do believe in stretch targets.

We've worked hard to get where we are, Mr. Chairman. I know that we hear a lot from members. We have a large amount of interface with all members. We try to serve them as part of our customer base. We hope we've done a good job, and we hope to be able to continue to do so.

What we've done traditionally, Mr. Chairman, because this department is responsible for the legislation surrounding the Workers' Compensation Board, is that for those members who have specific questions relating to the WCB, we would certainly take these as information, as tablings, as requests for information and would respond through the WCB. We would ask this arm's-length, board governed organization to respond through us to members here. Once again, you can see the fact that we do emphasize our activity on the legislation surrounding this monopoly, but in fact we do not intervene with the operations of the board.

Finally, Mr. Chairman, looking at the composition of the committee, I know there might be one or two small questions relating to freedom of information and protection of privacy. For the first time we have been able to assemble some sort of business plan for that area. Also, we know there are some measurables that are coming forward, and we'd be more than pleased to hear probably from members of the all-party review committee that is impending, which I understand is on notice and will be discussed later on this week.

I see members working diligently through the business plan, working hard on various numbers in the estimates, and I know they'll want to get involved in debate from both sides, Mr. Chairman. I certainly appreciate this opportunity to be able once again to indicate the success of the hard and diligent work that the Department of Labour employees have undertaken to achieve what I think were the good, strong stretch targets of last year, and I look forward to their progress towards goals in a clearly outlined, business plan fashion this year.

So thank you for that opportunity, and with those brief opening comments I'll be diligently responding to questions.

**8:12**

**THE CHAIRMAN:** The hon. Member for Calgary-Buffalo.

**MR. DICKSON:** Thanks, Mr. Chairman. Who could pass up that kind of invitation from the Minister of Labour? I have a couple of specific questions referring to element 5.0.1, and some of the questions will also relate to the major strategy elements that are at page 292 of the business plan. I want to start right off and ask the minister, who tells us in the ministry business plan at page 292 that "the Ministry supports open and accountable government and the protection of privacy," how many government web sites and home pages require that a visitor accept a magic cookie to be able to access information about their own government, the government they pay taxes to run and operate. Now, I've raised with the Information Commissioner and with the FOIP section of the Department of Labour that I know that . . .

**MR. McFARLAND:** Why don't you ask him how much your research inquiries cost?

**MR. DICKSON:** Well, Mr. Chairman, there are some very valid questions being raised, and I'm hopeful I'm going to get to those. And if I don't, I know that Little Bow is going to be anxious and

on his feet to be able to pick up those things that I missed or left out. There's lots of advice for me, but I'm just going to plow on following my own notes, at least initially.

The concern is this, that the Alberta Energy and Utilities Board home page requires that an Albertan who wants to find out what's going on with that particular department has to accept what's called a magic cookie. What it is, Mr. Chairman, is a means for the provincial government or anybody maintaining a page to then be able to monitor and track other kinds of activity on the part of that Albertan. It seems to me a fairly outrageous circumstance that a provincial government department that says it's open and accountable would require Albertans to accept a magic cookie. So my question to the minister would be: how many other departments, how many other government sites require Albertans to disclose that kind of information as a prerequisite to being able to access the information?

Now, I'm also particularly interested in fees waived. My understanding from the last annual report of the department had been that when it came to general access requests – in other words, nonpersonal requests – the grand sum of \$1,572.18 had been waived. But there's no indication in terms of whether that represented one application, eight applications, or 10 applications, so hopefully we can get some clarification from the minister on that. There's also nothing the department has produced that indicates how many applications it's received where fees have exceeded, say, \$500. The minister has indicated to the House before that only 13 percent of the requests for information have been met outside the act. Since it had always been the stated intention of the government that as much as possible the FOIP Act was to be a last resort, I'm wondering if the minister can tell us, Mr. Chairman, what his target is for 1998-1999 in terms of the number of information requests from Albertans that should be answered, ought to be answered independent of a formal application and a \$25 fee.

The other concern, Mr. Chairman, is with respect to applications abandoned. If we look at the last report for the FOIP section of the department, what we find there is that something like only 11 percent of applications I think were deemed abandoned. I've encouraged the minister before and I renew the request: will the minister ensure that in every annual report that's filed, the government will identify those applications deemed abandoned after a fee estimate has been provided by the public body, the 30-day period has gone by, and there's been no further response from an applicant? In those circumstances the application is deemed abandoned. So I'd like to know how many times that has happened.

Now, I understand in the past the department simply didn't track the reason for the abandonment or whether in fact it followed a fee estimate. I think it becomes very important now that we expand the scope of freedom of information to include local public bodies, that the minister remedy that oversight.

The other concern I had was in reference to further work that has to be done to complete the integration of the freedom of information management team into the Department of Labour. I had understood all of that had been done. Perhaps the minister could confirm what further administrative managerial decisions have to be made to complete the integration of the FOIP unit that came over from PWS and S to the Department of Labour? As I say, I thought that would have been done already.

The other thing I'm going to ask the minister: why is it that when he reports to Albertans and reports to the Assembly, as he did with the last report from the freedom of information and protection of privacy unit, there's no breakdown in terms of which departments have been involved in terms of successful or unsuc-

successful applications? What I mean is this: we can tell by looking at the last annual report, '96-97, which public bodies received requests and that's helpful, but what we don't know is what the rate is for particular public bodies to grant access requests or to deny them. The reason why this is important: how else can Albertans possibly know which public bodies are particularly compliant, which ones are obstinate and unco-operative? I think the public has enormous interest in being able to identify that. I'd like to ask the minister why we don't do that in the annual report his department provides, because I think that's important and useful information.

Now, the other thing I'd like to know. The minister talks about the three-year review under the Freedom of Information and Protection of Privacy Act. We see in the province of British Columbia where their four-year review is a very open process. There are commitments to public hearings. There is a great deal of input. I'd like to ask the minister, in anticipation of the announcement on Thursday, to advise us now and advise Albertans what opportunity they will have to participate in the three-year review. Is this simply going to be a committee of MLAs that goes off in a back room somewhere and decides what they think ought to be changed? Or is there in fact going to be a commitment that Albertans, wherever they live in this province, will (a) know there's a review going on and (b) have their feedback actively solicited? Obviously, I'd prefer the kind of route that's being followed in British Columbia. And if the minister would advise what the budget is. I can't tell in terms of the freedom of information item in the budget - it's pretty skeletal - what the budget is for that three-year review. So if the minister could particularize that, I'd be grateful.

8:22

The other issue I raise with the minister is, again, one of fees, and I've discussed this with the minister before. The number of general information access requests, independent of personal information requests, is dramatically less than what the government had projected before October 1, 1995. Given the fact that Albertans have this new set of information rights or privacy rights, given the fact that there hasn't been the kind of utilization the government in fact had expected and anticipated, I'm asking whether the minister has given consideration to reducing the application fee or reducing the I think it's a \$27.50 an hour charge which currently exists in the first regulation under the act.

Those are the specific questions I wanted to raise, Mr. Chairman, and I'm looking forward to the response from the minister. Thanks very much.

