



Legislative Assembly of Alberta

The 27th Legislature
Fourth Session

Standing Committee
on the
Economy

Department of Employment and Immigration
Consideration of Main Estimates

Monday, March 14, 2011
6:30 p.m.

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Fourth Session**

Standing Committee on the Economy

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Chase, Harry B., Calgary-Varsity (AL), Deputy Chair

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Hon. Thomas A. Lukaszuk Minister

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6:30 p.m.

Monday, March 14, 2011

[Mr. Bhardwaj in the chair]

**Department of Employment and Immigration
Consideration of Main Estimates**

The Chair: Good evening, ladies and gentlemen, and welcome. At this time I'd like to call the meeting to order. A reminder to everyone that the usual rules regarding electronic devices and food and beverages in the Chamber continue to apply.

Members and staff should be aware that all the proceedings of the policy field committees in their consideration of the budget estimates are being video streamed. The minister whose department's estimates are under review is seated in a designated location, and all other members wishing to speak must do so from their designated seat in the Chamber. Any official or staff member seated in the chair of a member must yield the seat immediately should the member wish to occupy his or her seat. Members are reminded to stand when speaking.

Note that the committee has under consideration the estimates of the Department of Employment and Immigration for the fiscal year ending March 31, 2012.

The speaking order and times are prescribed by the standing orders and Government Motion 5, passed on February 23, 2011, and are as follows: (a) the minister or the member of the Executive Council acting on the minister's behalf may make opening remarks not to exceed 10 minutes; (b) for the hour that follows, members of the Official Opposition and the minister may speak; (c) for the first 20 minutes the members of the third party, the Wildrose Alliance, if any, and the minister may speak; (d) for the next 20 minutes the members of the fourth party, New Democrats, if any, and the minister may speak; (e) for the next 20 minutes the members of any other party represented in the Assembly and any independent members and the minister may speak; (f) any member may speak thereafter. Within this sequence members may speak more than once; however, speaking time is limited to 10 minutes at a time.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Three hours have been scheduled to consider the estimates of the Department of Employment and Immigration. If the debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn; otherwise, we will adjourn at 9:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

The vote on the estimates is deferred until Committee of Supply on April 20, 2011.

Written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved. Any amendments to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is also deferred until Committee

of Supply, April 20, 2011. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

A written response by the office of the Minister of Employment and Immigration to the questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs.

At this time I would like to invite the Minister of the Department of Employment and Immigration to begin his remarks. The Hon. Thomas Lukaszuk, please.

Mr. Lukaszuk: Thank you, Mr. Chairman. Thank you for this opportunity, and I look forward to an engaging back and forth debate if that's what the members of the opposition parties choose to do, to adopt that format. First, before we even get started, I'd like to take this opportunity to introduce some very important individuals from this ministry that oversee the daily operations, starting with Shirley Howe, our Deputy Minister of Employment and Immigration. Welcome, Shirley. Alex Stewart, the assistant deputy minister of strategic corporate services division, welcome. They are also accompanied by Shelley Engstrom, our senior financial officer. These individuals will be here with me on the floor of this Chamber.

Also, up in our gallery we have department members Janice Schroeder, director of communications for our department; Jordon Copping, my executive assistant; and Angela Woo, the deputy minister's executive assistant. Also joining us today are Dana Hogemann, Veronica MacDonald, and Inna Fedossenko from the finance branch and Pam Sharpe, a public affairs officer. Welcome to all of you as well, and I hope that you enjoy these riveting three hours ahead of us.

Mr. Chairman, I introduced my staff just a second ago, and I want to take a moment also to thank them for the support, all the documents that we will be reviewing today. As you can imagine, in a ministry of this size and with the diversity of matters that this ministry deals with, it is not an easy task to prepare a budget and to work with my office on an ongoing basis, not only preparing the budget but then later delivering this budget, so my gratitude really goes out to all of them.

Over the past year I have learned a great deal about what the staff and the members in this ministry have done and have been doing to connect Albertans and our employers and assist those in need who require the services of our ministry, which, as I indicated earlier, is a complex ministry delivering a whole wide variety of service. I am pleased with the progress we've made, and I am really looking forward to accomplishing even more in this upcoming fiscal year of 2011-2012. I imagine that staff over there in the gallery must be shrieking right now because it's not like we haven't been busy during the last year.

Mr. Chairman, this \$1.1 billion budget will allow us to continue our important work for Albertans and deliver on the goals set out in our business plan, and I'll get into the details of that in just a moment. First, I would like to point out that there is an overall reduction in the budget, so let's get this off the floor right now. There is a \$61 million reduction in our budget from last year's spending. When the economic recession hit, the government of Canada provided stimulus funding to help Albertans get back to work, as you know. That funding commitment ends March 31, 2011, so we will receive \$70 million less in federal funding for the 2011-2012 fiscal year. The loss of this funding means that we had to reallocate funds in some areas in order to ensure critical services were maintained in this ministry.

Allow me to take you through some of the numbers, Mr. Chairman. Unemployment rates remained higher than we would

have liked over the course of 2010, averaging approximately 6.5 per cent. We are forecasting an average unemployment rate of 5.5 per cent for 2011, one full percentage point lower than that of 2010. As the economy improves, we should see some reductions in our income support and health benefits caseloads during this upcoming year.

We have allocated \$933 million for our employment programs, which includes our financial assistance programs. This area accounts for 85 per cent of this ministry's total budget. We did have to make a \$13.8 million reduction to employment and training programs, due mostly to the decreases in federal funding, as I mentioned at the outset of my comments. As the unemployment rate continues to drop, we expect demand for our training programs and career services to go down accordingly. We fund training for income support clients to better enable them to find and keep a job. As more jobs come available, there will be fewer clients needing these additional services and training.

Our priority, Mr. Chairman, is on occupational training, which falls under the training for work category. We have made reductions to other training programs such as basic skills and academic upgrading in light of this focus.

I am sure that you've noticed that the youth connections program also has been discontinued. Youth connections started in 1995, and the technological advancements over the last 16 years are changing the way youth find their information. We will be looking at new ways to engage youth, including the use of social media. Youth can also access our career employment services at any one of our 59 Alberta Works offices across the province, on-line at the alis.alberta.ca website or through the career information hotline.

We continue to work with industry and employers to connect them with job seekers and help them keep and improve the skills of current employees. We are investing an additional \$1.2 million in workforce partnerships to help employers find and keep workers and to support basic skills training through a partnership with employers. As I indicate so often, Mr. Chairman, we are putting Albertans first.

6:40

We are also investing an additional \$148,000 into aboriginal development partnerships, allowing us to continue our work with multiple stakeholders in our aboriginal community to increase their participation in Alberta's labour force.

Mr. Chair, while our primary interest is keeping Albertans working, there are times when people need some extra financial help as they move towards employment. Our income support and health benefit programs help individuals and families meet their basic needs like food, clothing, and shelter as well as diabetic supplies and dental coverage. This budget contains \$616.8 million for these programs, \$29.6 million less than 2010-2011 forecasted spending. As more people find work, fewer people will require such financial services. A declining unemployment rate means fewer people will rely on income support. We expect our average monthly caseload to drop from 39,290 cases in 2010-11 to 37,000 cases in 2011-2012.

Now that I've covered the sections related to employment and financial assistance, I will take you through the funding we have committed to keeping Alberta workplaces fair, safe, and healthy, Mr. Chairman. The labour relations area will see a small reduction of \$72,000 from 2010-11 forecasted spending. Employment standards is responsible for ensuring workers' rights are protected. The budget for this area is being reduced by \$178,000, or 2 per cent. This reduction is mainly administrative in nature.

Spending in occupational health and safety will increase by \$3.1 million, Mr. Chairman. This will help this ministry to continue to deliver our 10-point plan, which has frankly now turned into a 14- or perhaps even a 15-point plan, to help ensure Alberta's workers can leave their job safe and healthy at the end of each work day. This increase will be funded by the Workers' Compensation Board, which means indirectly by Alberta employers.

Another main area of focus for this ministry is immigration. While the process of bringing people into the country is a federal matter, we work to ensure the federal government is aware of Alberta's immigration needs. We also help newcomers integrate and settle into their communities and help skilled workers with foreign-earned education, having their qualifications assessed so that they can practise to the maximum of their potential in their field of expertise.

We also attract skilled labour from other countries to fill occupations that are in shortage. It is estimated, Mr. Chairman, that Alberta will be short some 70,000 workers in the coming decade, and Albertans and Canadians will not be able to fill all these labour market needs. A total of \$53.9 million has been allocated for all of these activities, a reduction of \$8.7 million from 2010-2011 forecasted spending.

Because there was a \$70 million reduction in federal funding to our overall budget, tough decisions had to be made. We had to reallocate some of the funding in the immigration budget to reduce the impact on employment and training programs. These programs are, of course, open to newcomers.

Together with Alberta Health and Wellness and Alberta Advanced Education and Technology we are expecting to spend \$35 million this year on informing, attracting, developing, and retaining our health care workers. This is the same amount spent last year. We are confident this level of funding will allow us to meet ongoing commitments to projects that will improve the health, safety, and efficiency of our health care workers.

As of March 31 the federal community development trust fund ends.

The Chair: Thank you very much, hon. minister. At this time I would like to recognize the member from the Official Opposition, hon. Harry Chase. Mr. Chase, before you begin speaking, I'd just like to ask you: are you going to go back and forth with the minister, 10 minutes at a time?

Mr. Chase: I will take each of my three 10-minute sections to myself and look forward to the minister responding.

The Chair: Thank you very much. Go ahead.

Mr. Chase: Thank you. I'd like to begin by thanking my shared researcher, Ben Whynot, for all the preparatory work he has done, much of which was on his own time and dime, so that I can hold the Minister of Employment and Immigration to account this evening.

I have a grand total of 30 minutes to debate an approximately \$1,100,000,000 budget, which translates to about \$37 million per minute. It is my intention in each of my three 10-minute opportunities to raise as many questions as possible, realizing and hoping in the name of accountability that the ministry will follow up with written answers to the numerous questions which time will not permit to be answered tonight.

To begin with, the minister noted the overall budget, which is an estimated voted expense for Employment and Immigration of \$1,098,755,000. I'll be referring to it as \$1.1 billion throughout my discussions. There was a slight increase of \$1.1 million from the previous year's budgeted amount but a decrease of over \$61

million for the forecast for 2010-11. The minister has indicated a \$70 million transfer shortfall from the federal government, which the province is either unwilling or unable to make up in terms of the difference.

In 2009, the last year in which statistics are available, there were 110 occupational fatalities in Alberta. Forty-one of those deaths occurred at the workplace, 49 occurred due to occupational disease resulting from a person's previous employment, and there were 20 motor vehicle accidents in terms of commuting to and from the workplace. During that year Alberta prosecuted only nine workplace safety cases.

The fiscal plan and the budget news release state that occupational health and safety, OHS, spending will be increased by \$3 million, or 12.7 per cent. However, there only appears to be a sizable increase in spending because the government underspent its budget for the previous year. The line items under occupational health and safety sum up to \$27.7 million for 2011-12 as claimed, but the budgeted amount for 2010-11 was about \$27.3 million.

The ministry forecast spending only \$24.6 million of the budgeted amount in 2010-11, hence the claim of a significant increase, \$27.7 million to \$24.6 million, or approximately \$3 million. Will the minister admit that the increase in occupational health and safety spending is actually a negligible 1.3 per cent compared to last year's budget and not the 12.7 per cent boost claimed on budget day? Why did the minister allow official government documents and press releases to exaggerate increases to the occupational and health safety budget? After promising major changes in OHS in July of this year, can the minister explain why he did not use his full OHS budget in 2010 or enhance the OHS budget for the following year?

What proportion of the \$27.7 million for OHS in 2011-12 is funded by the Workers' Compensation Board under section 39 of the Occupational Health and Safety Act? What agreement does the department have with the WCB in terms of OHS funding? Has the agreement been altered to allow for more resources in OHS to implement some of the minister's objectives; for example, the 10-point plan for hiring more inspectors? Once the WCB proportion is calculated, how does the province determine how much, if any, it will allocate to OHS programs?

A press release from the department dated March 4, 2011, announced a plan to raise the number of OHS inspectors from 102 to 132 in three years; in other words, 10 per year. What will the cost be for adding 10 new inspectors over the 2011-12 year? That cost is in terms of not only money but the potential of lives. Will the \$1.1 million increase in line 3.8, regional services, be devoted to this additional expense, which comes from estimates 2011-12, page 119? How will the 10 additional officers hired in 2011-12 be distributed across the three regions in the province: south, central, and north? Once the 10 officers are in place, what will the total inspector complement be for each of these three regions?

What was the rationale for the staged increase over three years to 132 officers? In other words, what ratio or target is the department using as its goal for an adequate number of inspectors? Since the rationale for the increased hiring was heightened by economic activity, if the recovery exceeds expectations, would the department accelerate its three-year hiring plan?

6:50

Partners in injury reduction, PIR, is a program that promotes joint government-industry initiatives for improving worker safety. Certificates of recognition, COR, are a key component of the partners program and are supposed to be issued to companies that implemented certain health and safety systems. A certificate of recognition entitles companies to receive substantial rebates from

the WCB as well as preferential bidding rights on certain contracts.

The April 2010 report of the Auditor General found that companies with poor safety records also held certificates of recognition. Spending for the partners in injury reduction program is maintained in the 2011-12 departmental estimates at a level close to the budgeted amount for last year although slightly increased from the forecast \$398,000, estimates 2011-12, line item 3.7, page 119. This amount likely covers the administration of the partners in injury reduction program. The rebates come from the WCB; \$71 million in rebates were issued in 2009 according to that year's WCB annual report.

Given that the minister claims that he has completed many of the items in the 10-point plan for improving occupational health and safety, what is the status of item 6, which promised changes to the certificate of recognition program by December 2010? Was the review of the certificate of recognition program completed by the December deadline, and if not, why not? If completed, why has the review of the certificate of recognition program not been released to the public? Will it be made public when it is completed? Has the department revoked any of the certificates of recognition currently held by companies with poor safety records? Will the minister require companies with poor safety records to refund rebates to the WCB that they were given as certificate holders?