THE CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Chairman. The Department of Labour - I think money is not everything in that department. There is a little over \$28 million budget there, but the minister and his staff do a very, very important job in this province. It's a job that sometimes is overlooked, and that is protecting the employment standards and occupational health and safety. These are programs that are necessary. Seventy-eight percent of the Alberta workforce relies on the minister and his staff for workplace protection. This is more than about money.

There are many things that have occurred in the last year, Mr. Chairman, in this small but vital department. We looked at the performance measures last year. We look at them again this year, and last year in Alberta was the year of the strike. We had a strike of the Safeway workers, of course. We had Cargill down in High River, in the beef processing industry, where, I am happy

to say, there was a resolution to this dispute within a matter of weeks. Unfortunately, I cannot say the same about the Safeway strike. Then we had public-sector employees in Red Deer out in July, and they stayed out until November. It was unfortunate. A community was divided because the labour relations, as we practise them, did not work.

Then, of course, we came in the fall of the year on a collision course between management and unions in Edmonton, and we lost a 91-year-old industry, an industry that existed in this city since this province was virtually born as a province, not a territory. Because of a lack of will this dispute was not settled, and we see what happened.

I think we have to discuss the economic impact of this closure on this city. We have to stress this so hopefully it will not happen again. This industry was one of Edmonton's major employers and had a current workforce of over 950 employees. The direct annual payroll was over \$45 million. Through the shipment of goods and services of over \$400 million, the plant manufacturing output was equal to approximately 4 percent - 4 percent - of Edmonton's manufacturing sector. We lost it. Our labour relations failed us. The economic contribution of this value-added manufacturing component was \$140 million, Mr. Chairman. More than \$50 million was expended annually by the facility for outside services, whether it be advertising, whether it be trucking, whether it be packaging, or perhaps it was for new equipment. The facility employed the services of approximately 130 local and national businesses, ranging from truck rentals, as I said, to stationery suppliers. But we had to have and we still have to have a competitive hog processing industry in this province.

Now, a year ago the hog producers - there were two producers in northern Alberta, one in Red Deer and one in Edmonton - received over \$3 million in price premiums for their hogs. They don't enjoy that this winter. The only group I can see that benefited, Mr. Chairman, from this labour dispute are Francis and Francis' friends, and I will remind the Minister of Labour that Francis was the fugitive pig in Red Deer two or three years ago. That is the only crowd that benefited from this work to rule that was allowed by the minister in his department, Francis and his friends, Francis and his relatives. They're all happy about this. Eventually Francis got killed, but his relatives, I'm sure, are living and prospering in northern Alberta. Strikes divide communities. No one wins in a strike situation, and I hope the minister and his staff have learned their lesson.

Now, the Safeway dispute. In my community before the dispute the seniors on Tuesday could take a bus for \$1.50 and go to Safeway. Now, after the strike was settled, 10, 12 weeks, the company says they cannot afford to provide that bus. The seniors have suffered because of this. These long, drawn-out disputes - I cannot emphasize this enough, Mr. Chairman - do not do any community any good, and we must remember this.

After that year of the strike our days lost to labour disputes have skyrocketed in this province. Investors from other parts of Canada and internationally are going to look at this, and they're going to say: "What's going on in that province? What's going on with that Department of Labour? Why are there so many strikes before and now? Perhaps people do not have a handle on things."

Now, if I may start with the budget for a second on program 1. The 1997-98 business plan reported that the systems branch would be privatized during the fiscal year. This department has privatized or set up a delegated administrative authority to take over many of the department's functions reportedly as a cost-saving measure. However, the budget for the systems branch, as I notice, has increased by \$53,000 or nearly 3 percent. This

increase cannot be accounted for by capital costs because there is no separate \$300,000 estimate line for this purpose. My question is to the minister. Why was this division privatized if it now costs more than when it was handled as a departmental function? Did the department not do any cost-benefit analysis before this division was privatized, or was the change made strictly for ideological reasons? Will the minister or his staff be explaining the possibility that this privatization should be reversed since it was clearly unsuccessful in achieving any cost savings?

Now, workplace health, safety, and strategic services. This is program 2. In one of the publications put out by the minister and his department, *Occupational Health & Safety Magazine*, you open the cover and on page 2 you have a perspective. The first question is, "How can we reduce commercial transport collisions?" The minister in his opening remarks talked about his employment standards regulation review. He didn't go into too much detail, Mr. Chairman, on what his proposals are, but I understand over 4,000 questionnaires have been sent out to the public. It's going to be quite interesting whenever they come back, because as I notice in there, there are many relaxations of rules for the trucking industry, for the oil patch, and for a lot of service industries that are in the oil patch and the oil industry. Here you open this magazine and it goes on to state: in 1996 motor vehicle collisions accounted for 36 percent of all occupational fatalities, and represented the fourth highest cause of Workers' Compensation Board claims in Alberta.

8:32

Clearly, industry and employees have a significant stake in reducing collisions, particularly in commercial transport. Well, that's where these regulations have been relaxed, in commercial transport. You can go on here, and they talk about why this is happening. They say that people either work too long without proper rest or begin to work without proper rest. This is happening because two industries exist. Both industries exist where there are trucks to be driven. In the trucking industry the driver is only allowed to work 10 hours, but in employment schemes that are signed by the minister, different oil servicing companies can have their truck drivers work 12 hours, and then once they get to their destination – for instance, if they were going from Nisku to, say, Chinchaga, way up north with a service truck, and perhaps they would even have a radioactive source on this truck – they would go on to a lease and then they start to work outside their unit. On the one hand, we're allowing this, and on the other hand, we're talking about how to improve it in a publication that's published by the Department of Labour.

I don't understand that, because this is an issue of public safety. It's an issue of workers' rights. To be relaxing the rules on one hand and then complaining about the outcome on the other I think is unacceptable. I'm going to be watching with a great deal of interest as this employment standards regulation review is finalized in the spring. It will be interesting to see which direction the minister and his staff take on this, because this is very, very important.

Now, Mr. Chairman, the workplace health, safety, and strategic services. This is program 2 in the Department of Labour budget; line 2, assistant deputy minister. This department, as I said before, is a very small department, but it has two assistant deputy ministers – their salaries are in the \$100,000 range – in addition to a deputy minister, who makes big money, \$121,000. I don't know whether he or she gets a car or not. One of my colleagues could answer that. There is an executive director of professions and occupations. That's another salary, \$95,000 there. This is all for a department of 385 full-time equivalent employees. The

department of agriculture has three assistant deputy ministers for 1,833 employees. Community Development has three assistant deputy ministers for 972 full-time employees. Municipal Affairs: three assistant deputy ministers for 692 full-time employees. Treasury: two assistant deputy ministers for 665 full-time employees. Even the Department of Family and Social Services manages with three assistant deputy ministers for 4,716 full-time employees. The Minister of Labour here exercises a lot of influence in that caucus. He's got a lot of staff there.

AN HON. MEMBER: You don't want to lay them off, do you?

MR. MacDONALD: No, but perhaps they could work a little bit more diligently and prevent the loss of 950 manufacturing jobs in this city, where a new industry has located in Brandon, Manitoba, and there are 2,200 jobs there.

I ask the Minister of Labour: what justification is there for having two assistant deputy ministers and so many high-priced managers in such a relatively small department? Is it to make your colleagues here jealous? The current minister used to preach about the virtues of smaller government. You always talk about efficiencies and proficiencies. What's happened here?