Has the minister had any discussions with the WCB regarding its practice of issuing bonuses to employees to urge companies to sign up for the certificate of recognition program? How can the minister justify the certificate of recognition program on value-for-money grounds when a report from his own department stated that the program saved only \$15 million in 2006 but provided for over \$76 million in rebates to employers in the same year. That information, for people looking it up: Occupational Injuries and Diseases in Alberta, Summer 2007, page 90. Does the minister not agree that our workplaces would be safer if we used some of these rebate funds, which are going to companies with poor safety records, to increase the actual OHS budget? After all, both the OHS budget and the rebates come from WCB premiums.

Occupational disease is a very serious issue for Albertans. For 2009, 49 of the 110 WCB-accepted fatalities were due to occupational diseases. The Auditor General has called occupational disease "the leading cause of all occupational fatalities in Alberta." That's from his April 2010 report, page 31. In a November 5, 2010, press release the minister stated that he had instructed his department to create an occupational disease prevention program. When will this occupational disease prevention program be in place? What kinds of initiatives will be undertaken through this program? Given that the April 2010 report of the Auditor General reported that Employment and Immigration and Alberta Health Services were already collaborating on a similar project – April 2010 report, page 39 – what is different about what the minister has asked for? Was this a reannouncement?

Given that the Auditor General noted the need for a well coordinated research effort on occupational diseases, how much, if anything, will be allocated for this kind of research apart from the prevention program announced in November? This comes from the April 2010 report, page 38. How can a prevention program function effectively without solid statistical and scientific research to back it up? The online telephone directory for Employment and Immigration available through the government of Alberta's website only lists one individual in the newly created occupational disease unit.

The Chair: Thank you very much, hon. member. Your first 10 minutes are used up.

At this time I would like to invite Hon. Thomas Lukaszuk. You have 10 minutes, Minister.

Mr. Lukaszuk: Well, thank you, Mr. Chairman. I have offered to this member to engage in a back-and-forth question-answer, question-answer, and I could have answered every single one of those questions for him one by one, actually with a great deal of detail. Unfortunately, this member decided to ask me 500 questions in the first minute. Obviously, I don't believe he expects me to answer those questions, and I don't imagine he actually knows what they were. I'll just pick out a few at random and address them. By the way, congratulations to your researcher, hon. member. If he's really working that many overtime hours without any pay, he should be contacting our employment standards, and we'll be gladly rendering some assistance to him.

This member is asking about occupational health and safety and why the full budget wasn't spent last year. Well, Mr. Chairman, the answer is simple. The fact it wasn't spent is based on the reality that we had a hiring freeze at that point in time, so additional resources could not be hired because across the government of Alberta that was the case, yet our budget was projecting a higher complement of staff.

Now, the member is asking about the 14-point plan and where we're at. Well, I'm glad to report to this member, if that really means anything, that point 1 – I'm not sure if he knows what it is – is completed. Point 2 is completed. Point 3 is completed. Point 4, as a matter of fact, is in the works right now, and outcomes will be announced soon. Point 5 is almost complete, and I will be reporting on it very soon. Point 6, the one he asked about more specifically: the draft process is completed and headed for review by myself. I will be receiving the draft of it promptly. Point 7, investigation is under way. Point 8 is completed. Point 9 is 99 per cent completed. Point 10 is currently under way. Point 11 is under way. Point 12 also is under way and will be completed. Point 13 is under way, and point 14 is completed.

Mr. Chairman, I have to tell you that I am committed to all 14 points, and that list may continue to grow. We take occupational health and safety very seriously, and we will make sure that not only those points but other improvements will take place as time goes on. At the end of the day I have made a very clear commitment to Alberta employees and employers reflecting what Albertans ask of us. Albertans demand safe and fair workplaces, and that's what they shall have.

I have undertaken to bring some adjustment of balance between education and enforcement but not at the expense of education. That is taking place, and I think we're seeing some great results. I think not only the staff in both of the departments, in occupational health and safety and employment standards, but all Albertans should be proud of the changes that have been brought into place over the last year, and I thank the staff for doing so.

The member is asking about WCB funding. Occupational health and safety is 100 per cent funded by the Workers' Compensation Board, which in turn is funded by Alberta employers, and such is reflected in the particular budget.

The member made a mention about hiring additional occupational health and safety officers. I'm thanking him for highlighting this because there's another success story, Mr. Chair. Because of this renewed commitment to occupational health and safety we have made a decision to hire an additional 52 per cent – 52 per cent – of occupational health and safety officers over three fiscal budgets: the one that just ended, this one, and the next one. That is

not a small measure. Those are officers who need to be very highly trained.

We have also divided Alberta into three enforcement zones. The area where most of our economic activity will be taking place over the next number of years, being Fort McMurray and surrounding area, will have its own designated area with officers who will specialize in the type of industry that's in the area and develop good relationships not only with the workers but with the employers in the area. The educational component also will be that much more effective. We receive, Mr. Chairman, \$40 million from the Workers' Compensation Board and the Alberta employers that fund all those programs.

Mr. Chairman, as I said earlier, it's nearly impossible to answer those questions. It's an unfortunate testament to the process because this could actually be a very productive process, where you can ask detailed questions and I can gladly get into the detail and answer those questions one by one, but with a flurry of questions like this I'm not in a position to comment any further. I will give this member an opportunity to ask me another 500.

7:00

The Chair: Okay. Thank you very much, Minister.

Mr. Chase, please. Go ahead.

Mr. Chase: Thank you. I clearly indicated to the hon. minister in my introduction that I did not expect you to be able to answer all the questions here tonight, but they are important to get on the record, and it is my hope that your department will provide the written answers in the detail requested.

Where I left off, I was discussing the one individual listed in the newly created occupational disease unit. The question: is this occupational disease unit really a one-person show? Does the minister have any plans to expand the occupational disease unit in the 2011-12 fiscal year, and if so, what kind of resources has he allocated in this budget to do so? What staffing complement will the unit have by the end of the 2011-12 fiscal year?

A key conclusion of the Auditor General's major audit of workplace health and safety was that Employment and Immigration did not have adequate systems for tracking persistently noncompliant employers. This comes from the Auditor General's report of April 2010, page 40. Further investigation by the department found that a number of OHS orders remained open due to administrative errors. The Auditor General reiterated his concern with departmental systems in a letter dated June 9, 2010. The minister's 10-point plan lists "improving data collection and reporting systems" as item 5. The deadline for that initiative was November 2010. On November 5, 2010, a news release outlining progress in the 10-point plan lists improved data collection as still ongoing. Why has this initiative not been completed on time, and what is the new time frame?

Will the funds for the new software program be taken from the ministry's OH budget or from its overall administrative or corporate services budget? Where is the line item?

Given the highly problematic implementation of the Mobius software in Alberta Works, that saw a number of students without funding or support for months at a time, what steps is the department taking to ensure that the adoption of this new software program goes smoother?

Can the minister please update us on the progress of the department's review of the open safety orders that the Auditor General identified? What proportion of the open orders has been reviewed? When will the review be completed? So far how many of the open orders are due to administrative errors? In the case of those orders that are not found to be open due to error, are occupa-

tional health and safety staff immediately following up with the relevant employer? Can the public be assured that the reviewed orders are being properly documented and filed given that the required data collection and reporting software does not appear to be in place yet?

The report of the Auditor General lists five major OHS-related recommendations as outstanding and unready for follow-up audits. That's from the Auditor General's report October 2010, page 210. Can the minister assure the public that these recommendations will be fully adopted and confirmed by the Auditor General as adopted within the 2011-12 fiscal year?

Income supports and health benefits. The fiscal plan notes that \$468 million has been budgeted for income supports, a \$31 million decrease from 2010-11. The government argues that this decrease is appropriated to the likelihood that stronger economic growth will reduce caseloads. This is from their fiscal plan 2011-14, page 19. The total budgeted for income supports in 2010-11 was \$450 million, so actually the estimate is \$18 million more than was budgeted for last year. The reason the government is claiming it's making a reduction is because income supports were to be decreased by \$41 million in the previous year for the same reason, but unexpectedly high caseloads caused the government to request \$53 million in supplementary appropriations, sup supply estimates 2010-11, page 28.

The Edmonton Social Planning Council notes that this was the second year in a row the government's projections for income supports caseloads proved overly optimistic. This was in the budget analysis from February 2011. What methodology does the government use to project income supports cases for the coming year? Has this method been re-evaluated in light of two years of higher than anticipated income supports caseloads? Can the minister explain what economic forces maintained income supports caseloads at levels necessitating an increase of over \$53 million, 12 per cent, to the budget last year? Is this a sign that the economic recovery is not filtering down to average Albertans as quickly as the government had previously suggested?

Did the department emphasize the \$31 million savings reduction to give an inaccurate picture of fiscal restraint and to minimize the fact that the government is actually spending far more on financial aid for Albertans than expected to this time last year? Mr. Minister, I'm certainly not getting after you for spending more on needy Albertans; it's your projecting that I have trouble with.

The early signs for 2011-12 do not appear to be positive for these programs. The department's own office of statistics and information states that the income supports caseload in January of 2011 was 39,153, not far off from the peak of 40,177 in April 2010. ATB Financial also released an economic comment in January 2011 noting that Albertans filing for employment insurance benefits failed to show any improvement in the final quarter of 2010 even though the economy was picking up steam.

Given the resilience of elevated income supports caseloads, when over the coming year does the department expect a substantial decline to occur that will allow for the \$31 million reduction from last year's forecast? If economic conditions do not meet expectations, can the minister assure the committee that the sustainability fund will be able to absorb another major supplementary request for increased income supports funding, or will the department be forced to turn people away?

Besides the estimation of lower caseloads what else is the department doing to save money in these line items? For example, is the department freezing the level of benefits? Learning funding under income supports was reduced by \$12 million in Budget 2010, to approximately \$70 million. The forecast for the year is

relatively close at \$67 million. Budget 2011 estimates a further reduction of \$7.5 million, or 11 per cent. That comes from the estimates 2011-12, line item 2.16, page 118. Given enhanced demand for other elements of the income supports budget, is the close tracking of the 2010-11 forecast with the budget estimate due to reduced demand, or was the department actually turning down applications for learner funding to meet its target? We know that ESL, for example, took a significant hit. Although I am sure there will have to be rough estimates, what reduction in supports to individual people is implied by a reduction of 11 per cent? How many applicants less will this represent?

Previously the major line items for income supports, apart from learners, were people expected to work or working and people not expected to work. Income supports for those expected to work has been decreased by 12.7 per cent, or \$33 million, from the forecast for 2010-11, estimates 2011-12, line item 2.17, page 118. The People Not Expected To Work line item has been renamed People with Barriers To Full Employment. The estimate for 2011-12 represents a sizable 22 per cent increase over the budgeted amount in 2010-11 and even an increase of almost \$10 million to the previous year's forecast, estimates 2011-12, line item 2.18, page 118.

Mr. Chair, I'll point out that the minister has his full 10 minutes. He may not see it as an exchange in the manner he would like, but he has 10 minutes in each of these sections to answer my questions, and those that he can't answer within that time, I would request written follow-up.

Is the change in line item name from People Not Expected To Work to People with Barriers To Full Employment indicative of broader policy change? This may be a semantic distinction, but it sounds like the expectations for these clients have been altered. Will the client base supported under the barriers line item change, hence the growth in budget even over forecasted spending for the previous year? In other words, will people who might have been originally classified under people expected to work but with employment limitations now be classified as having barriers to full employment? Will the client base under this line item be subject to greater interventions to integrate them into the workforce to some degree? If the change in name is indicative of a greater policy shift, when will this language be adopted across other governmental materials relative to income supports? I note that the language of People Not Expected To Work remains on some portions of the department's website.

Employment and training. Alberta's unemployment rate was 5.7 per cent in February 2011, down from 5.9 per cent in January 2011. Unemployment rates are slightly higher in the major urban centres, 5.8 per cent in Edmonton and 6.3 per cent in Calgary, so we still have a long ways to go. The government is projecting an unemployment rate of 5.5 per cent . . . [Mr. Chase's speaking time expired]

7:10

The Chair: Thank you very much, hon. member.

The minister has 10 minutes to respond. The hon. minister.

Mr. Lukaszuk: Well, thank you, Mr. Chairman. Where do I start? I guess I'll pick at random two or three of those questions that he has thrown at me out of the 500. Occupational disease unit. The member somewhere in there asked: what is the government's commitment to the occupational disease unit, how many staff members will it have, and what will the focus be? Well, the member should know from line item 3.6 in the budget that a \$1.6 million increase in funding will allow the ministry to establish an occupational disease prevention program as well as to continue to identify new ways to reduce work-related motor vehicle incidents

through measures such as the development of the best practices guide and e-learning program.

Mr. Chairman, at this point I cannot tell him how many actual persons will be working and how many will be reallocated within the department. But a \$1.6 million increase in the budget: that is up to \$7.9 million on that particular initiative. Again, it shows this ministry's commitment to occupational health and safety and, definitely, to the prevention of occupational diseases.

Occupational diseases, Mr. Chairman, fall into a category where you don't see the results immediately. Unfortunately, when workers are exposed to substances, they develop their medical condition with time and often realize the negative effects of their exposure many years after they have severed their employment in that industry or even have retired. But that doesn't mean it's not a good investment. Our commitment is to keep all Albertans safe from immediate accidents and from accidents that result from long-term exposure, and 10, 15, 20 years from now we will see positive dividends from that particular investment, and an important investment it is.

The member made some allusions to the change of name in the program for not expected to work. Well, the change in the program name is simply to reflect our respect for those clients, Mr. Chairman. Frankly, putting a label on a person such as not expected to work, in my personal opinion, is somewhat demeaning. Those individuals' conditions are many times medical. There could be social, environmental, or other conditions that they may be dealing with that change from time to time, and to label somebody as not expected to work is not accurately depicting what that person's actual capacity to work may be.

They may not be able to work at this point in time because they're dealing with a number of barriers to employment, but when circumstances change, when assistance is provided, that label changes. They may not be able to return to full-time employment but maybe casual employment or sporadic employment. Labelling someone and committing someone to a category of not expected to work simply does not ring true with what the actual conditions of these particular clients are.

Now, the member also made some comments, I believe, relative to our forecasting of expenditures. Well, obviously, it's easy to predict the past, and the member has shown his skills in that category. But we're not dealing with the past here; we're dealing with the future. The client numbers in our ministry over the next year are predicated on many other estimates. For example, the number of clients that will be accessing our income supports programs is largely predicated on our economic conditions and what the rate of unemployment will be and even subsections of that. If our unemployment drops, in what sectors will it drop? Will the newly robust economy be able to attract the clients that we happen to have on our caseload or not or in the geographic area where the clients happen to be?