Now, on line 2.2.2 we're talking about mediation services. This division of your department has been decreased by \$36,000. [interjection] Well, we could have used a lot of mediation service last summer. That was a decline of 6 and a half percent from the amount budgeted last year. How will this division be able to accommodate a reduction given that there's no indication the department is doing anything to ensure that 1998-99 will see any reduction in labour disputes, given that in 1997-98 we saw the largest recorded strike activity in Alberta in the last five years? Can the minister please comment again on what role this mediation division had in the lengthy strikes I mentioned before over the past year involving Canada Safeway, Cargill foods, Maple Leaf Foods, the Michener Centre?

Has the minister conducted any studies to examine whether or not legislation prohibiting the use of replacement workers during legal work stoppages would assist in having labour disputes mediated and resolved in a quicker fashion? Has he or have any other members of his department discussed this? Can the minister, Mr. Chairman, comment on the status of this division and any plans that are currently being developed to privatize its functions? I am curious about this.

Will the department be putting in place any accountability framework to ensure that the mediation takes place in a timely fashion, as soon as possible, and contracted mediators do not reap financial rewards from long, drawn-out disputes? I've had firsthand experience with this, and there are many, many people in this city who have lost because of the failure of the mediation process. I can't stress this enough to the minister and his staff. I hope I never see that happen again.

Now, Mr. Chairman, in program 3, program support, we have the assistant deputy minister's office. Last year there was in the budget \$884,000. I recall in a meeting – I believe it was in room 512 upstairs last spring – I questioned the minister, and I congratulate him for taking action on this. I questioned, as I recall: why so much money in this office? He looked at me, he was silent, and then he spoke. He matched his words with actions, because I see in here that for this year he has substantially reduced that office budget to \$250,000. I don't know what's going on in the department, but he listened, and he cared.

Now, can the minister comment, please, on the progress – I

spoke earlier of my concerns about the trucking industry and in the oilfields – of this current review of the employment standards regulations? Can he or his colleague perhaps tell us what steps have been taken to ensure that all Albertans are aware that this review is taking place and gives all interested parties an opportunity for input? Mr. Chairman, I'd like to tell all members of this House that last week I was attending at the General hospital at 7:30 in the evening a forum which was put on by the Social Planning Council. I thought I would go before the Assembly met at 8 o'clock. There were 40 people there. I phoned the minister's office, and I told his staff where I was going and what I wanted. They provided – and I was very grateful for this – 100 copies of that employment standards review, and his department are to be congratulated for doing that. I handed them out to all the people, and they promised me that they would send them in.

I'll have more questions later. Thank you, Mr. Chairman.

**8:42**

**THE CHAIRMAN:** The chair would seek forgiveness. I had on my list the hon. Member for West Yellowhead, and prior to asking him to speak, I went instead to Edmonton-Gold Bar. So I'll attempt to rectify that by now calling upon the hon. Member for West Yellowhead.

**MR. STRANG:** Thank you, Mr. Chairman. My question today is fairly explicit to our hon. minister. As the department estimates show under line 2.3.1, the 1998-99 expense related to program management in the workplace health safety division has decreased by \$150,000 from the 1997-98 forecast. It is also shown that the spending has decreased \$500,000 from the 1997-98 budget. Now, if the minister would like to turn to page 286, I would ask him this: why has program management experienced such a dramatic reduction in spending?

Thank you.

**THE CHAIRMAN:** The hon. Member for Drayton Valley-Calmar.

**MR. THURBER:** Thank you, Mr. Chairman. To the minister. The department's business plan calls for the promotion of quality safety services throughout the province, and I guess my question is: how successful has this initiative been? Have we got to the point where maybe Alberta safety services can't be depended on as good as it was before? I do have some concerns raised by my constituents in that regard, Mr. Minister.

**MR. SMITH:** I'd like to hear more.

**MR. THURBER:** We can go into that quite deeply if you wish.

**THE CHAIRMAN:** The hon. Member for Edmonton-Norwood.

**MS OLSEN:** Thank you, Mr. Chairman. My questions will mainly revolve around the delegated administrative organizations. The question I have is: how do you measure the success or the failure of the delegated administrative organizations? There are no performance measurements for the DAOs, so I'm wondering how you know what you have in place, what framework, what performance measurements you have to show that these have been successful. Given that the department continued to move towards outsourcing their privatization of government services, what assurances can the minister give that the department will not abdicate its responsibility for proper regulation and will ensure that the proper on-site inspections take place? What procedures

will the department be following on top of paper audits to ensure that safety and labour standards at a work site are not compromised in any way? Can the minister provide specific details on which additional areas of his department he plans to turn into DAOs and which services will be outright privatized?

What specific plans does the department have in place to consult with the public? Public consultation is a huge issue, and it would be great to see it done in a sort of democratic, representative way. What assurances do we have that public input will have a role in shaping the department and that it will not be the other way around with these consultation sessions?

The other question I have is: do you prepare a delegated administration profile to assess whether a particular program, service, or activity is a candidate for delegation to an NGO or private-sector corporation? What I would envision in the profile is that it would examine such issues as market strength, political resistance, cost efficiency, quality of service, impact on employees, legal barriers, risk, resources, monitoring and control. Do you conduct a detailed cost-benefit analysis outlining the cost savings and benefits that could be achieved by delegating the program, service, or activity to the private sector, and do you provide a clear rationale as to how the delivery could be improved through this delegation? If a decision is made to delegate a particular program, service, or activity based on economic criteria, the implementation of a full public tender process should be required to encourage competition and prevent the creation of centres of private-sector monopoly.

This request for proposal circulated to prospective bidders would set out clearly stated performance standards and allow for effective follow-up and monitoring by the government and the Legislature. Do you currently do something such as this, carry out this kind of tendering? What are the criteria for your tenders, and what process do you use?

In my view, with the delegated administrative organizations, once a successful bidder has been selected from the competitive bid process, the subsequent administrative agreement between the government and the delegated authority would establish the terms and conditions for the delegation, the financial and performance requirements. I guess that falls back to my other question: where are the performance requirements, and are they available to the public?

Follow-up monitoring and procedures. Annual reports, business plans, and regular audits of DAOs would be reviewed or should be reviewed by the Standing Committee on Law and Regulations, that hasn't met in 10 years. You know, you've got a chair here. [interjection] Yeah, it's arm's length. You've got a chair for the Standing Committee on Law and Regulations, yet none of these regulations are ever brought before the committee.

Also, representatives from the board of directors of the DAO would be able to appear before the committee to account for the organization's activities in meeting the requirements of the administrative agreement. That's my view of what should happen. Now, I'm just wondering what you do, and do you do anything similar to this? How do you hold the board of directors accountable when you go through this? Can the minister report on what specific procedures are in place to monitor the performance and suitability of outsourced and privatized services, not just the delegated administrative authorities? Will you report on each service that has been so delegated and provide further details?

Can you comment on the status of the plans to delegate authority for the inspection of boilers and pressure vessels? I guess I have some real concerns about that because, as you know, there have been some problems, and we have yet to see the Minister of Labour actually address those problems.