There are many variables in predicting how many clients we will have. However, I have to tell you that we have been actually very accurate considering the volatility of the economic conditions over the last few years. You know, who could have predicted the recession? Who could have predicted a sudden spike in unemployment rates? Who could have predicted that we would recover as well as we have and that Alberta would now be leading the recovery throughout the country and actually moving the rest of Canada out of a recession?

Those numbers are very difficult to predict in accurate terms. So we take those numbers, and from that we extrapolate how many clients we shall have. I have to tell you, Mr. Chairman, that the predictions have been actually relatively accurate. But in a program where your dollars are driven by the number of clients that

simply show up at your office and in a program where we guarantee benefits to clients who meet our eligibility criteria and in a program where we don't change eligibility criteria from day to day to meet monetary or budgetary goals, we end up dealing with what we end up having at the front doors of our 59 offices. If economic conditions change and more clients show up and these clients happen to meet our eligibility criteria for assistance, we are committed to help Albertans in tough times.

Yes, if this hon. member would want us to be extremely accurate, you know, we can be. We can actually give you an exact number of how many clients we will have next year and not have one more. After we reach this number, we simply won't accept any more applicants for social assistance. I don't believe that that's what this member wants us to do, and that's something I would not do and this government would not stand for. So in a budget where you have a flow-through budget where clients show up and apply for benefits, you have to expect that sometimes you will be a few per cent over and sometimes you will be a few per cent under. That's why we have a budgetary process in place that allows for supplementary estimates. When need be, we pick up those extra dollars and can carry on, continue with our services. We do not put closed for business signs in our 59 offices. And the opposite happens. If we happen to have fewer clients, which I always hope we do, the money goes back into the treasury.

I believe, you know, that that is a natural progression of budgeting in this type of a ministry, where some 85 per cent of our expenditures are based on benefits. Now there are secondary benefits in place, so you can predict the number of clients, perhaps, to a certain degree, but you cannot predict who those clients will be. Will they be with children or without? Will they be single or married? Will they be sick or healthy? Will they require medical services or not? Will they require transportation services or not? There are no two clients who are alike, and there are no two packages of benefits that may be alike because our benefits, following many years of transitioning, now allow to somewhat tailor-make to the clients' needs. As clients' needs change, the quantity of dollars and the quality of programs that are being offered to them have to change to meet their needs.

So I do not apologize. Towards the end of the year if we have supplementary estimates and we need more dollars because there happen to be Albertans in need, I shall continue doing that. My number one commitment is to Albertans to make sure that they get the benefits.

Ultimately, Mr. Chairman, our programs are geared towards independence. If you show up at one of our 59 offices and find yourself in need, yes, you may receive financial assistance if such is required, but we also provide you with a multitude of other services. We can provide you with employment counselling. We can provide you with matching services with employers who happen to be looking for workers in their area. We can look at your aptitude and do some testing to see what kind of careers are more suitable for you. We can suggest educational routes and perhaps put you into further upgrading of your skills, be it vocational or academic, to make sure that you remove yourself as far as possible from ever again having to come back into one of our offices to ask for assistance.

Now, that is not predictable because those are quantitative measures. They actually translate into dollars the moment the client comes in and you assess that client's needs. I don't take that as a criticism. I would hope that this member of the opposition would not want us to run programs based on strict adherence to our budgetary projections because that definitely would not result in quality programming and would leave a lot of Albertans out in the cold.

7:20

The projections by some council, where the member indicated that our projections are too low. Well, I beg to differ. Historically, actually, our projections have been very accurate, as I said, based on those ever-changing variables. But I don't think there is a body out there that has proven itself to be more accurate in predicting how many clients would be receiving our services than this particular ministry, so I will continue relying on the advice of the ministry and their calculations because they seem to be very responsible and very reflective of what the need is.

Relevant to some questions there were some . . . [Mr. Lukaszuk's speaking time expired] Maybe not.

The Chair: Thank you very much, Minister.

Hon. member, 10 minutes, please.

Mr. Chase: Thank you, Mr. Chair. The government is projecting an unemployment rate of 5.5 per cent in 2011-12, which is more optimistic than the average of private forecasters. Budget 2011 contains \$162 million in estimated program spending on employment and training programs, a reduction of \$14 million from the 2010-11 forecast. That's from estimates 2011-12, line items 2.3 to 2.8, page 118. I provide these details so that individuals attempting to follow the debate have references so that they can see the accuracy of the concerns that I'm reflecting tonight.

On the subject of the Canada skills and transitions strategy how were these funds allocated? In other words, did the government of Canada provide the department with an overall amount that the department could allocate as it saw fit so long as the programs were skills related? Is the federal funding tied specifically to certain programs such as those for youth and immigrants? If it isn't, then the decision to target those areas specifically is the responsibility of the provincial government in the absence of the federal transfer.

Similarly to income supports, here we see certain budget lines that were targeted for reductions last year that did not materialize. Career development services was given a budget reduction of \$14 million last year, but the forecast of \$63.6 million is quite close to the 2009-10 actual of \$67 million, estimates 2011-12, line item 2.4, page 118. How many more Albertans utilized career development services in 2010-11 than the department anticipated when it projected spending reductions? How confident is the department that the demand for these programs will not remain resilient into 2011-12, particularly considering the government is only projecting an overall drop in unemployment of 1 per cent?

A repeat of an earlier question involving income supports. If the government's economic forecasts prove optimistic yet again, will the department maintain its 2011-12 estimates by denying employment and training services to Albertans, or will they maintain supports through supplementary appropriations? With higher demand creating discrepancies between budgeted amounts and forecasts in programs like career development services and income supports, can the minister explain the lower than forecasted spending in disability related employment supports, \$3.5 million, and training for work, \$8.5 million? This is important for understanding the rationale behind the estimates for 2011-12, line items 2.6 and 2.8, page 118.

Were disability related employment supports left at a level, \$13 million, close to the budgeted amount for 2010-11 because the government is anticipating increased demand for these supports in 2011-12? If so, why? If not, are there new initiatives planned with what could be surplus funds in this particular area?

In the case of training for work is the reduced estimate for 2011-12 compared to budget a result of lower demand for training,

or is the department simply putting the brakes on training to provide savings for other areas? If the former, can the minister provide any statistics to show that the uptake of these training programs fell in 2010-11?

Forecasted spending for the youth connections program is a relatively small \$5.4 million in 2010-11, which represents about 3 per cent of the total employment and training budget, yet this program will be cancelled in 2011-12. What was the rationale for cutting this program specifically given that the spike in youth unemployment during the recession was so dramatic and that the unemployment rate for youth aged 15 to 24 still stood at 11.3 per cent in February 2011?

Labour supply and immigration. The minister has previously explained during supplementary debates and other circumstances that immigration is a federal matter. I have countered that when those immigrants arrive here, it is the expectation that we welcome and support them and offer them productive jobs with supportive wages and the human rights associated with being an Albertan.

The Petroleum Human Resources Council, Mercer, and PricewaterhouseCoopers have all raised the spectre of a return to labour shortages in Alberta in 2011 and 2012. The Speech from the Throne notes that one way to mitigate future labour shortages is helping underrepresented groups "such as Aboriginal Albertans, people with disabilities, immigrants and young people contribute to the labour force." This is from the Speech from the Throne, page 7, that was delivered on February 22 of this year.

How will this goal be realized when most of the underrepresented groups mentioned, with the exception of those with disabilities, will lose opportunities for developing their skills because of Budget 2011? A few examples: young people, youth connections program eliminated; aboriginal Albertans, aboriginal development partnerships funding flat, estimates 2011-12, line item 2.10, page 118; immigrants, cuts of \$8.7 million to overall immigration programs, estimates 2011-12, page 119.

Looking at the overall budget for immigration programs, why are we cutting supports and services when the number of immigrants is increasing and we need even more immigrants to head off potential labour shortages as opposed to temporary, foreign, no-rights workers?

What accounts for the \$1.2 million increase in spending on foreign qualification recognition, an increase of 23 per cent from the budgeted amount? Was this a one-time expense? If not, why is estimated spending back down to the 2010-11 budget level, particularly when the department's business plan cites foreign qualification recognition as a key component for combating future labour shortages? Business plan 2011-14, page 50.

Why was the budget for bridging programs, which are intended to help recent immigrants gain work experience and update skills, underspent by 36 per cent in 2010-11 and then held at that reduced level for 2011-12, estimates 2011-12, line item 4.7, page 119? The budget line for English as an additional language has been reduced by \$3.4 million, or 27 per cent, in the 2011-12 estimates, line item 4.6, page 119. What is the current demand for ESL programs offered through departmental funding? Are any of these programs undersubscribed? Have any classes, particularly in the Edmonton and Calgary areas, been cancelled due to lack of demand? Has the uptake of these services been declining recently? What's the justification for the cuts that have been made?

Given the substantial literature that shows that higher literacy levels correspond with shorter periods of unemployment and employment in occupations with higher skill sets, are we not compounding our unemployment program with these funding reductions? For example, the last International Adult Literacy and

Skills Survey, IALSS, in 2003 found that immigrants in Canada with poor literary skills, level 1, had an employment rate of 57 per cent compared to 70 per cent for weak literacy and 76 per cent for desired literacy. Does the minister have any data on what percentage of the 124,200 unemployed Albertans are immigrants? Is he aware that the employment gap between Canadians and immigrants was widening even prior to the onset of the global financial recession?

What percentage of current income support clients are immigrants? If the government truly wants to reduce spending on income supports as the economy improves, why are language services for immigrants not a priority? Are media reports accurate that these funding reductions will result in the loss of 600 ESL classroom spaces? If not, can the minister provide concrete details on the impact of these cuts on services?

When the minister commented to the *Edmonton Journal* that, and I quote, the classroom setting is not ideal for all immigrants, end of quote, what did he mean? Is the department going to be boosting support for one-on-one mentorships instead, or are immigrant learners expected to work by themselves with online tools? How is the government supposed to meet its target of 70 per cent of Albertans holding level 3 literacy skills by 2020 – Living Literacy, page 9 – when the department is cutting ESL services to immigrants? Alberta Education is also eliminating enhanced ESL for refugee students completely, and Advanced Education and Technology has cut a widely appreciated ESL newsletter, English Express.

What is the government's timeline for completing negotiations with the Alberta Union of Provincial Employees? Is the government's failure to complete an agreement with the AUPE as well as Alberta Education's decision to walk away from labour talks with teachers and school boards a sign that the political instability within the government caucus is leaving labour relations at a standstill in this province? The Minister of Education specifically cited the Premier's resignation as one of the factors behind the collapse of those talks.

The 2011-14 fiscal plan indicates that the level of full-time equivalents in Employment and Immigration will remain constant next year at 2,029. The fiscal plan released last year pegged the number of full-time equivalents at 20,016. Looking at annual reports from corporate human resources, however, it appears staffing levels . . . [Mr. Chase's speaking time expired]

7:30

The Chair: Thank you very much, hon. member.

Minister, you've got 10 minutes to answer some of those questions, please.

Mr. Lukaszuk: Well, you know, I'll answer all of them. I think I answered all the questions that the member had up till now, so why don't I try to answer the remaining ones.

The member is talking about integration of immigrants and the workforce and how many immigrants we'll be bringing to Alberta and what the forecasts for employment are. Well, let's talk about it a little, and I'm sure I will globally answer all of the questions that he has just read out to me.

Mr. Chairman, not only Alberta but Canada and, frankly, most of the western world is facing what I would call a perfect storm. What am I talking about? I'm talking about shortages of workers that we will be experiencing over a number of decades to come. Why? Well, 2011, this year actually, is the first year that baby boomers started retiring. They have just reached their age of 65 and started retiring. Not only are we losing a large number of workers; we're losing a lot of experience.

Superimposed on that, Mr. Chairman, is the fact that our natural population growth in this province, in this country, and frankly in all of western Europe is just slightly above zero. Superimposed on that are the economic forecasts coming from various sources telling us that even in the most small "c" conservative terms we will be experiencing what I would consider quite respectable economic growth for many, many years to come.

Superimposed on that is the fact that our appetite for services is simply insatiable. We do expect our coffee shops to be open at 6 o'clock in the morning – well, I'll read that into the *Hansard* anyway – and we do expect that nurses and doctors are in place, that our stores are open. What that really means is that we will have a shortage of workers for many years to come. We predict that over the next few years we will be looking at a shortage of some 70,000 workers.

Now, obviously, our number one priority is Albertans and Canadians. Those must come first. Any groups of Albertans and Canadians who are either chronically unemployed or find themselves unemployed at the present time are our priority. We need to make sure that they have the valuable skills to engage in employment. But at the end of the day if we're naive enough to believe that every single Canadian and Albertan will be employed to the maximum of his or her ability, we will still be short on workers. That's where our immigration policies, Mr. Chairman, will have to come into place, and we will have to make sure that our national and provincial immigration policies are reflective of what is good for Canada first.

That ought to be our number one priority, and that's what you're seeing a reflection of in this ministry. We're making sure that whatever allotments of immigrants we have under the provincial nominee program, we prioritize those allotments in such a way that we maximize on the skill sets made available to us to allow our economy to grow, to allow our Albertans to have the services that they expect in various realms of their lives. At the end of the day if we have a shortage of workers, not only will it be reflected in higher cost of labour; it will also, Mr. Chairman, be reflected in a severe diminishing of the quality of life among Albertans. Some services will simply not be available anymore if there's no one to deliver those services. So we're working with the federal government on making sure that they are aware of what the needs in Alberta are and continue to amend our allotment of the provincial nominee in such a way that it is reflective of the needs.

Then comes integration. Well, Mr. Chairman, the majority of integration services, particularly under the federal streams, are the responsibility of the federal government, and they should be delivering those services to those new Canadians. But at the end of the day we know that a large portion of these immigrants end up in Alberta, and it is incumbent upon us as good neighbours, as good host communities, to provide some level of additional services to them as the government of Alberta. We do it over and above what the federal government provides, and we do it quite willingly. However, Mr. Chairman, any and all decreases that you will see in this budgetary year on those integration services will be primarily as a result of the three-year funding that the federal government had so generously extended to all the provinces as part of their stimulus package simply ending.

We have to be fair with the federal government. They had clearly advised us and all the service providers in Alberta that this was a three-year stimulus project. Some six months prior to the elapse of the program I had contacted the deputy ministers to learn whether, indeed, it would end in six months, and I was advised that, yes, it would. That information was shared with service providers. It has ended; however, we continue our commitment to the

integration of services. But when you have fewer dollars and the number of immigrants grows, you have to look at innovative ways of providing services.

I know one of the questions the member asked is: what do I mean, that the classroom is not the right environment for all immigrants? Well, that's exactly what I mean. The classroom is not the right environment for all immigrants. I'll give you an example. You have yourself a single father with maybe two or three kids, and he just arrived in Canada and doesn't speak English very well. What is his number one priority? Is it paying rent and putting food on the table, or is it going to class and learning English? Well, unfortunately, we can academically argue whether he is making right or wrong choices, but those are his choices. His choice usually will be paying rent and putting food on the table. Going to a classroom and sitting for five, six hours every day learning English is not something that he can afford to do initially, having arrived in Canada. He works two or three jobs. He cleans offices at night, maybe drives a taxi in the morning, and works as something else still at another part-time job. The classroom is not an option to this particular father.

What he can do now as a result of this initiative that we have entered into with CBC is tune in via Internet to the CBC website, hear the most recent news read in a language that is a little bit more approachable. Some of the vocabulary is changed with the viewership in mind. The reading is much more articulated. It's relevant information, so it's relevant to the audience. It's meant to not only teach English but also educate on current affairs. Then there are worksheets that he or she can do in the evening or during spare time and work through that relevant material at his own initiative.

Now, this is not to replace classrooms, but this is yet another tool now available to immigrants in Alberta. I'm sure the Internet doesn't stop at the border of Alberta. I imagine there are immigrants from all other provinces now dipping into this service, and we gladly share it with other provinces. It's innovation, and that's what we have to look at. Providing the same service in the same standard way is simply not an option. We have to look at innovative ways not only with the purpose of saving dollars but also providing more relevant programs to our immigrants. At the end of the day we will be attracting many immigrants in the future, and it's our fiduciary duty. Even though perhaps it's not our legislative responsibility – we can argue that the federal government should be doing it all – if we want them to succeed in Alberta, if you want them to be employed in Alberta, if you want them to pay taxes in Alberta, be happy in Alberta, that is an additional service that we have to provide.

The member also asked about the disability related employment support, the DRES program. Well, let me be clear. We are not subtracting the services or the quality or quantity of services that will be offered to these clients. I said earlier that Albertans and Canadians will be our number one priority, to make sure that they are in a position to avail themselves of employment. However, again going back to our forecasted unemployment rates – and the member should be happy to know that we are actually right now at 5.7 per cent unemployment – we know that employers, when there is high unemployment, unfortunately, and I underscore unfortunately, are less likely to hire persons with disabilities. That's something that we need to work on not only as a government but as a society. At a time when unemployment reaches low two-digit numbers, there is more propensity to hire persons with disabilities, and the demand put on this program will simply be lower, just like our income assistance programs will be lower, so we expect fewer clients seeking out this service, and hence our cost will go down.

Now, I mentioned the unemployment rate, Mr. Chairman. We are now tied for second place in our unemployment rate in Canada, which is not a bad place to be. When you look at the rate of recovery and the number of jobs created over the last month, it's quite an impressive number, so we know that this number, based on the trend of the last few months, will continue to drop.

Now, we're at 5.7 per cent unemployment. When you think about the fact that somewhere between 4 and 5 per cent is considered to be full employment, we're not that far beyond that. Those are the kinds of numbers that we have to look at, and those are the kinds of numbers that we consider when we estimate our expenditures in these programs that fluctuate based on economic conditions of the province.

7:40

The member also talked about youth unemployment and services that are being provided to our youth. Well, Mr. Chairman, much like the provision of integration services for our immigrants we also have to look from an innovative perspective at the provision of services to our young people. Frankly, the old style of having an office just for young people and expecting them to come to our office and look at brochures is the old way of doing business.

The Chair: Thank you very much, Minister.

Hon. member, we have four minutes remaining. Would you like to use up two minutes and leave a couple of minutes for the minister to respond?

Mr. Chase: Thank you. I would.

The Chair: Thank you.

Mr. Chase: Looking at the annual reports from corporate human resources, it appears staffing levels in the department have been more turbulent than the full-time equivalent count in the fiscal plan suggests. The March 2009 report lists the total number of employees as 2,300, the Treasury Board annual report 2008-09, page 36, while the March 2010 report gives a total of 2,201, a difference of 99 employees. The supplementary supply estimates note that the department requested an additional \$8.4 million to relieve "workload pressures" in income supports and employment programs. A further \$4.3 million also appears to be partially required to relieve workload pressures, supplementary supply estimates 2010-11, page 28.

Did the department reduce its total staff contingent by 99 employees between 2009-10 as documents from corporate human resources reports suggest? If so, where did these reductions come from? Where are these support staff positions servicing the income supports, health benefits, and employment and training program areas, 99 people lost? If so, did this reduction contribute to the workload pressure that led to the supplementary supply request cited above to hire some of them back? What was the impact of these workload pressures on delivery of services? Were there backlogs or delays in processing income support payments?

What is the current total staffing contingent in the department, not the full-time equivalent count offered in the fiscal plan, specifically in the program areas for income supports, health benefits, and employment and training? Given that the department is again projecting reduced caseloads in income supports and declining demand for employment programs, is the minister intending to reduce non full-time equivalent staff in the department in 2011-12? My concern, Mr. Minister, is that you're not cannibalizing your own department that provides a service for Alberta workers.

I probably have about a second left. If you could explain your relationship with Workers' Compensation and your governance of that arm's-length body, I'd appreciate it.

Thank you.

The Chair: Thank you very much, hon. member.

The hon. minister.

Mr. Lukaszuk: Well, thank you, Mr. Chairman. I'm glad to have answered all of the member's questions. I'll address the remaining ones right now.

Even though we have reduced the number of staff by 71, I have to tell you, Mr. Chairman, that I'm quite proud of the fact that we have actually increased the staffing levels on our front lines at the expense of the corporate services staff, where the reduction actually took place. So Albertans visiting our offices will not have seen any negative results relevant to the hiring freeze or reduction of staffing.

Now, this gives me an opportunity to thank our staff on the front lines particularly, because I hear a lot of great comments by way of e-mails to my office or even clients calling up. I know that they work in a high-stress area dealing with very vulnerable clients, yet the quality of service that is provided on the front lines is impeccable, and they make me and, I know, the deputy minister proud every single day.

Mr. Chairman, the relationship to WCB. Well, that's sort of E and I 101. If the member wants, I will provide him with some brochures on the matter and how the minister fits into WCB. The minister appoints the board of governors of the Workers' Compensation Board, and there is an overarching act under which the WCB operates. The board then is represented by three parties: 33 per cent represent the general public, 33 per cent represent employers, and 33 per cent represent labour. They develop the policy manuals based on the day-to-day operation and provision of benefits given to the workers. The relationship between the minister and the WCB is through the board of governors, so it's rather removed.

The Chair: Thank you very much, Minister.

At this time I would like to recognize the member from the Wildrose Alliance, Heather Forsyth. Hon. member, you have 20 minutes in total. Would you like to go back and forth with the minister, or would you like to use up 10 minutes and then allow 10 minutes for answering?

Mrs. Forsyth: I think what I'll try and do is take up the first 10 minutes. The minister seems to have a pretty good memory. I've got some specific questions that I want to ask him to begin with, and then if he hasn't responded to them, maybe he can provide them in writing for us. I'd appreciate that.

The Chair: Please begin.

Mrs. Forsyth: Minister, thank you. I appreciate your providing your estimates and allowing us to question, and I want to thank your staff for being here with you. I have some questions that I would like to ask and, if I can, get them on the record so that we can get some answers. I would expect the majority of them you will be able to answer; if not, if you could provide them in writing.

So my first question is: why is there a different rate of pay for foreign workers in the hog industry in Alberta than in Saskatchewan or Manitoba? We pay more here in Alberta. Are you aware of this, Minister?

The second one. Why is Alberta the only province that does not allow foreign workers for corn? We can hire for potatoes, pump-

kins, onions, and other crops, but not for grain corn. I'd like to ask you that, Minister. Other provinces in Canada do it. Why can't Alberta?

Many years ago we had a tool tax credit that was passed in this Legislature, and I'm wondering why you have not proclaimed it or if you're going to proclaim it. It's like many other bills. I think that right at this point there are 62 bills sitting in the Legislature that haven't been proclaimed but have been passed in the Legislature.

Why do you not help people in businesses create a personal sponsorship program that allows them to actually meet their own needs and help foreign workers? Why have you reduced the two-year foreign worker program to one year? After businesses spent a year investing in training these foreign workers, how does this contribute to their economic prosperity or competitiveness?

Do you intend to provide and protect employees from very poor employment standards, or is it all under the employment standards?

Why do Alberta workers require more hours to qualify for EI than anywhere else in Canada?

If Alberta has one of the highest workplace injury and death rates in the country and if you're, and I quote, in the business of making sure that every Albertan comes home safe at the end of his shift, how do you accomplish this with a slight \$1.5 million increase in the budget for inspections? There are over 60 Alberta companies that are chronically cited for unsafe site practices. Considering these hard economic times, why are we still subsidizing these companies' WCB premiums? When exactly is the hammer going to come down in Alberta, as you've been quoted?

You have spoken many times about new Albertans, or foreign workers, being key to addressing gaps in Alberta's labour market growth. How do you plan to train these new Albertans with an \$8.5 million cut to the immigration program in your budget?

One of my favourites. Can you guarantee that the STEP program will be in place this year given that the unemployment rate for 15- to 24-year-olds is 11.6 per cent?

The youth connections program was cut due to the cessation of a three-year \$70 million federal funding plan. How was that program funded for the 11 years prior to that?

I'd like to go to your goal 5; under 5.1 it talks about providing a timely appeal service and fair decisions on appeal applications. What, Minister, do you consider a timely appeal service, and why would you even put in "fair decisions"? All of the decisions should be fair from the past and in the future.

Under 1.1 of your goals you talk about working with Alberta's industry associations and employers to assist them in meeting their workforce requirements. What are you doing exactly?

Initiative 1.3 is: implement the foreign qualification recognition plan to maximize the contribution of foreign-trained professionals to Alberta's labour force. How do you plan on doing this, Minister?

Under goal 2 you talk about ensuring that Albertans have the knowledge, career, and employment skills required to be successful. I'd like to ask you how you plan on doing that. You know, it's an admirable goal, actually, but exactly how do you plan on ensuring that Albertans have the knowledge, career, and employment skills required to be successful? Who is going to pay for that?

7:50

Initiative 2.3 is: support the settlement and integration of newcomers into Alberta's communities and workplaces. I'd like to know how you plan on doing that. You know, another admirable goal but have you picked sections where you think they should settle? How do you integrate them into the community?

You talk about supporting the Alberta Supports initiative, including the provision of related supports for low-income Albertans. I'd like to know how you plan on feeding that in. Do you plan on working with the minister of seniors? Is that AISH related? Is it PDD related? If you're talking about an Alberta Supports initiative, how do you plan on having persons with developmental disabilities or, for that matter, AISH successfully integrate into the workforce?

You talk about identifying and implementing enhancement to English language training and workplace essential skills training. I think that goes back to your comment from the Member for Calgary-Varsity when he talked about English in the classrooms. You eloquently went on to talk about the single father who can't attend classes because of the fact that he may have a job, I think you said, driving taxi at night. You alluded, I think, to the CBC. I personally haven't heard about that. I'm wondering how you get that message out to people that are trying to learn English. It's something that I can tell you we weren't aware of in the constituency office.

Minister, you and I have had some great talks about you coming to this country when your family immigrated from Poland. I guess it would be interesting to see where you learned your language. If I recall, you talked about learning it in school, plunked into the classroom. I could be wrong because that goes back probably to one of the times that we were sharing a coffee. I think it's important that we really focus on that classroom setting. While it's nice to talk about the CBC, all of that, I think the immersion in the classroom is key to learning a new language. My assistant on the right speaks – I don't know – three languages, very fluent in Italian for sure, where she's learned that.

You talk about identifying and implementing actions to enhance enforcement of workplace and labour legislation and policies. How do you plan on doing that, Minister? Maybe you can explain. I know our time is precious. A lot of these questions you're going to have to maybe quickly give us an answer or provide it in writing.

Under 3.2 you talk about advancing the awareness of occupational health and safety and employment standards through educational initiatives. How do you plan on doing that? Are you planning on working with the employers, or do you plan on doing that through organizations like AUPE?

My last question. You talk about implementing targeted workforce strategies and initiatives to increase the participation of the underrepresented in the labour force, including our aboriginal people, youth, immigrants, people with disabilities, low-income earners, and mature workers. It goes back again to the comment I asked you earlier about AISH and PDD. What do you consider a low-income earner and a mature worker, and how do you target those people to get back in the workforce? I know some of the mature workers that I run across are your Walmart greeters, and I've talked to them. I know the Walmart greeter at my Walmart was an executive at Esso, but he's one of the lucky ones. You have some mature workers that may not have those advantages.

The aboriginal people. How do you plan on getting more of the aboriginal people into the workforce? Are you working with the treaties? Are you working with the chiefs and councils?

Youth: same thing. I go back to your STEP program. I think that's probably one of the best tools this government has ever had. I've been very fortunate in the 16 years I've been an MLA to have a STEP student in our office every summer. It's nonpolitical; don't ask them. They just have to be able to be in school and live in the constituency. The wealth of learning that I think those kids take with them after being in a constituency office – and you have a constituency office – is good experience for them. Your budget

indicates, I think, that it's just straight across the board. I'm hoping that you will continue that. It could even be expanded.

Thanks.

The Chair: Thank you very much, hon. member.

The minister has 10 minutes to respond.

Mr. Lukaszuk: Thank you. Thank you to this hon. member for asking those questions. I will make some comments about our coffee conversations, and we'll extrapolate from that a little later. Maybe some of those questions I can actually address globally, and the specific answers to them will flow once we describe how the program really works. I know the member has a lot of experience here, and she will realize what the answers to the minutiae of the questions would be just from discussing the programs globally.

Let me start with the temporary foreign worker because a lot of the questions were around the temporary foreign worker. First of all, the temporary foreign worker program is a federal program. It's not a provincial program; it's a federal program. So all the parameters put around who receives a visa and for how long and who gets a work permit and where is determined by a couple of ministries within the federal government.