I would like to talk a little bit about legislation and regulations. Can the minister comment on the specific process that will be followed in reviewing his portfolio's legislation and regulations to ensure clarity and simplification of procedures and standards of practice? You could refer to Agenda for Opportunity, pages 290 to 291, but I don't see that you have that book with you. Which industry and labour stakeholders does the minister intend to involve with his task groups? Will there be an opportunity for public input in this process?

**8:52**

I go back and look at performance measures, and I'm wondering about all departments. I mean, we've got very significant and, I have to say, good performance measures. But as I said in the past, I'm concerned that we do all of this delegating, and we have a framework that's shaky at best. I think there has to be a way to show this Assembly and the public that you're actually following up and are very concerned about what the organizations are doing once they're delegated.

Can the minister comment on the department's key strategy to implement a uniform quality management plan to ensure safety standards are consistently applied throughout the province? How is this goal consistent with the actual practice of allowing many Alberta municipalities to be closed jurisdictions, meaning that operators in these areas must have inspections done by a designated company? How does this ensure the best price for the individual operator? Certainly, how do we determine that we're getting the best quality management in terms of safety standards? I think the whole idea of delegating means there's some accountability, and I would really like to see that accountability.

The business plan states on page 293 that the department's target for lost person-days is to "have the lowest number of person-days lost" of any Canadian province due to work stoppages.

**MR. MacDONALD:** It's not this year.

**MS OLSEN:** Apparently not. It is not this year.

Does the minister agree that this is an unrealistic goal, especially in light of the recent lengthy strikes at Canada Safeway, Cargill foods, Red Deer's Michener Centre, and Maple Leaf Foods in Edmonton? As these performance measures make the minister accountable for prolonged work stoppages, can the minister report on what concrete steps if any he has taken to assist to mediate these and other disputes? I think my colleague here has already addressed the whole issue of mediation, so I'm wondering if you've taken any steps here. Given that in 1996 Alberta did not have the lowest person-days due to work stoppages, how do we know that '97, '98, '99 are going to be any better? What are the minister's plans to ensure that this does get better and that you can actually have an achievable goal for lost person-days?

I'm wondering what the minister's plans are in terms of working with unions and assisting the process in that respect. Instead of creating a climate where unions aren't respected and the work that people do is not respected, this government has the responsibility to ensure, if you want to keep the lowest unemployment rate in the country, that you work with both sides, not one side, so that the public can see this government as being fair. Right now there is no fairness; there's no perception of fairness. It doesn't exist. So I'm just wondering how we determine how well the minister is doing in that respect.

Given that, I think my biggest concerns revolve around the whole issue of delegated authority. I will leave some other

questions for my colleagues here and let them pick up where I left off.

**THE CHAIRMAN:** The hon. Member for Calgary-Montrose, followed by Edmonton-Mill Woods.

**MR. PHAM:** Thank you, Mr. Chairman. It is my pleasure to join in the debate on the budget of the Department of Labour. Before I proceed, I would like to emphasize and point out that I am not a member of this subcommittee, but I am here to prove that our system can work. You can be at two places in the same evening.

I would like to focus on goal 1 of the department: "Alberta workplaces will have quality health and safety management systems." This goal is a very important goal for the Department of Labour. I think that in order to make it become a success, we have to have a key player involved; that is, the WCB. Everybody knows that when it comes to safety management at work, it is WCB territory, and failing that, the worker will be under WCB responsibilities.

I have read through the business plan; I have read through the detailed budget. There is not a single line in here that is referring to WCB. I understand from the minister at last year's budget debate that the department doesn't spend any money on WCB because it is entirely supported by employers. I agree with that. But on the other hand, there is that implicit cost that is built into the department whenever you have to provide a service to constituents or to MLAs when we have problems. I know my office spends about 10 percent of our budget on administration of WCB-related issues.

Also there is that implicit cost to the government and to the overall budget too when an injured worker is wrongfully denied his benefits. Of course, he ends up on welfare or on some kind of government assistance, and that costs taxpayers money. Therefore, I think it is very crucial that we do not forget about this. It comes to a key question of accountability. Right now WCB seems to be in a very special category; it has the monopoly given to it by this Legislature. But on the other hand, because of its funding structure it is not accountable to anybody. Today there is no government agency or no private agency that enjoys this kind of special status.

I don't know how we can correct this problem, because as long as we still have this question of accountability, who is WCB accountable to? Now, if an average Albertan has problems with WCB, an average Albertan would like to hold WCB accountable. What is the process for him or her to do that? That is the key issue that really disturbs me. I have thought about this for the last several years, and I have seen that WCB is moving further and further away from the control of this Legislature and from the control of this government.

When I read this budget and I read this business plan of the Department of Labour, I can see that within the same department we have two boards that are fairly similar in nature. One is the Labour Relations Board, and one is the Workers' Compensation Board. Both of them are supposed to be arm's length from the government. Both of them are supposed to be independent from the government. But because the Labour Relations Board is paid for by taxpayers' money, we still have some control over them. They still have to submit a budget to us. We can still go back and question them, even though they're supposed to be impartial. On the other hand, the WCB is in a totally different private land now. I don't know how we can bring them in. How can we answer the constituents when they come to us and ask us: "You guys gave them that monopoly. How can you make them accountable?"

Throughout the whole year, whether it is this occasion or whether it is during question period, every time an issue comes up and we refer that problem to the minister, I feel very sympathetic to the minister. Even though he has all the goodwill in the world, there is not much that he can do because he doesn't have the real power to do anything with the WCB. It comes to a point that I say: enough is enough. I don't mind taking responsibility for something that we do wrong, but I feel very upset if an organization that I have no control over screws up and I end up receiving the blame. I think many members in this Legislature feel the same way about the WCB. I'm not saying that it screws up every time. By and large, in general it does a good job. Even though it handles 95 percent of the cases well, that 5 percent is still remaining a huge problem for many people out there and a huge problem for many of us.

**9:02**

As a lawmaker and as the government, I think we have to find some way to make sure the WCB is accountable to Albertans. That is the ultimate goal. If and when an organization can be above the law and can be so distant from any control and cannot be held accountable to anybody in the public, then we have a problem. I strongly encourage every member of this Legislature to think of a way to make the WCB accountable.

That's all I have to say, Mr. Chairman.

**THE CHAIRMAN:** Before Edmonton-Mill Woods, the minister would like to respond to some of these, and then we'll get back to Edmonton-Mill Woods.

The hon. minister.

**MR. SMITH:** Thanks, Mr. Chairman. Let me just start and see if I can shed some light and some accuracy on some of the previous statements. I'll talk about the magic cookie first. I know that the Department of Labour has a web site, and the times that I've accessed it, there was no cookie to be had, and I've often been in need of cookies, Mr. Chairman. Just as an aside, though – and I know that it might be a bit political – there also is an operating web site for Calgary-Varsity constituency and the Progressive Conservative Party. Having said that, I also think that if a cookie exists, the user, accessor, has the choice and can, in fact, deny that.

Rather than spend a great deal of time on something that's already on notice, which is the FOI review, I will only say that it is a Legislative Assembly committee. It's a schedule A committee, and there is a process for chairs and members to determine both compensation and overall cost of the budget.

Let me then move along, Mr. Chairman, to some of the comments made, good comments by the Labour critic from the Liberal opposition, although there is some of it that is a little inaccurate, but we'll be pleased to throw some light on that. Michener Centre, in fact, was not a strike of public-sector employees; they are all employees of a private company.