This is how the program works. When an employer in Alberta comes to the conclusion that he needs to hire a temporary foreign worker, he first must obtain a document called an LMO, labour market opinion. To obtain the labour market opinion from Industry Canada, that employer has to first substantiate that there are no local workers available within the province and within the country. The federal government requires that employer to post that position in local media and on national websites, making that work available first to Canadians. Not only does he have to post that work, but the federal government superimposes prevailing wages at which that job must be advertised just to make sure that bringing in a worker from outside would not be a source of cheaper labour than that available in Canada.

Using the example of the hog farmer that needs a temporary foreign worker, that farmer first has to convince the federal government that there are no individuals ready and willing to take the job. He has to post that job at the prevailing wage, and the federal government decides what the prevailing wage for that geographic area is for a helper or whatever the position may be on a hog farm. The province of Alberta is subdivided into various geographic locations, and the prevailing wage changes from location to location. So the dollar value is not assigned by the farmer; it is assigned by the federal government.

Then once that employer receives the labour market opinion, satisfying the government that there are no workers available in Alberta or Canada, he can enter into a contractual agreement with a foreign worker, and that foreign worker has to be brought to Canada for employment under the very same conditions as that which were posted nationally. The worker who comes to Canada has to work, at the minimum, for that salary and benefits and the number of hours and everything that was posted. So the worker is not receiving a different type of employment conditions than would have been offered to Canadians over here. That is intended to prevent not hiring Canadians in favour of foreigners.

Now, as I indicated earlier, the length of the visa and the work permit is decided by our CIC, our federal ministry of immigration, who issues both of these documents. Now, usually – usually – temporary foreign workers receive a two-year visa, a two-year work permit. Then two years later the employer is required again to go through that LMO process to prove that he still needs that

worker, and if he does, then the worker's visa is extended for an additional couple of years.

Now, change has occurred. As of April 1 the federal government has announced that they will be only allowing temporary foreign workers for a maximum of four years to Canada. After those four years the worker will be required to leave for four more years. Then he could re-enter Canada four years later. I will leave my commentary aside. You make the conclusions whether that is a good thing or bad thing for Alberta. So the duration of a worker's stay is simply subject to federal government regulations.

8:00

Where the province comes in is the provincial nominee program. The province of Alberta has been given an allotment of 5,000 workers per year. Within certain job categories, employment categories, where the employer can substantiate that he or she will need that worker for many years to come, that there simply aren't workers in that particular profession available and won't be for a while, what they can do is apply as an employer to the provincial nominee program to have that worker nominated for permanent resident status. If the worker and the employer meet the requirements of this program, then this department nominates that worker and the employer and sends that information to the federal government for processing of permanent resident status. Then the worker has an open visa. He can work just like you and I, hon. member, in any place of employment. He becomes what we used to call a landed immigrant and is not any longer obliged to work for that particular employer.

Now, I think I have been vocal enough on the subject matter. We have industries where we know we will have a shortage of workers for many, many years to come, and as I indicated earlier, that perfect storm is about to come. I question sometimes the need for flying workers in and out, in and out. Perhaps I'm more favourable towards the idea of actually finding workers that meet the requirements and allowing them to stay over here. Instead of sending remittances back home, invest in our economy, have less transient communities, unite families together. After all, this is what this province and this country were built on, but that's not for me to make that decision. That decision will be made in Ottawa.

Related to employment standards any worker that works in Alberta, whether it's a foreign worker, a worker from another province, or Alberta born, is subject to the same employment standards. However, we realize the fact that foreign workers new to our legislation often come from parts of the world where employment standards are not enforced or nonexistent and that there are language barriers. We have actually gone out of our way – and I stand to be corrected, but I'm pretty certain that we're the only province that has employment standards offices opened up just for temporary foreign workers, one in Calgary, one in Edmonton, where we offer advice and, if need be, render investigations for temporary foreign workers in more than one language. As a matter of fact, we have printed literature for temporary foreign workers and employers in a number of mainstream languages based on the areas of the world from which temporary foreign workers predominantly come.

Here is a shocker for you, Mr. Chairman. We have also entered into a contractual agreement with an interpreting firm via telephone, and we can now answer phone calls in more than 150 languages. If there is a temporary foreign worker that wants to lodge a complaint or ask questions about his or her status, rights, obligations, how to apply for the provincial nominee program and all that, we can actually handle that phone call right now in that many languages, which I'm very proud of. When I met with my

counterparts from other provinces, you know, they were shocked because this is, again, an innovative way of providing services. We know, as I said earlier, that the number of immigrants will be growing.

So, really, a federal question. I'm sending similar questions to my counterpart in Ottawa, asking similar questions and trying to elicit debate, but perhaps that would be a better place to get more accurate answers.

Relative to employment insurance and the disparities again I agree with the member. It's a point of contention with me, and our Premier has been very vocal on the issue. The fact of the matter is that our employment insurance – frankly, the term "insurance" is a misnomer because insurance implies that the more you use it, the more you pay. Actually, in Canada our employment insurance is the opposite. The more you use the insurance system, the less your contributions are into the system. There is quite a variance from province to province and even regions within provinces on how long you have to work to qualify and how long your benefits will be once you have qualified. So in the provinces and the regions within provinces that have lower unemployment rates, your qualification period is longer – you have to work longer to qualify – and you end up being shorter on the benefits than regions of Canada where unemployment is historically high, where you get to stay on EI longer and you have to work shorter to qualify for EI.

Again, a point of contention. It's a matter that, I think, as Canadians we should be discussing to see whether this is equitable and whether it meets our needs. That decision will not be made in this Chamber. It will have to be made in Ottawa. If the member wants to speak out against that, I would gladly support her any day because I think we would see eye to eye on this particular issue.

Relative to the Alberta Supports initiative we have, hon. member, opened up a contact centre. The whole idea is this. I think the member will agree that Albertans don't live their lives based on our ministries and how we choose to divide the government of Alberta into ministries. Again, let's go back to this single father. Well, he may have three kids and one may have some form of disability, perhaps, or special needs. He may have quite a number of needs and will need to tap into a number of services. The goal, Mr. Chairman, is to allow this individual to access many, if not all, government services that he may be entitled to via one window.

The Chair: Thank you very much, hon. minister.

At this time I would like to recognize the Member for Edmonton-Strathcona. Hon. member, you've got 20 minutes. Would you like to go 10 and 10 or go back and forth?

Ms Notley: I think I'll try going back and forth. I have a lot of questions, but I have the sneaking suspicion that I may have more than 20 minutes to go over them, so I'm looking forward to that.

The Chair: Okay. Go ahead, please.

Ms Notley: We'll see how that goes. Just for the minister's awareness, because I want to try the back and forth, it varies, in my experience, because I do about 12 or 13 of these every spring. Some ministers will talk a really long time in answer to a question, and then I don't get through the questions very quickly. Others will just answer the questions or say: I'll get back to you. If we end up having lots and lots of you talking in answer to one question, I might interrupt, but it's not rudeness; it's just that I haven't gotten to where I want to go, so I want to move on. I just like to say that at the outset so that you don't think that I'm being ruder than usual, which I know is a pretty high bar, but nonetheless.

There are a number of things that have already been touched on tonight, but I'd like to maybe just start, first of all, in the area of health and safety. The Member for Calgary-Varsity, I think, did ask about the COR review and its status, and I'm not sure if you had a chance to get back to us with that. My concern is simply: what is the status of the COR review? Is it finished, and if not, when will it be? Has it been released? It's very possible it has been, and I haven't seen it. If not, when will that be? Again, the timeline on that.

Thank you.

Mr. Lukaszuk: Thank you. Well, first of all, you know, I feel compelled now to comment on the opening comments. I don't find that member rude at all. Cut me off any time you wish. The problem you're going to find is that I'm so passionate about this ministry that once I get started, I can't stop. In fairness I want you to have a thorough answer. I may go on and on and on, but I'm sure you will find my comments inspiring and informative, so you will not want to stop me because you will just be thinking: tell me more, tell me more. And I will. I will.

To address the first question, hon. member, you are asking about COR. The more detailed answer, because I did answer that question generically, to your question would be this: the employer review process, the draft, has been completed, but the final report has not been completed yet. I have not received the final report of the employer review process, but I anticipate receiving it very soon. Once I receive the report, obviously, I will review the report, and I will launch, announce a new revised program relevant to COR. I have already made a commitment that, in my opinion – and that is now the opinion of the department – COR has to be a program that actually stands for something. If you show up as an employer . . .

Ms Notley: Just to follow up, then. Could you give me a timeline on when you anticipate introducing your review? More clearly, will you be releasing the review as opposed to your answer to the review? I hear you talking about how at some point you want to go forward and create a new COR. In the meantime I want to know if we will get a copy of the review itself, and what is the specific timeline within a month or so? Since it was already due at the end of 2010, and we're three months into the new year, I'm looking for the timeline on that.

8:10

Mr. Lukaszuk: Well, yes, I will be releasing the employer review process. It will become public. My response to it, obviously, will be public as well. You must appreciate the fact that I have put a lot of stress, shall we say, on that particular department. We have gone through monumental changes since the Auditor General's report, since my appointment to this ministry, since some media, which quite rightfully pointed out some areas that definitely needed some additional attention and improvements. I will tell you a very short term, but I will not commit myself to an exact date. It'll be shortly, and I know you will find that you won't have to wait too long.

Ultimately, what I want is to get this right. Even though time is important, getting it right is even more important. I want to make sure that any employer in Alberta that proudly displays a COR certification meets a standard, and that standard will be uniformly applied to all employers everywhere in Alberta, so it actually means something. When you see a company with COR, you'll know exactly what they're about and what their programs are like and what their safety record is like.

One thing I can assure you, hon. member, is that once a company doesn't meet the COR minimum requirements, the COR will be pulled on them, so employers with subcontract work companies will have that guarantee that when they're engaging in business with a company that holds COR, they know exactly who they are allowing onto their work site.

Ms Notley: Okay. On the issue of COR I've got a couple of follow-up questions, but maybe the first one is a bit of a comment and then a question. You know, in the past there has been conversation about COR and the fact that the government has said: oh, well, COR has saved us \$15 million or something like that in compensation costs. Then the actual refund to the employers was around \$76 million, so of course it was a net loss. I believe at one point the minister said: well, you know, this is all the employers' money at the end of the day, and they're not complaining, so it's not the end of the world. Obviously, it raises the question about what exactly it is we're trying to encourage employers to do and whether the program is working in a cost-effective way.

Before I get into the particulars of COR and ask a few more questions about that, I'd like to suggest this to the minister because I've heard the minister say this several times. I've heard you say: this is the employers' money; the WCB is fully funded by the employer. You mentioned to a previous member: oh, well, let's get into WCB 101. I feel the need to do that in this case. In fact, the reason employers fund the WCB is in return for the legislative bar on workers doing what they would otherwise be able to do, which is sue the employer for injury which occurs on the site of the employer, over which the employer has complete control.

Were employers required to pay insurance, they would pay about four or five times what WCB asks them to pay. That's been the experience in the U.S. When that historic deal, as it's referred to, the Meredith principles back in early 1900s, was constructed between workers and employers, there was a very different balance at that time because workers had almost as little access to the legal system as they do right now. Of course, between then and now there was a time when most people actually could access their justice system. They had no income support, and there was a common law that was developed in a way that made it very, very difficult for workers to prove a portion of their case. So it was a good deal for them at that time to agree to waive their right to sue in order to get the immediate although often much lower level of compensation that arose from the workers' compensation system.

The fact of the matter is that that system, those basics are still in place, and every dollar in the workers' compensation system is paid by injured workers who do not otherwise have the ability to sue their employer like anybody else would through the injuries. That is why the system of workers' compensation theoretically is a balancing between employers and workers.

I would ask the minister – this is one of my questions – if he will commit to not using that language in the future and instead recognize the fact that the money is both the employers' and the workers' or, alternatively, is held in trust for the workers, and it's there in lieu of their otherwise constitutional right to sue their employers, understanding that they don't control the work site at which they work. Anyway, it's a problem for me.

Then you make the comment that, well, it doesn't matter if the employers aren't complaining; it's their money. Well, yeah, no doubt they aren't. But let me tell you – and I'm sure you know, too – that injured workers are complaining all the time, and they continue to tell horrific stories of how they are treated at the hands of the Workers' Compensation Board. I'm sure you know that as an MLA. I know it as an MLA, and I also know it as someone who spent many, many years working within the workers' com-

pensation system. Having done it in several different jurisdictions, I feel very confident in saying that we don't treat workers in Alberta as well as many other workers' compensation systems do across the country.

Having said that, I'd like to go back to COR and ask you a specific question. Since all that conversation commenced as a result of the Auditor General's report about the COR process and the fact that COR employers were actually also not in compliance with certain health and safety standards, I'm wondering if the minister could either today or afterwards in response provide to me and through the chair to all members of the committee information about the number of inspections that have taken place with COR employers since April of 2010 to date and the number of code violations that have been identified and the number in each of those cases and then the number of employers in each of those cases so that we could get a sense of the average. If you could provide that information now, that would be great. If you can't, then if you were prepared to commit to providing that going forward, that would be great, too. All of this, of course, is going to the issue of the ongoing value of the COR process to both the employers and the workers who fund the Workers' Compensation Board.

Mr. Lukaszuk: Thank you. Well, hon. member, you can't just say "having said that" and expect me to accept your preamble as a given and then start giving you answers based on that because that's just simply not how it's going to work.

First of all, yes, you have roughly accurately described the Meredith principle and the exchange that took place in the 1800s between workers and employers, but you're omitting a very important factor: that what has been created is a no-fault system, where the workers at this point in time also do not have to prove fault.

So would it be fair to say based on court litigation that on average workers would perhaps aggregately receive more by way of compensation? I would probably agree with you on that. That is possible. It's difficult to prove. There are some states in the United States, but that's aggregate. But would a worker who has received a minor injury, strain, sprain, out of work for two, three, four, five days undertake to litigate and be able to establish fault under the tort system, whether he could or couldn't avail himself of legal counsel? Probably not. So what you are describing is the most dramatic case, where a worker has been severely and permanently disabled, where perhaps litigation in a civil matter would have rewarded him with a larger quantum of dollars. Keep in mind that he probably would be doing that on a contingency basis with legal counsel, and ultimately perhaps the settlement in his pocket would not be as great as it would look on paper.

The fact is that this system is approachable and is considered to be fair, and it provides workers with disability benefits, no matter how small or how short- or long-term their disability is, without having to prove fault. The worker can actually be at fault, cause the accident, break every rule in the rule book, and still be compensated under the Workers' Compensation Board.

Now, I also want to say, given that, that you failed to mention that your involvement with the Workers' Compensation Board, if I know correctly, was from British Columbia . . .