I look forward to the member's submission to OHS magazine, because that magazine will want to print an important message from the hon. member, and I know that he'll probably start composing it maybe even after 10 o'clock tonight.

I do want to point out, Mr. Chairman, that there is an Alberta Trucking Industry Safety Association that works hard and diligently and is composed of members from that association. I also hasten to remind the member that some trucking of course is regulated federally along with some of the other functions in Alberta: banking, railway, et cetera.

I'm struggling with what the number of ADMs has to do with

the number of staff, but we'll see if we can put forward that. I can tell the hon. member that we have one employee at plus \$100,000 and two at approximately \$85,000 per annum. The position of executive director of professions and occupations is actually done by one assistant deputy at this stage. He's not paid \$160,000, Mr. Chairman, for doing both jobs. He actually has the productivity capability to do both jobs for one salary.

Perhaps it was just a slip of the tongue from the old Cape Bretoner, who is always wily in his ways, but he no doubt knows that mediation services are privatized and have been for over two years. The mediators are all private contractors. In fact, Mr. Chairman, mediators have been successful in the Safeway dispute, which was a nine-week strike characterized by little to no violence on the picket line, which I think is a tribute to both parties. Certainly the department issues and mediations group has worked hard in that area. In fact, we recall the Maple Leaf dispute. The member knows full well that there was a mediator's report that was, quote, unquote, grudgingly accepted by the employer and then rejected by employees, which led to the subsequent closedown of the plant after the union knew full well from the commitments made by the employer that the plant was to close if there was to be a work stoppage.

I would point to the work of Andy Sims, Mr. Chairman, and the successful conclusion of the long and drawn-out discussion at the Calgary public school board and the settlement that was reached there. I think that's positive.

In fact, 98 percent of the disputes last year were settled without work stoppage. I'm sure you as an old math teacher, Mr. Chairman, would look forward to that kind of performance and results in your classroom on a daily basis. I know in many cases you would look at this side of the House as being that type of classroom that constantly delivers a 95 to 98 percent or better performance record. [interjection] Thanks so much for that support.

Again, you always try to find a hundred reasons why you can't do things, Mr. Chairman. Let's find reasons why you can do things. I think that's one of the successful roles that the mediator takes, certainly the work that mediation did on the United Nurses agreement, which was settled seven days prior to a vote. I know that both the critic from the opposite side as well as the Member for Edmonton-Norwood talked about '97 was a bad year, but if you go back to '96, it was the lowest in Canada. If you go back over the five-year average, you'll still see that Albertans continue to demonstrate productivity, because they can still perform with at least 98 percent labour stability in the workforce, and I think that's very positive.

Mr. Chairman, just a couple more comments that I know people are waiting to hear. I know the member knows full well that DAOs, delegated administrative organizations, are not government entities. They're not in the budget because they're not funded by the government; they're in fact funded by the users. That was certainly an important part of that process and to ensure the compliance, because when you're in the industry and somebody deviates from the standards you have set yourself as an industry, they're tilting the playing field. They're providing the violators with an uncompetitive, unfair advantage, and it's in the interests of those other industry members to ensure that the playing field remains level. I would submit to this House that that is a far, far more effective way of ensuring compliance and of ensuring productivity in the workplace than trying, as the member has suggested in questions before, to have an inspector in every trench and an inspector behind every tree. We know that we don't have the money to do that, nor do Albertans want us to put their money in those places.

Mr. Chairman, the members have read correctly that in the business plans there is nothing for future DAOs, future privatizations. I understand there is some current discussion regarding ski lifts.

I'll have to again remind members that as the Member for Edmonton-Gold Bar has asked so diligently in question period, referring to public reports that are open, audible, accountable by users from these DAOs – when he pulls out and sifts carefully through the Alberta Boilers Safety Association report, he notes that the backlog has in fact dropped. He notes that there are more inspectors. He notes that there have been no fatalities since this organization has taken over the responsibility of boiler safety in Alberta. That's that kind of careful scrutiny that he so correctly points out is making things work under the delegated administrative organization structure in Alberta. Of course, Mr. Chairman, these are fully tabled in the Legislature, as they rightly should be. I'll point again to ABSA, Alberta Boilers Safety Association, as being extremely successful, an Alberta success story thanks to their efforts in their own marketplace.

#### 9:12

Mr. Chairman, some of the other points that they brought up were clearly recommended by the Auditor General. We have responded to comments made by the Auditor General, putting in place strategies to monitor not only our performance but the performance of DAOs. There are also a couple of questions by carefully reading, often diligent members from this side that have shown an interest in how important labour is in their constituencies.

Mr. Chairman, I would point quickly to the question from the hon. Member for West Yellowhead, who pointed out that dramatic reduction in spending continues to occur as efficiencies have been reached in the department. It's clearly because of reduced operating costs, reduced contract services, and reduced severance costs for the organization. The period of great change is over. Now we're into the fine tuning. Now we're into ensuring that Albertans are getting full value for the tax dollars that are spent in this department. I would point out to the member that in '97-98 over \$400,000 was spent on severance payments and not required for this fiscal year.

In response to the Member for Drayton Valley-Calmar and Breton flats and Winfield and all those other neat spots out there – he, again through careful reading and scrutiny, Mr. Chairman, has pointed out that there's concern with safety services. We have received that message loud and clear. We know that over 323 of Alberta's 372 municipalities are accredited. Alberta Labour has contracted 31 agencies to provide safety services in areas where there is no accredited municipality. We're continuing to monitor that situation, and we're seeing that every permit results in inspection. Before, the department had resources to inspect only 20 to 25 percent of the work that should have been inspected.

Now, I may not have answered all the points of the Member for Drayton Valley-Calmar. I can see him again going through the business plan in a diligent fashion, and I look forward to more of an old welder's questions, because, believe me, a welder knows how important the Department of Labour is to industry in Alberta.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I wanted to start off with some comments about the business plan and how nice it is to see the business plan that we have in front of us this year but how

difficult it has become to try to track what's happened over the last number of years. I guess my question to the minister is: is this format going to stay in place for more than one year? If you go back and look at the three previous business plans, as I took the opportunity to do, and the Alberta Labour annual report 1996-97, we have a variety of terms used: performance indicators, benchmarks, results, targets, measures, and a whole host of measures that appear in different documents. So it really would be nice, in terms of being able to critically analyze the business plans, to have them take the same format at least two years in a row. We've been at this since 1993, so you'd think we might be getting to the point where they could be consistent at least from year to year if they can't be consistent from department to department. I guess that's asking too much. My question is: will this at least stay in place for another year? Along with that is a question for the narrower focus. I listened to the minister's comments, and there seems to be much narrowing of the focus of the department. Is that a result of the downsizing over the last number of years, or just what is being given up by the department that we saw in previous business plans?

One of the pieces that has changed are the annual action plans that preface each of the previous business plans under the mission and mandate. Then the major goals and strategies had a section entitled annual action plans that looked ahead several years to where the department was going to be going, and that seems to be missing from the new business plans, except they may be incorporated under the key strategies. I guess I'd like it confirmed that that's what happened to the annual action plans. It's in the annual action plans; I think that's where the comment is found.

The delegated authorities of course were a topic of much controversy and debate when they were initially introduced in the Legislature and across the province. I was rather surprised to hear the minister in his comments distance himself from the DAOs completely. If you go back to his last year's business plans, I quote: "DAOs are industry-funded and operated administrative bodies accountable to the Minister." I don't quite understand his comments this evening where he says that they are independent and that he can't have an inspector in every corner of the province. Then just how does he exercise that responsibility for DAOs? Again, how is the general public, our taxpayers, to know whether or not the DAOs are performing? Given all the other kinds of performance measures we have, it seems strange that there wouldn't be some assessment of the performance of these organizations.

One of the other items that I thought was missing as I went through it rather quickly were performance measures for the Labour Relations Board. What's happened to those performance measures? Have they been incorporated now in one of the goals and it's not found necessary to list them separately? I would be interested, given the kinds of comments I've had from some of my constituents about the Labour Relations Board and their experiences with that organization.

If you look at the delegated services, I think there are four major and nine minor listed in previous business plans. Again we don't seem to have any indication of how those services are being rendered and whether or not the government is really exercising the kind of responsibility we think it should in terms of their operation.

Under the employment standards, the number of repeat offenders has been dropped as a measure. I wonder why that was the case. Why was that move made?

There is no update on the participation rates in the Safety Codes Act administration. Again, I'd like to have that information if it's available.

I'm no expert on contaminated tank sites in that remediation program, Mr. Chairman, but I understand it's the program that looks after digging out gas tanks at service stations and cleaning up the sites where there's been leakage, that that's one example of what's contained in the program. I wonder if the minister could spend a few minutes explaining the program and how it works. The people who own those properties or cause the contamination: how are they charged for that cleanup? Or has it ended up being really an indirect subsidy or a direct subsidy to businesses that walk away from contaminated sites? I know they have to be cleaned up, but I'd like to know the operation of it.

9:22

I guess the last thing I'd like to ask – I tried to sort through the personnel in those last three or four business plans for the number of people that have been cut, and I really find it difficult. You see some of the text where the number of positions that have been lost are itemized. I wonder if it is possible for the minister or for the department to provide a bit of a chart that would show us the number of people, where they went, and then what's happened in terms of the staffing of the Department of Labour.

Those are some of my initial questions, Mr. Chairman, but I have to say again that it is nice to see the business plan short and summarized the way it is. The measures seem to be linked to some national measures in places, and I think that gives us a degree of assurance that homemade measures don't always do. Also, the material that appears in the business plan also appears in the budget estimates. For a number of years in at least one of the other departments I'm more familiar with that was not the case, so I'm pleased to see that information there.

Thank you.

THE CHAIRMAN: The hon. Member for Little Bow, followed by the Member for Edmonton-Mill Creek.

MR. McFARLAND: Thank you, Mr. Chairman. I've been sitting here for the past, oh, hour or so just diligently going over the budget . . .

MS OLSEN: You're a diligent kind of guy there, Barry.

MR. McFARLAND: Oh, she likes me. Let's assume the pose. Is this where we do the stand-up routine comedy?

MR. SMITH: You're standing up.

MR. McFARLAND: I'm standing up. Sorry, Mr. Chairman.

The questions that I had I'd like to go through with the minister or ask the minister in numerical order here. The first one dealt with 1.0.2, deputy minister's office, where the expenditures have actually come down, and when you compare it to some of the assistant deputy ministers in 2.1.1 and 3.1.1, there's also been a comparable decrease from the previous year to this year's budget. The question that arises when you make that comparison is: what is the additional quality and contract management portion under 3.1.2? Is that a total departmental contract management item, or is it specifically under technical and safety services?

Then on 3.3.3, Mr. Minister, I'd like to ask, under employment standards and back again under workplace health and services, that where you have a northern regional service component under both of those, are they based on a population amount? Because it appears there are similar dollars spent for northern and for southern. I guess playing the devil's advocate, are we looking at the northern as representing Edmonton and north? I think most

people agree that about 10 percent of Alberta's population resides north of Edmonton. Is it on a case workload, or is it purely on a population base split?

On the next question I have, maybe I could offer the minister some possible responses and he can fill in the question.

MR. SMITH: That would be a first.

MR. McFARLAND: Yeah. I'm just practising here.

In line 2.2.2 – and I hope you've got some attentive ears here, because this may go by and it may be up to some of the staff, who will have to follow the gist of this question here to help in the response, Mr. Minister. It has to do with mediation services, and having been in . . .

MR. SMITH: In need of mediation.

MR. McFARLAND: In need of mediation? No. Actually, having had the benefit of seeing some of your predecessor's people help us on school boards and working with and through the collective bargaining process, I know that you've got some excellent people in the field.

I just wanted to know, since part or all of that function has been privatized and you indicated in this year's budget that you'll spend \$520,000 in '98-99, what does that function cover? How many people are involved, and are there any of the people left who are providing that good service to some of the boards for both sides to come together for mutual agreements? On the other hand, I would hope it isn't indicative of the reduced numbers that that's why it appears so many of them immediately want to jump to mediation services. On the other hand, I guess it's a pat on the back. It must feel quite comfortable getting the expertise that your department provides to them.

With that, Mr. Minister, I'll let somebody else take a turn at running at you for a little while, and I would look forward to your responses.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Mr. Chairman. As always, it's a pleasure to address one of my favourite departments, the Department of Labour, through the estimates for 1998-99. I have been tracking what this particular minister has been doing in the House for the past several years, and as his one-year anniversary approaches, I want to wish him well. I see he's ushered in some new things, and in all sincerity I am quite impressed with what I see laid out here. We'll see how it gets delivered before we pass final judgment, but I'm quite impressed with what I see laid out here.

In particular, I was struck when I was reading the 1996-97 annual report for Alberta Labour that one of the first things the new minister did was reorganize the department into two basic divisions, one being the workplace health, safety, and strategic services division and the other being the technical and safety services division. So I followed that through to see what sort of implications that would have in the new incoming budget, because I understand also that they underwent what they call an operational shift, which might be viewed as a philosophical change in terms of how the department functions, Mr. Chairman.

I noted with interest that over the past several years the primary modus operandi, if you will, was to provide direct services to the providers requiring it, but now they've moved to more of a management of service delivery. I'm intrigued by that, because if in fact the department is undertaking less of a direct involve-

ment in the delivery of services and has more of an overseer or manager through partnerships type of role, then why is it that we're spending \$633,000 more this year? I'm sure there's a simple explanation. I'm not saying they're doing less – I'm trying to choose my words carefully here – but to the cursory reader it would appear that we have the Department of Labour less directly involved in the last year. Therefore, why do they require more money if there's less direct involvement? So I'll just open with that quick question.

### 9:32

I don't mean to downplay the role or the importance of this department, because it's a very, very important department. Unfortunately it's also one that isn't tremendously well understood by the general public. Issues in this Department of Labour that involve things like safety standards in the workplace can't be taken lightly, neither can health concerns and the health of the work sites and so on. These are very serious matters.

I'm struck, for example, by the dispute resolution aspect of the department's responsibilities. I, too, have had some experiences with the Labour Relations Code and in particular with the Labour Relations Board and trying to understand and interpret the Public Service Employee Relations Act. I've had some successes in that area. I'm in the middle of some negotiations right now with a couple of my constituents, and I will present those issues at some point personally and directly to the minister in another venue.