Ms Notley: And it's also from the Appeals Commission.

8:20

Mr. Lukaszuk: . . . and the Appeals Commission. Well, now, there is a workers' compensation system that, frankly, one would question. One would question whether, indeed, they had the rights

of the workers and the well-being of the workers in mind when they were and are running a massive unfunded liability.

I can tell you one thing: WCB in Alberta will always be able to pay what they need to pay on every single claim that comes before the WCB and the Appeals Commission because we have a fully-funded, and then some, liability system.

In British Columbia you argue that they treat workers much more fairly, but frankly if I was an injured worker in British Columbia, I would be checking my mailbox daily to see if the cheque has arrived because the system is simply insolvent. They have a massive unfunded liability and will have one for many years to come. So where would you rather be a worker? In a WCB system where you have contributed to create a system that perhaps may one day not be able to pay workers or a system where we have a guarantee of payment? I don't know. I guess that would be up to the workers to decide.

Now, having said all that, the principle of COR, as I indicated earlier, is such as to recognize employers who have shown commitment, not only verbally and on paper but actually through the practice of lowering injury rates and have committed themselves to safe practices and have embedded those safe practices into their place of employment.

Certificates from now on will be reviewed, all of them, and we will make sure that those who actually hold the certificates meet those standards, and those who don't will have their certificates pulled. That system will be in place henceforth. Only as long as you qualify for a certificate will you be able to hold that certificate. The moment you slip, you simply won't. I think that's what Albertans expect, and that's what companies expect.

Having shown that commitment and actually delivering on that commitment in practice does warrant some form of monetary recognition because, after all, they're not only saving WCB – because, again, you're looking at WCB in isolation – but this injured worker also taps into various medical and rehabilitation services. There is a cost in productivity, and there are costs that you can't quantify in dollars, losses that are as a result of an accident.

That employer who commits himself to safe practices and shows that, indeed, it can be done saves the entire system a lot of money. So that warrants some form of monetary consideration. I see nothing wrong with those employers being rewarded, which, in turn, will make them more competitive. They will be able to bid on projects perhaps at a somewhat lowered cost because their cost of operation, their payroll tax, if you wish, that they remit to WCB will be that much lower. So you see not only the instantaneous benefit of getting a payback from WCB because of your recognition, but you also see a long-term benefit because your cost is lower and you become more competitive in the marketplace.

That goes back to my initial presupposition that being a safe employer is not only the right thing to do, being a safe worker is not only the right thing to do; it is the smart thing to do. Your costs go down. You attract and retain better workers. You have fewer stoppages. You have much greater commitment from your workers, and you are much more likely to be considered as a sub-contractor on contracts where safety is being taken into consideration. That's why as part of our commitment we have released the full database of employer safety records, so if you choose to engage in business with an employer in Alberta right now, you will be able to look up what their track record has been.

Just to update you, Member, on this, we will be doing an online review of this website to find out from Albertans and other users – because this website is actually being used by all Canadians and even foreigners looking at Canadian and Albertan companies – what additional information they want to see and how they want to

see it tabulated so that it becomes as user friendly with time as possible. This was the first one of such a kind ever released in Alberta, but we will continue to improve . . .

Ms Notley: You have moved on from my question, and I haven't actually gotten an answer to my question, which is simply: will you commit to providing me with the information about the number of COR employers that were inspected, the number of breaches found in total, and the resolutions of those from April 1 of last year to this year?

Mr. Lukaszuk: Well, I can try, hon. member. There are currently approximately 8,780 or so COR holders. In 2010 we carried out 13,662 inspections. I know it's larger than the number of CORs, but some companies require more complex or multiple inspections, so the number of inspections will be higher than the number of COR holders. I cannot tell you at this point in time how many code violations we found. I just simply don't have that information available to me at this point in time, but I can probably . . .

Ms Notley: Will you send it?

Mr. Lukaszuk: If that information exists and it's collected, then I definitely will share it with you.

Ms Notley: Thank you very much. I would definitely hope that it's collected because if it's not collected, that's an indication of some very serious concerns, particularly since you're at the point of almost being finished the COR review.

Just quickly to follow up on that last thing about the WCB, because, of course, I can't totally ignore those shots. Whether or not tort law or compensation law would ultimately result in greater benefits going to the employee who is injured is not really the issue although, as I say, the stats are out there. I think you've acknowledged that private insurance for employers where there are no workers' compensation systems is a great deal more expensive. Regardless of that, the fact of the matter is that even if you suggest that they're roughly the same, what that is is something that in the absence of the Workers' Compensation Act the employee would still get from the employer.

It just simply goes back to this notion that it is a trust and is a joint management of a jointly held fund or a fund in which there is joint interest, shall we say. By calling it employer funds, you neglect and forget what it is employees and workers are giving up in order to get access to that fund. It's not some, you know, fabulous little, "Aren't these employers being super kind?" kind of scenario.

The Chair: Thank you very much, hon. member. Your 20 minutes are used up.

At this time I would like to recognize the member from the Alberta Party or the independent.

Seeing none, I would like to move on to the hon. Moe Amery.

Mr. Amery: Thank you, Mr. Chairman.

The Chair: Hon. member, would you like to go back and forth with the minister, or do you want to use 10 minutes and then have 10 minutes for the minister's response?

Mr. Amery: Mr. Chairman, I would like to go back and forth.

The Chair: Back and forth. Thank you very much, hon. member.

Mr. Amery: I would like to get some specific answers to the questions that I have.

The Chair: Okay. Go ahead, please.

Mr. Amery: Thank you. Mr. Minister, I know you have answered some of the questions that relate to immigration. I would like to ask a few more questions on this subject, being an immigrant myself and representing a constituency that has a very large population of immigrants.

We all realize that immigration is an essential component of the progress and prosperity of this province. It is no secret, Mr. Minister, that our province relies heavily on a large stream of immigrants to meet the labour force requirements to achieve economic success and to be competitive in the global marketplace. But I see that we need funding to bring these people in and to keep immigrants here. It is very, very important. It is my understanding that the majority of the immigration budget funding is dedicated to helping immigrants who are already in Alberta to settle in their own communities.

My question, Mr. Minister. I would like to focus your attention to page 119 of the 2011-12 Employment and Immigration budget estimates, that indicates that the total immigration-related expenses are slated to decrease by nearly \$9 million from the forecasted number of last year. I wonder if you could tell me what accounts for this estimated decrease in expenses.

Mr. Lukaszuk: Thank you. The member, Mr. Chairman, is right. As I indicated earlier – and this member in particular will have a good intuitive understanding of, you know, what this issue is really all about not only because of his background but the type of constituency that he represents, where he has a high proportion of newcomers to Canada, as do I.

Mr. Chairman, the immigration budget overall in this province has been reduced by some \$8.7 million, which percentage-wise is significant. It's a 14 per cent decrease from 2010-2011 forecasted spending and 22 per cent less than 2009-10. The biggest reduction was in ESL or English as an additional language, EAL, if you wish, of \$3.4 million, or 27 per cent, of the total budget and the living allowance for learners of \$3.4 million, or 15 per cent. The FQR, foreign qualifications recognition, budget is showing a \$1.3 million, or 23.6 per cent reduction.

8:30

Now, Mr. Chairman, right off the bat during my opening comments I said that this budget represents a reduction in spending. Why? Well, because as government we have committed that our operating budget will be balanced, that we will not be supporting programs beyond our means. This is this ministry's contribution to the overall provincial budget, so it's a responsible budget. But this particular ministry, as I indicated earlier also, was affected by a \$70 million decrease in transfers from the federal government. Again, I don't begrudge the federal government, because this was a stimulus package. Our economy was suffering. The federal government had released three-year dollars for provision of such benefits. In a manner of speaking, we were providing these benefits to Albertans on behalf of the federal government. We were delivering them through the channels that we utilize for provincially funded benefits. That program has ended, and so have the particular dollars.

Having said all this, I continue to be committed to providing integration services up to and above what our federal government does, but because of the fact that we are still in a financial restraint mode and because of the fact that the federal dollars don't exist, we will have to find more innovative ways of delivering those services to our immigrants. That is why we introduced that CBC

project, and I'm looking forward to introducing many other innovative ways to provide integration services to our immigrants.

Now, I know that the member also often meets with me, and we talk about the temporary foreign worker program. Mr. Chairman, I think it wouldn't be a far stretch either to say that the best integration, really, if you have a good match between an employment position and an immigrant, is employment. A member from the Wildrose Alliance asked me: how did you learn to speak English? I know many members in this Chamber still think that I don't, but I learned by going to school, by immersing myself among Canadians, and by being forced to learn quickly because the province in which I initially landed had no integration services whatsoever. It just put me into a regular classroom, and that was it. My parents learned by watching television. I indicated earlier an example of a single father. My mother, a single mother, wasn't in a position to go to class, so she found other means, via television, to learn English as best she could.

I'm not suggesting that this is what we are going to leave our immigrants with, watching TV, but we will be looking at more innovative ways of providing them with those services because we do appreciate the fact that in order for our immigrants to be successful, which in turn will make us successful, is to provide them with appropriate integration services, and that's what we will strive towards.

Mr. Amery: Thank you, Mr. Minister.

Let me focus your attention on subsection 4.8 on page 119 again. In particular, the living allowances for immigrant learners show an estimated decrease of nearly \$7 million. Is this a result of providing less money for each immigrant learner, or is this difference accounted for by having fewer total immigrant learners to provide for?

Mr. Lukaszuk: Thank you. A good question. Hon. member, there will not be a decrease per learner because those are regulated rates, and those rates are not changing, but we anticipate that there will be fewer applicants and fewer learners. Again, that goes back to the relationship between the economy and the number of learners. Experience has shown and has led us to make rather accurate, not perfect but rather accurate, predictions that when the economy picks up and when employment, in particular well-paid employment, becomes available, the propensity to go back to school diminishes. When we face higher unemployment, we find that enrolment in all schools, particularly technical schools, increases.

That is no different among the immigrant population. When employment is ample, they will choose employment over educational programs. I anticipate that in this upcoming year the number of students entering our learner programs will be lower, but the rate per student that they receive in their benefit package will be identical because we haven't changed that.

Mr. Amery: Thank you again, Mr. Minister.

In general, what programs or services will be affected by this estimated difference, and what programs or services have caused this difference?

Mr. Lukaszuk: Some of the ones that I mentioned earlier. Language services probably will be one of the main ones, where the dollars that we're transferring into some of our colleges and not-for-profit institutions that are providing those services on behalf of the federal government through the province, their funding, will be diminished. Obviously, there will be diminished funding for the program for learners itself, but those who apply will not see the rates being affected, as I said earlier.

The federal government is committed to providing federal benefits, so there is a package of federal benefits for newcomers. We will try to provide services that are relevant – that is why I keep reminding members here of the CBC program – not only providing services outside of the classroom environment where possible or where appropriate but also providing more relevant services. For example, newscasts to an adult learner learning from news and world events is much more relevant as curriculum material, perhaps even enticing the learner to log onto the work site and do the work because it's new material every day. Not only does the immigrant learn English; he also learns about Canada. So there is not only integration service by way of teaching them English, but you're also teaching them about what's going on in Canada. That is really important. You know, as an adult you need to know what goes on in your city, in your province, in your country, so we're basically addressing two issues at the same time.

I will not diminish the fact that funding has been reduced. We know why. Will it affect the quantum of services? You bet it will.

Mr. Amery: Thank you.

My last question is about the temporary foreign workers, Mr. Minister. You and I have talked about this before, and I know you're vocal about this, especially with the federal government and the federal minister of immigration. I wonder if you had any concrete, face-to-face talks with the federal minister of immigration and explained to him the four and four, that the temporary foreign worker could stay four years in Canada and then leave for four years and come back. I find it very hard to believe that these people, when they leave here after they have learned the language and been trained by employers, if they go back to their own countries, are going to stay there for four years and come back. I know for a fact that some of these people that are leaving are going to New Zealand and to Australia. Aren't we in fact training these people for four years and spending a lot of money on them and then exporting them to some other countries?

Mr. Lukaszuk: Thank you. Well, my position on the subject matter is really clear. I've met not only with the minister on a couple of occasions but with my counterparts in other provinces, and I have and I will continue to speak out on this subject because I think it's actually a very important topic for a national debate, not only a provincial debate. I would agree with the presupposition that the member made.

When and where we know that we will have a shortage of certain types of skill sets and when and where we know that that skill set cannot be filled by local workers either because they choose not to work in this field or there simply aren't enough available workers for this field, it stands to reason that you don't solve a permanent problem with a temporary solution. What you end up with is a revolving door of workers flying in and out, in and out, particularly now, when as of April 1 the federal government has structured a process where the worker will have to leave for four years every four years.

What that really does is it definitely puts an added cost on the employer – the cost of recruiting and flying the workers in here is borne by the employers in most cases – the cost of training new workers. But those are monetary issues. Also, for us to integrate the workers: even though this province has no obligation to provide any integration services to temporary foreign workers, we do, and we do because those are workers that live in our province. They live in our communities, our cities. They shop in the same shopping centres as we do, and they are our neighbours. I believe it's our fiduciary duty to provide them with those services. But we continually are integrating workers who don't stay over here, who

leave and now definitely will have to leave for four years. To me it makes no sense.

8:40

Mr. Chairman, in response to this hon. member, I believe, number one, that the four-in, four-out rule needs to be reviewed, and number two, we need to look at permanent immigration so that we don't have communities with a transient population, so that we don't have workers who don't invest financially in this country, who don't buy cars, who don't buy houses but send as much money as possible back home by way of remittances, so that we don't separate families, so that we don't have cities with a transient population. Why not bring a permanent solution to a permanent problem?

I'm very vocal on this issue. The member is right. Once you have a worker here for four years and the province, from taxpayers' money, pays for integration of that worker, he or she may learn English and learn the western style of work because there are differences in different applications. Now they have to leave Canada for four years. The odds are that there will be other western countries welcoming them with open arms because they're pre-trained, preintegrated. What a great deal for foreign jurisdictions. Yes, it is possible that New Zealand and Australia and other western countries, who are competing for the very same workers in this ever-so-diminishing pool of workers, will be sending us thank-you cards sometime soon.

The Chair: Thank you very much.

The hon. member.

Mr. Amery: Thank you. That's all.

The Chair: Okay. Thank you very much.

Then we'll go back to the hon. Member for Edmonton-Strathcona, Rachel Notley. Go ahead, please. You have 20 minutes. Ten and 10 or back and forth?