However, when I look at the breadth of responsibility that the minister has here – and I haven't even mentioned yet pension administration or protection of privacy through the Freedom of Information and Protection of Privacy Act – I'm extremely concerned that there are now, if I heard the minister correctly, fewer employees in the department. I think that in his opening comments the minister mentioned there was a reduction in FTEs, which of course is the full-time equivalent positions. My concern, as I look at all the issues that I've mentioned so far, is: will the department have enough capable and well-trained personnel in the incoming year to monitor and to enforce the regulations that surround the safety measures as required by the department, particularly given the benchmarks and performance measures that they've set out for themselves, which I would argue in some cases aren't really what I would call performance measures per se. I mean, they're accurately portrayed here as targets, but I wouldn't say they're exactly the kind of performance measures that we can measure.

For example, on page 294 they show as a target: "Alberta will have the lowest rate of person days lost owing to work stoppages compared to other provinces." Well, that's a laudable target, and I have no problem with it, but a performance measure in that respect would be: okay; give me something that I can actually evaluate you on. That would be to say something like: let's set a performance measurement of reducing work stoppages by 10 percent. Then we'll see how you did. Do you see what I mean?

It's a pet thing of mine now, Mr. Chairman, because what I'm talking about is related more to performance-based budgeting than it is to program-based budgeting. At some point I am convinced that our province will move more in that direction, if only for the sake of taking along normal Albertans with them in the explanation of and the monitoring and evaluation of how the government is doing. If we're truly that open, that accessible, that accountable, then let's set up some easily identifiable and easily measurable performance targets. Anyway, that's another topic for another time.

I want to get back to the question: will the department have enough employees in the end to act as responsibly as we're all

hoping they will do? I'm sure the minister is confident that they will, but I'd like to hear him comment on that given his statement earlier about reductions in FTEs.

I'm concerned also with the department's ability not only to cope with the workload but also to respond quickly to things like occupational health concerns, to respond quickly when the need arises for on-site inspections, be they the contaminated tank sites that the hon. Member for Edmonton-Mill Woods mentioned or be it related to site reclamation or site restorations that are or are not proceeding well and there's some role that the department might have there.

I know that when we were talking last year about inspections of boilers and pressure vessels, I received quite an education, Mr. Chairman. It was only after I read through in preparation for the debate that I really began to understand how critical those inspections are and how much tremendous responsibility we place on the inspectors. If they're in any kind of rush whatsoever – and I'm not implying that they are or that they have been – if we place the kinds of restraints on these people or the kinds of quotas on these people that require them to perhaps rush a little bit more than they would otherwise do because there are fewer inspectors doing the work, if that were to be the case, then I think we're operating to our own and to Alberta's detriment.

I also know that this department is concerned with and responsible for WCB. In my view, nothing is more difficult and complicated to try and work through in all of government than WCB. Accidents of course will occur, have occurred, and are going to continue to occur for a long time because that's the nature of humans on this planet.

I also know that I have one particular constituent who was injured on a work site and went on to record the accident in the so-called daily log book of the employer and thought that the accident had been looked after and reported properly and wasn't. It turns out now that he's somehow personally at fault for having gone past the so-called reporting deadline, but he doesn't feel that it was his fault. While that's not central to estimates per se, Mr. Minister, I thought I would just roll that in because at some point I'm going to follow that up with you as well. Exactly what are the responsibilities of the employer when they have a daily log book into which accidents are recorded? Whose job is it thereafter to pick up the pieces and follow through with the actual claim being forwarded to WCB? Again, that's a topic for another time.

I want to know in particular what is meant on page 295 under the target that is first listed on that page. It says the target is: "100% of organizations administering the Safety Codes Act will achieve a satisfactory performance rating." I want to know a little bit more about what the definition is here from a departmental standpoint of a satisfactory performance rating in terms of the organizations that administer the Safety Codes Act. It caught my attention. I'm sure it's a fairly straightforward answer, but I'd like it commented on, please.

I want to move briefly to the aspect of mediation. I'm curious to know, Mr. Minister, from your department how many labour disputes the government has handled in the last year, the last two, the last three years? Is that figure increasing or decreasing, or on average is it sort of staying the same? Along with that, could you also please give this member some brief indication, as general or as specific as you can get it, as to how you cost out the amount of department dollars that are allocated, let's say, to the average labour dispute that they would handle.

I understood that 1997 through until now was a fairly intense year for disputes, and I think other members have mentioned some of the disputes that we've witnessed or endured. I want to

know from the minister when and how his department takes on that role of leadership in respect to labour disputes. I think leadership was the buzzword – was it not? – in Agenda for Opportunity. I think that's the term that was used in there, and I want to take that in a very literal sense as it applies to labour dispute mediation and resolution. I think that's a good word, Mr. Minister: leadership. And I want to know at what point it is that the department shows leadership in terms of helping to resolve some of these disputes. Is it a question of the hon. minister and his department sitting back and waiting until they're approached, because I hear that said sometimes, or is it more the case that you sit back and you have a sort of tolerance period, and you say, "Well, I think it's time we stepped in here"? Or do you offer stuff quietly to each side and say: "Look, guys; you're having trouble getting this together. We'll help you appoint a mediator."

9:42

MR. SMITH: Usually we wait till Hugh phones.

MR. ZWOZDESKY: If you're waiting for the opposition to bring it to your attention, we'll be happy to assist in that leadership role as well.

I don't think it's helpful to anyone to watch these things drag on, but by the same token I want to fully respect what might be in some cases the collective bargaining process. I understand that. In other cases I want to respect the employees' right to strike, because that's sort of one of the fundamental cornerstones of the entire unionized movement or the unionized worker situation.

Of course the employer benefits from having a unionized workforce, as we all know. It's nice to have a union group just ready to take up the torch for whatever job it is, and the employer can relax. I would put it to you in terms of my own union, which is the American Federation of Musicians. It's nice to go to a gig – I've conducted thousands of them – and musicians I've never met before show up. They're all unionized, and they're all at a certain calibre. I don't have to worry about it. I just throw the notes in front of them and bang, it's just like reading a book to them. It's nice to have that kind of expertise available. So the employer benefits from this as much as do the employees. [interjection]

Now, before members feel like dancing to my music or to someone else's, I also had a quick comment on the Employee Pension Plans Act. I've just misplaced my thoughts on that one temporarily here, so until I can find that, I'll probably end here, Mr. Chairman, and take up that point personally and privately when I find my notes on it.

With those few comments, I want to take my seat and wish the minister well in the delivery of the seven measurements he's projected and tell him that both I and the critic we have in the area and everyone else are going to be very vigilant on this most favourite department of ours.

Thank you.

MR. SMITH: Mr. Chairman, I'd like to rise and respond to some of the good questions from both sides of the House and keep the ball rolling here. I would like just to take a minute and say that it has been five years coming up as it has been for the other hon. member. We faced off in the world of film tax and film credits. Of course, I wasn't in conflict of interest. I didn't belong to a union that would benefit directly from that reduction. But I always know the member is forceful in his causes and believes strongly in them and is always eloquent in the way he puts them forth.

I also listened with interested to Don's comments, the Member

for Edmonton-Mill Woods. I'd just like to say, Don, that you must have been reading my mind on some of the situations, because in fact we've turned to the Labour Relations Board and said: "Okay, guys. We think it's important for you to do a number of things. One of those things is to prepare a business plan, tell people a little bit more about your business." Another thing is to go forward with an appointment of an individual who neither represents a unionized employer nor does he represent a union shop. He's in fact a businessperson, an employer, as matter of fact a personnel manager, HR manager, with Fluor Daniel.

The other thing we said is that it's time to have some open houses. Thanks to some of the work done by the eminent Calgary Chamber of Commerce, we intend to put on an afternoon bear pit session, a forum where people get a chance to express some of the concerns, some of the things they've learned from the LRB, some of the things they'd like to learn from the LRB but to create that dialogue and that sense that this is how we work. So I hope that's helpful. They'll also be looking at their own performance measures that we expect to bring forward in the next business plan.

I'd also like to say, as the member was present when there was a searing question on the Petroleum Tank Management Association and the work being done by Environmental Protection, that entity is now safely lodged in the care of Environmental Protection, and we'll be looking forward to their program as it unfolds and perhaps a question for their estimates as well.

I also want to comment on your note on the stability of the business plans. I think you know how I feel about business plans: how they should be short, how they should be concise, tell you who's doing what to whom and how much it's going to cost, and how you are going to measure that. We've tried to become very focused, down from 29 measures to seven. You know, my hope is that it's strong enough to continue to be presented in that format as part of the three-year business plan, and I hope we've got it righter than ever before. I appreciate your comment on that.

You mentioned also a little bit on the cuts. We always have a little bit of a stretch target in this department or previous departments. We met and exceeded our target, so we met a stretch target of reductions. We will get you some further information on it. We also realized that we had an abundance on our administration side, so we started to reduce that. Then we got ourselves down to as low as 323 FTEs. We eliminated all the phantom FTEs, et cetera, et cetera, and now we want a staff at the pointy end of the stick. We feel that the occupational health services as well as the safety services need those operational people, and they need to be out there in the marketplace and they need to be out there in the workplace. So that's very much a focus of two of our core businesses for 1998-99.

Let me just perhaps talk to Edmonton-Mill Woods as well. One of the things we did is commissioned a report from a consultant named Ernst & Young. We said: tell us about this organization. Go in and talk to the employees of the Department of Labour and ask them: what do you want, and how do you do it? The report was made public. It was posted on the web site. It's a public report, and we had some astonishing feedback. We talked about people who had real job ownership. We talked about people that said: we plan well; we implement terribly. You know, how do we get on this? So we created a self-introspection through this report, that cost \$60,000, and I think we got excellent value for that.

Subsequent to that came the reorganization. Subsequent to that came the administrative savings. Subsequent to that came more streamlined service delivery, and subsequent to that came the

moving of the Fire Training School from the Department of Labour over to where it's properly housed, at Lakeland College, across the street. I think that's already resulted in some savings as well as a capital expenditure to keep their work current and allow them to be a state-of-the-art training institution not only for Alberta firefighters but for Saskatchewan firefighters, for the prairie provinces, for Canada, and they're also interested, I understand, in doing some work overseas.

The other thing that we got up and going and then made some changes on is the international qualifications assessment service. Again, it provided a real service to new Canadians and potentially new Canadians by assessing their qualifications that were earned in external environments and then taking that and moving it into Advanced Education and Career Development, who have the delivery points, the centres in the towns and in the cities that I think have more of a one-on-one contact with these individuals. So we were quite pleased with making that movement over there as well, hon. member.

Lastly, we did something that was kind of different. We said that maybe we can survive without a personnel function, that maybe we can find a partner, that maybe we can build something with another department. So in fact we've embarked upon a joint personnel-shared service bureau concept with the department of the Treasury, and we're saying: okay, guys; let's see if we can put some taxpayer dollars to work in an efficient manner. Those are just some of the events that have taken place.

**9:52**

Somebody mentioned mediation. I think it was the member from Edmonton-Mill Creek. Last year, I can tell you, there were 134 mediation appointments, 91 settlements. Only four resulted in job action; 93 are still active. The average number of mediation days was 2.1. Remember that two days are on us, are complimentary, and so then the cost to the client becomes minimal after that.

One of the things that, again, we have to remember is we don't walk in and say: hi, any mediation today? What happens is that people have to ask for mediation. The mediation has to be asked for by both parties. We're always in support of an agreement reached by the disputing parties. We are not in support of compulsory arbitration; we're not in support of foisting solutions onto people. People make the best decisions themselves. It's a tenet of this government, and I believe it's a strong tenet in the field of labour relations and industrial relations as well. I know that in many cases critics from other parties will stand up and say things like, "Well, there are more problems in the Department of Labour today," and then go on to talk about, "Why doesn't the minister force this event to happen?" when he knows full well that the best decisions are those decisions reached by individuals themselves.

I'll just wind up, Mr. Chairman, because I know people will be anxious to hear the progress of the committee. Again, we have regular involvement with industry and labour to facilitate, to provide that leadership. I look at the work done by the Labour Relations Board when they had a premeeting on health care institutions and being able to advise them of the process that they would go forward with. We try to stay in touch with the areas that are tricky, with the areas that we can help in, and we assist

where we can. I'd point to the agreement cut up at Syncrude 21, which talks about best practices in the construction sector. Really it's in the interests of these individuals to be able to do those things.

So, Mr. Chairman, do we want to move that the committee now rise and report and that we can report progress thereon?

THE CHAIRMAN: If you do, that's a nondebatable motion. It's subcommittee though.

MR. SMITH: Yeah. I think that that's fine for the evening. People have done a lot of work, Mr. Chairman. I know that there's a little bit of fatigue at this late hour, that some of the numbers are starting to get a little bit fuzzier. You know, if one member wants to spend a poquito of time, a short two minutes, and then move that the committee rise and report, I would look for that member to do exactly that.

MS OLSEN: That's very gracious of you, as my colleague would say.

I have to go back to the delegated administrative authorities or organizations just for a moment. I had asked some questions as to why there wasn't anything in terms of performance measurements with the DAOs to find out how things were going. The minister then replied that these are arm's length. Last year when we went through this process, we learned that DAOs are industry funded and operated administrative bodies accountable to the minister. In the business plan on page 265 last year, we actually had a performance indicator. That was a new measure last year, and it has disappeared this year. So maybe you can explain that difference: why would you have a performance measurement last year, why would we understand that the DAOs are directly accountable to you, and then this year that's not the way it is?

My second question then. Last year you were in negotiations with the master electricians in terms of their DAO. What has transpired since that time? Have you reached some form of agreement on how you're going to carry that out? Maybe you can enlighten us as to what's happened since then on that particular DAO.

THE CHAIRMAN: The hon. Minister of Labour.

MR. SMITH: Good questions, Mr. Chairman, all in the fullness of time. Thank you for that added due diligence as well as the due diligence that has been expressed by both sides of the House.

Viewing that such great progress has been made, I would move that the subcommittee rise and report progress.

THE CHAIRMAN: Okay. The hon. Minister of Labour has moved that the subcommittee do now rise and report progress. All in support of that motion, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Carried.

[The subcommittee adjourned at 9:58 p.m.]