Ms Notley: I'll try the back-and-forth and see how we go here.

I'd like to just flip over really quickly to the issue of immigration since it's already been talked about. I will say that I'm very pleased to hear the minister talk about what certainly members in this caucus have been saying for quite some time now, that the temporary foreign worker program is not the best route to go and that, in fact, bringing people and focusing on permanent immigration is far, far preferable from a community point of view, from a human rights point of view, and ultimately from an economic point of view because as you rightly say, the time that is taken to invest in the increased employability and otherwise of those new workers is better suited to here.

I have a number of questions on that, but maybe I'll start really quickly with the Alberta immigrant nominee program. I see that that program has been cut by almost a million dollars from the '10-11 budget estimate. I note that Alberta can nominate up to 5,000 people for permanent resident status. I'm wondering if the minister could relatively briefly explain, first of all, what the reason was for that \$837,000 decrease to that line item and then also just let us know whether or not 5,000 immigrants were nominated last year or what the numbers have been over each of the last five years with respect to the maximum number allowed.

Mr. Lukaszuk: Well, thank you. If I may, respectfully I will correct the member. The reduction is of \$60,000. Please look up line 4.4 under AINP, and you will find that the reduction is of \$60,000, and that is in manpower in that particular program.

Now, Alberta has been capped at 5,000 provincial nominees, and we are maximizing that number. As a matter of fact, hon. member, you may be happy to know that I made an announcement today relevant to reprofiling that 5,000 every which way because if I'm going to engage the federal government in a debate on what Canada's immigration policy should be and how they should be the right policies for Canada first, I have to walk the talk, and I have to make sure that the 5,000 nominees that I have are indeed the nominees that are the best for Alberta first. That's exactly what has happened today.

Hon. member, I think you will support me. As of today we will allow tradesmen and tradeswomen from the noncompulsory categories to actually self-nominate, where they are no longer nominated by an employer but will be able to nominate themselves in categories where work is available for them in the province, but they don't specifically have to tie themselves to an employer, giving them the latitude of finding an employer of their particular choosing.

That addresses some of the issues that you said are the underlying problems of the temporary foreign worker program. But we have to be fair to the temporary foreign worker program, too. That program has worked relatively well for the purpose for which it was designed. Initially it was designed to bring a large number of workers in a hurry for a short period of time, so it has passed its test. The problem is that the conditions have changed, and we still have the same tool in our hand. The conditions are such that the shortages are now more permanent, and we are still solving it with a temporary solution.

Ms Notley: I'm sorry. Maybe I didn't hear the answer. I heard you saying that you would allow for self-nominations. Did you say that you had maxed out with the 5,000 each year? Okay. The notes that I was given say \$837,000, but of course when I look at it, you're right. It was \$61,000.

I'd like to go back to some of the other immigration issues just sort of flowing through your budget, which, of course, generally speaking, took quite a significant reduction this year. Looking at the line items, it looks as though a number of line items that have either a direct or perhaps a disproportionately significant impact on the immigrant population have been cut. I'm looking at 2.4, career development services; 2.5, academic upgrading; 4.2, settlement and integration; 4.3, foreign qualification recognition; 4.4, the nominee program, although not as much as we thought; 4.6, ESL; 4.7, bridging programs; and 4.8, living allowance for immigrant learners. Of course, this was noticed quite significantly by people who work with new immigrants as being quite an unfortunate outcome.

Now, I appreciate the statement the minister has said that some of this was federally funded, and now the feds have walked away from it. But, of course, in Alberta we are planning on quite a bit of economic growth, and we are planning on an immigrant population that will assist in the generation of that economic growth. Federal government or no federal government – I mean, you probably wouldn't agree with me, but I think we have a really crappy federal government right now, so it's not surprising that they've cut funds. But big deal: we still have an obligation here.

I guess I'd like to start simply by asking – and I'm hoping I can get two numbers from you and really not a whole bunch more – whether you can just let us know, first of all, the number of new immigrants that the federal government identifies are coming to Alberta.

Then, the second number, which I think is a little bit harder to get at – but I'm assuming your ministry does make some effort to track this – is the number of new immigrants that don't actually

come directly to Alberta but who land in Alberta. So they may well first immigrate to Vancouver or to Toronto or to Montreal or those places, but they ultimately end up in Alberta. I do believe we have a net surplus from that process, that in terms of initial sort of immigrant migration around the country we have extra new immigrants who arrive here but aren't necessarily counted by the federal government because they don't start here; they just end up here.

I'm wondering if you could give me those two numbers for the last couple of years?

Mr. Lukaszuk: I can definitely give you the first number. We are accurately tracking the number of immigrants that come and settle in Alberta, and I will just run you through that. In 2005 it was 19 and a half thousand; next year was 20,700; next year was 20,800. In 2008 it was 24,000, in 2009 it was 27,000, and in 2010 it was 32,600. So the number has been growing at an appreciable rate.

Now, the number of internal migrants is much more difficult to track. We track internal migration of workers and residents of Canada from province to province, but we don't isolate them as immigrants and nonimmigrants. There simply is no tracking mechanism for that, but we do know that Alberta is a net beneficiary of internal migration within the country. However, that is not reflected in settlement services funding because federal government settlement services are allocated to the province in which the immigrant lands.

8:50

If you work with any immigrant communities in Alberta, you will soon find out – and I know you do – that many immigrants, by virtue of the fact that there is recognition of the cities of Toronto, Vancouver, or Montreal, initially choose to land in those cities but shortly thereafter realize that their economic opportunities are perhaps somewhat diminished over there and that moving to Alberta, Saskatchewan, British Columbia may be the right thing to do. Many of them actually do move to Alberta, but their settlement dollars do not follow them to Alberta. So that is one thing.

You also, hon. member, asked about the fact that the decrease in funding in immigrant services has been larger proportionally speaking than in other parts of the budget, and you're right. As a ministry we have core services, which are our Alberta core services, which we are obliged and determined to deliver. Those are our low-income services and many others: occupational health and safety, employment standards, LRB, WCB, and all that. Those are our core services.

Some of the integration services, actually a large chunk of the integration services, that we were providing we were providing on behalf of the federal government with federal dollars. So as their dollars went down, obviously that's what we had to remove from our budget. But, again, in fairness to the federal government their funding for settlement allocation through CIC is increasing. I noticed that in the 2010-11 budget it was at \$57,578,000 and now has increased to \$64,800,000, so quite a significant increase. So perhaps the federal arm that provides integration services will catch some of those shortcomings that they cut out from the provincial transfers.

Ms Notley: Well, I guess, I appreciate the background although it's not really the most satisfactory answer. It would seem to me, you know, that the provincial governments do negotiate with the federal government for funding – it's part of what you do periodically when you get together – and that it would be very much in the interests of this province to find a way to assess more succinctly the degree to which we're receiving new immigrants that

had initially settled in other provinces. Ultimately, the costs associated with helping those families to settle are not insubstantial if you're going to do it in a way that is productive and effective in the long term, both in terms of education and a variety of settlement services.

So if the federal government is not properly funding the province for the actual pressures which exist in the province, then it would be in our best interests to push harder on the federal government in that regard. To do so, I would think you'd need to have that information about the secondary immigrants – I'm going to make up a term right here on the fly and call them that, and I hope I'm not offending anybody in the community by saying that – people that arrive through that means.

As I said in my initial comments, I understand the issue about the federal government cutting its funding. But my point is that this is a government that is making a commitment to grow quite dramatically and anticipates growing quite dramatically and anticipates the need for a growing workforce and anticipates and has said repeatedly that we actually have a problem in that we're not going to have a workforce that's large enough to deal with the demands that we anticipate coming in the next few years. So it seems to me that this would be a time to invest in immigrant settlement services in order to ensure that those new Canadians and new immigrants are best suited to be able to successfully integrate and help meet our workforce needs.

It just does seem to be a little bit of a pattern that those groups within our community, within our province that are the least likely to advocate for themselves are the ones that are most likely to receive a funding cut when funding cuts need to happen. I think in particular about the issue of English training. You know, you may say: well, it's no big deal; they can learn by listening to CBC periodically. But the fact of the matter is that anyone who works in the new immigrant community knows, as I'm sure you do, that English fluency is absolutely fundamental to everything that flows afterwards, that language fluency is fundamental to the ability to integrate socially and economically in the community in which you've integrated.

So by cutting language funding, whether it's a classroom at night, whether it's an online class with teleconferencing – who knows what it would look like. There are certainly lots of ways to provide that English as a second language funding. You can provide it in the workforce or in the workplace. There are loads of ways you can get at the difficulty that theoretically exists with the classroom, but you've still got to do it, and offering up just the CBC program is not adequate. I would suggest to the minister that you're letting down the immigrant community by letting your cabinet colleagues talk you into agreeing with these cuts.

I'd like to flip back to health and safety really quickly. Actually, no. It's sort of a combination of health and safety and temporary foreign workers. I'd asked a question last year, which you did ultimately answer, and I'm hoping that I can get an updated version. Last year I had specifically asked for some information around the proactive inspection documentation, about the number of inspections that were occurring in temporary foreign worker work sites, so at work sites that had received a labour market opinion and had temporary foreign workers employed there, and then the number of infractions that were identified on a per workplace basis as well as a breakdown of the nature of those infractions.

That was provided somewhat. It appeared to be a bit out of date, about a year out of date, when it was provided. I'm wondering if you could commit to providing a more updated version of that information to members of this committee in writing at the end of the estimate process.

Mr. Lukaszuk: Thank you. Well, going back to immigration, hon. member, indeed, acquiring language is one of the determining factors of how successful economically the immigrant will be in Canada. The provision of at least minimum services is a requirement.

You're criticizing me that I do not have much more accurate numbers of how many immigrants migrate from province to province. Well, the answer, really, is simple. You know, one of the reasons why immigrants come to this country is because they enjoy their ability to be mobile and move from province to province. In this country, frankly, our ability to track Canadians, other than when and where you file your annual income taxes, is rather limited. We pride ourselves on that. So there is ongoing mobility of workers from province to province, but just because they're immigrants we don't have an extra tracking mechanism on them and we don't track where they go. The moment they receive permanent resident status, they're just like you and me. Like Canadian citizens they have the ability to move from province to province, and the only way we can track them is by where they engage in employment and follow up by income tax.

But I agree with you. The funding should ultimately follow the immigrant, and that is a debate for another day with our federal government because that's who allots it. Again, in fairness to the federal government their funding for integration services by far has surpassed in growth the growth of the number of immigrants coming to Canada. Their funding is actually up and above. It's not just linear growth. It outstrips the number of immigrants, so on a per immigrant basis their funding is increasing. Is it landing in the appropriate provinces? No. The answer is no because their funding doesn't follow them.

Your subsequent question was with TFWs. Employment standards does not inspect places of employment based on who works in a given place of employment. We inspect places of employment either based on complaint or, in some cases, proactively. Temporary foreign workers are subject to the very same rights and obligations as any worker working in Alberta. I can tell you right now exactly how many inspections have been carried out last year, but how many of these places of employment actually had a temporary foreign worker working on-site, that is not how our inspections are being tracked, nor should they be. At the end of the day my duty is to make sure that employment standards are applied to all employees.

9:00

But there were inspections that were brought forward by TFWs. Let's put it this way. If our officers walk into a place of employment because there was a complaint by someone that payroll wasn't properly calculated and that someone was just a complainant, there may have or may not have been TFWs. It will show on our number of inspections as a place of employment being visited. However, if a complaint comes forward brought forward by a temporary foreign worker to us, then we will calculate it as an inspection of temporary foreign worker places of employment. So the number of inspections that were brought about in 2010-11 as a result of complaints by temporary foreign workers or someone on behalf of temporary foreign workers, initial inspections, were approximately 300. Then there were approximately 120 follow-up inspections. So your total was 420 inspections that were brought upon or somehow involved temporary foreign workers. But there were many, many other inspections of places of employment throughout the province that may or may not have had in their employ temporary foreign workers.

The Chair: Thirty-five seconds.

Ms. Nottley: Oh, okay. Well, what I'm referring to is the document that we received dated January 31, 2010, in response to the questions in estimates last spring. What I'm looking for is an update on that. You did in that document have initial inspections, follow-up inspections, just like you identified, the number of employees covered, the monies collected, the type of complaints. Then you also had the inspection findings with respect to the contraventions, and that's what I'm looking for.

The Chair: Thank you very much, hon. member.

At this time I would like to recognize the Member for Rocky Mountain House, the hon. Ty Lund, please.

Mr. Lund: Thank you, Mr. Chairman.

The Chair: Hon. member, would you be going back and forth?

Mr. Lund: Yeah.

The Chair: Thank you.

Mr. Lund: I don't have a lot of questions, but I do have a couple of comments. I see that in 2010-11 you were given an extra \$62 million for financial assistance and employment training to Albertans. Given that the unemployment rate is estimated to be about 5.5 per cent in 2011 and given the fact that there was some – if you look on page 125, I see there were \$70,728,000 from the federal government for the Canada skills and transition strategy and then another \$12,040,000 for the community development trust. I don't know what that is, but they seem to be kind of lumped together. Given that you're going to have a reduction like that from the federal government, I'm curious how the ministry plans on handling this situation this year.

Mr. Lukaszuk: Thank you. It is true that the decrease from federal government is roughly \$70 million, but if you notice, our budget this year is lower by \$60 million. So, actually, if you want to play with numbers, there is an additional \$10 million out of the province put into our budget, but that's counteracted by the \$70 million that was taken away by federal government.

I have addressed some of the ways by which we will be able to deal with the loss of the \$70 million, and that is the fact that, number one, we expect our caseloads to drop in our income assistance programs because of the fact that our economy is becoming buoyant again. Unemployment seems to be dropping at a very appreciable rate. Historically that shows that the number of clients who will remain on our assistance and who will approach us for assistance will significantly drop. That not only drops in the amount of money that we pay out to the client by way of income assistance, but it also drops in the number, the quantum, of medical services that we provide under the medical services card. So that will absorb some portion of it.

Also, our employment and training programs. As you know, we often pay for the cost of training, but we also give the students subsistence allowance so they can have money while they go to school. Again, because of the fact that the economy is becoming buoyant, there are fewer students that will be enrolling in postsecondary institutions, so we expect that some of the costs will be dropping there.

We also are looking at the labour market programs that the province provides. One of them, for example, is the program for our youth. You know, our youth will find it easier to find employment once the economy is more buoyant, but also we are finding more innovative ways of providing services to our young people. Having 59 offices throughout the entire province, I am

confident that we will be able to provide a similar level of service to our students out of those 59 offices. Additional offices just for youth may not be required any longer. Plus, applying our technology, for which we have already paid out of our capital funds, and making it more youth friendly may result in definitely equal but perhaps even more approachable, more accessible services to our young people because that's how young people acquire information nowadays. Going to an office is not something that they do anyhow.

A number of services will be truncated. There is no doubt about it. Some will not be required because of the economy. Based on our best estimates at this point, that should address the issue of the minus \$70 million in the budget.

Mr. Lund: Well, thanks for that.

I was interested in hearing your comments earlier about importing workers in certain fields where they are necessary. I've got to relate to you a very personal case with my parents. In order to keep them at home, we had to get live-ins. It started out with some local agency that was providing it. That was a disaster. So we ended up getting a nanny from the Philippines. We ended up over time having three different people. These are excellent people. I can't say enough good things about them. It's quite interesting because, first of all, they're pretty proficient in English. I think that from what I've seen, most of them have got one of our official languages, so training in the language is usually not a big issue.

As well, they often have some very specific training. Like, the one that we had was a male. He was a physiotherapist, fully qualified. I don't know just where he is right now, but he probably is working in Alberta as a physiotherapist. One of the others was a registered nurse. The other had taken care of seniors. She had a lot of training in that field. They were just excellent workers.

In a garage in Rocky he had seven Filipinos working in his garage, a pretty big operation. One of the things that he found was the biggest problem was that they didn't want to quit working. They wanted to work over the weekend. They couldn't understand why it was an eight-hour day, all of those kinds of things. But the thing that he was so impressed with as well: their honesty. Like he said: I could leave my last dollar on the table; they wouldn't touch it. So those attributes I think are really, really very strong.

When I see this unemployment being probably over 5 per cent, I wonder how we are going to handle this where there are fields that really need the type of people that I just described. But when there are Albertans and Canadians that are unemployed, I take it the federal government is not that anxious to look at the qualifications of the individual. Yeah, they'll look at it if it's a trade or higher education, but we need some of these other folks as well. They can't all be tradespeople and have university education.

9:10

Mr. Lukaszuk: Well, hon. member, as you may know, I have just returned from the Philippines, and even though I went there on a personal trip on my own coin – I'm crazy that way – I actually ended up meeting with our Canadian ambassador and a few ministers of the Filipino government. I have to tell you – and this puts in perspective how enormous the international labour market is and how fluid labour is. In the Philippines right now 20 per cent of their GDP is remittances from Filipinos working abroad, sending money back home, and the lion's share of that 20 per cent is from Canada.

Having had a chance to meet with a very large group of applicants who were lining up in front of a Filipino government office to receive a permit to work abroad, I spoke to dozens of them, asking them where would they like to work, and the answer was

Canada. They named a number of cities in Canada, but almost without exception all were in western Canada: Saskatchewan, Alberta, and British Columbia. When I asked them why, jokingly, you know, telling them about the weather over here – the Philippines is obviously a tropical country – the answer was because they knew someone who worked here and said what great work conditions this province and western Canada provides to them. So they want to come over here and enjoy it just the same.

As I meet with temporary foreign workers working in Canada, almost without exception all of them would love to stay. Obviously, our policies have to be reflective of what's good for Alberta, and some of them who are needed will need to stay.

I'll give you an example. Your story about your parents is very compelling. Obviously, you want to make sure that your parents are not only in the best hands possible, but they have a continuum of care, that you're not flying in new workers and introducing them to your parents every year or every two years. But there are simply jobs in Canada – and that's a good thing – that Canadians perhaps for one reason or another are not interested in anymore. That's good because as Canadians we should be aiming and should be getting the better paid, the higher skilled jobs because that means that as a population we're evolving into higher skilled jobs. Unfortunately, the economy doesn't survive only on highly skilled, well-paying jobs. Somebody has to do the other stuff.

So if you go to Medicine Hat, hon. member, just outside of Medicine Hat there is a very large greenhouse industry. You know, your cucumbers and your green peppers and your tomatoes that you buy at your local grocery store, much of it comes from those greenhouses. [interjection] That's right. Well, you know, it tells you perhaps how much I know about growing cucumbers. It was my first time in a greenhouse. The work that is required to be done to pick these cucumbers, by the time you get to the end of the row, a new cucumber has grown already on the other end, and you have to pick the leaves. It's very mundane, monotonous work that most Canadians don't want, and I don't blame them. But it still needs to be done, and there are workers out there who are more than happy to do this work. The pay is very competitive because, like I explained earlier, the federal government superimposes the wages that the employer has to pay. They're happy to do this work, and they're doing it very diligently. Because of this fact we have these products on our shelves, and we have an industry that's flourishing in southern Alberta. Without these workers it would be very difficult to acquire a local workforce to fulfill that gap.

Those gaps are in many areas already. The trucking industry, hon. member, is another one. The hospitality industry. When you speak with the Alberta Hotel and Lodging Association, you know, not many Canadians want to be dishwashers, and good on them. But dishes still need to be washed at the end of the day in a restaurant. There will be more and more of these gaps in various skill sectors from the lowest to the highest as time goes on, so it's incumbent upon us to maximize our workforce and elevate our workforce to as high a level as possible. But the gaps will continuously have to be filled by foreign workers.

I think there is a better way of delivering that program than we do right now.

Mr. Lund: Well, we trust your judgment. I'm sure that there will be an improvement. That's good.

Looking in the business plan on page 51 – I'm sure the WCB would be disappointed if I didn't bring it up again, but I have great difficulty understanding why the appeals should take this many days: 135 days is their target. In some of the cases that I've seen, this causes a big problem. The one that I found the most distress-

ing was when there was an argument between the WCB and the insurance company. It was an auto accident, so neither would pay, and we're waiting for a decision out of the appeal process. I could never understand why neither one of them would pay. The insurance company could pay and then get it back from the WCB if it was their responsibility or the other way around. In this particular one, he was losing his house because he had absolutely no income, and they think that the appeal, well, for this coming year: 135 days. Now, this probably was a complex one, so it would be 165 days because it wasn't simple. It wasn't straightforward. That's why neither one would pay because each was thinking they were going to win.

Mr. Lukaszuk: Thank you. It's not an issue that I'm not familiar with, as you know, not only from being here for some 10 years but also from a previous engagement with WCB. I agree with you. When a worker is waiting for an outcome, particularly in a complex case like yours, where it involves insurance companies, subrogated claims, and even though often there are bona fide reasons why it takes so long, at the end of the day the worker needs a paycheque, and that's all there is to it. That is why you will find that I have not only challenged the Appeals Commission, which now reports directly to this ministry so that there is no perceived collusion with the ultimate appeal body reporting to the WCB itself, but I have challenged them with putting forward initiatives to shorten the appeal time period.

I have met with the chief appeals commissioner on a number of occasions, and I know that he is now meeting with the board of directors and the CEO of WCB. My demand is simple: shorten the lag time in the appeals. I have been assured that the lag time in appeals will be shortened where the worker is ready to proceed with his or her appeal. If the worker actually asks for adjournments because he needs some medical materials or evidence, then that's outside of our ability to control, but where the worker is ready and willing to appeal, definitely you will see over the upcoming year the timeline for appeals truncated.

To allow them to do that, I have increased the budget for the Appeals Commission by 10.7 per cent, which will allow them to hire additional commissioners to hear the cases. They are also making a capital investment into a very antiquated computer system for scheduling appeals and for storing evidence and being able to share evidence. That is all being revamped. So at the end of the day from the moment that a case manager at WCB renders a decision which either the worker or the employer is not satisfied with, the time until it actually gets to the Appeals Commission, to a hearing, should be significantly shortened over the next year.

Mr. Lund: Thanks.

Just one more quick question, Mr. Chairman. Now, on page 120 of the budget document I see that in 2010 the forecast was \$350,000, but there's nothing in '11-12. Is it all going back to the WCB to pay?

Mr. Lukaszuk: Yes. Mr. Chairman. The Appeals Commission, again, through this ministry is fully funded by the Workers' Compensation Board. I make a requisition to WCB for a certain amount of dollars that I know I will need to operate the Workers' Compensation Board through the chair of the Appeals Commission. Any dollars that have not been spent in the Appeals Commission either because they haven't hired additional appeals commissioners or some may have quit mid-year – those dollars do go back to the Appeals Commission because rightfully they are Appeals Commission dollars.

Now, there were instances where the difference between the amount of dollars requisitioned and the amount of dollars spent was quite significant, but it is my position that any additional requests for capital investment need to be put to WCB as a stand-alone request. Just because you have surplus dollars in your operating budget, which is meant for mainly payroll and salaries, if you don't spend it at the end of the year, it doesn't mean that those dollars are yours to spend and that you can buy a new computer system. So I have requested that the Appeals Commission return the dollars to WCB, its rightful owner, and then substantiate their need for a new IT system and request those dollars for an IT system. That's what has happened.

The implementation of the new IT system will contribute to the shortening of the appeal days; I am convinced of that. But that request should stand on its own merit. It has, and WCB is funding it through my office into the Appeals Commission.

9:20

Mr. Lund: Thank you very much.

The Chair: Thank you very much, hon. members. We've got approximately nine minutes remaining. We're going to go back to the Member for Edmonton-Strathcona, please.

Back and forth again, hon. member?

Ms. Notley: Yeah. I'll do my best. Just to carry on from where I was asking questions before, the document that I had been referring to was the document that provided the temporary foreign worker monthly activity and status report. The one I have is dated January 31, 2010, and what I'm looking for is one that is dated January 31, 2011, which provides the information that I had asked for and which talked about the nature of the contraventions and the percentages of them within that amount. So that's the information I'm looking for. Again, it's just a repetition of that information or an update so that we can determine the degree to which this issue has hopefully improved over the course of the last year. I just wanted to get that on the record.

I'd like to move on quickly to the issue of occupational health and safety inspectors and also the issue identified by the Auditor General in his April 2010 report. I am aware that, obviously, the Auditor General made some findings on some issues, and then subsequently the department responded by saying: well, in fact, it's not really quite as bad as he says it is; his conclusions are inaccurate because we gave him the wrong information. Ultimately, I think, at the end of the day what we were left with was a conclusion.

Now, I'm quoting from the Auditor General, dated June 11, 2010, so this is after all of that stuff happened. The Auditor General says:

Following a review of its own records, and doing additional work, the Department has now concluded that the records are inaccurate. The Department's review determined that significant numbers of those orders were open because of administrative error: OHS officers have [simply] failed to update them following reinspections that evidence compliance. The Department's conclusion that its records are inaccurate supports the Auditor General's conclusion that there are [still] weaknesses in the Department's current systems. The Auditor General stands by the recommendation that the Department needs to improve the systems necessary to enforce the [Occupational Health and Safety] Act.

That, then, leads to my question about where we would find the money that was necessary to do that. I note that item 3.5, policy and legislation, occupational health and safety, has actually been cut from, well, the actual forecast spent amount of \$936,000 to

\$812,000. Then under policy and legislation, item 3.6, which is a bit more general, there is an increase of \$1.6 million. However, the minister has since described that that funding is allocated for the purposes of the review of how to prevent occupational health and safety disease, which, by the way: why spend that money doing it? I can tell you what you could do right now.

Also, the review on workplace motor vehicle accidents. That leads to my question: where would we find the money necessary to raise the internal tracking and accountability standards within the ministry to the level that the Auditor General continues to insist is necessary?

The next question that I wanted to ask – I’m flipping around right now, and I apologize for that; I don’t have much time left, so I’m just bouncing around – is over to item 2.17. I know other speakers have identified this issue, but I have a particular question around this. We talked before about, you know: why is it that the minister keeps underestimating the amount of people that are going to need to access this program? Of course, I, like you, wish they wouldn’t because I think the people accessing that program are incredibly poor. That program pays well, well, well below commonly accepted standards of minimum incomes required to keep people out of poverty. I don’t want to see that line item go up because it worries me that the number of people living in extreme poverty in this province is growing. I’d like to see that number go down, but certainly it’s not going to happen simply through wishful thinking.

Now, you went into the budget process. Last year the actual expenditure, in 2009-10, was roughly \$255 million, and then you went into last year’s budget and said: “Oh, well, we’re pretty sure that we’re going to spend less because the worst of it’s over, and everybody is getting more jobs. Isn’t it great?” So you budgeted \$25 million less. This year, in fact, instead of it going down by \$25 million, your projected forecast had it going up by \$5 million. This year we’re actually predicting that it will go down even more. Where we were \$25 million out last year and it went up, now we’re planning to be \$35 million out this year, and there’s no indication yet that it’s not going to go up.

Really, what I would like, and probably better in writing, would be to get as much specific information about the assumptions and the calculations that underlie the estimates for this budget line item. I totally agree with a point that at one point the minister made to a previous speaker saying, “Well, we certainly wouldn’t want to cut off eligibility if we happen to reach that number,” and of course you wouldn’t. But, obviously, it’s responsible that you do come up with an estimated number, and there is a formula that must be used in order to get to that estimated number. Presumably, it’s not done on the back of a napkin. I would like for there to be a clear report on what the assumptions and the figures and the un-

derlying research are that get the ministry to that particular number. I think we need to deal with that. By dealing with that honestly and openly and accurately, we can start the process of talking about whether or not we’re doing the right thing to actually get those numbers down in the right way, not by denying eligibility but, rather, by finding more generous ways to help people earn an income so that they’re not living in such dire poverty.

I guess the final thing that I would ask about is, again, why it was that the disability-related employment supports section was underfunded by \$4 million. Why was that not spent? Why is there an anticipation that we’ll still be spending more this year than last given general inflation and population increases?

Those are probably all of the questions I can get in at this point. Thank you very much.

Mr. Lukaszuk: Thank you. Well, I can assure you that these estimates were not made on the back of a napkin, and I have to tell you that it’s sad that you would even make that comment. You have individuals here in the gallery who spend their lifetime crunching these numbers, and they don’t do it in a vacuum. All other provinces do it in very much a similar way, and there is a method to this madness. We don’t just whimsically pull numbers out of a hat because if we would, you and I could possibly do it, and we can’t. That’s why we rely on the expertise of our staff in our department.

The fact of the matter is that our caseload number actually has dropped by some 2,000 since July, and we expect it to drop by another 2,000, so there is your number. Based on today and based on the best available information, we will meet our targets. Our recovery from the economic slump wasn’t as linear as economists, our best available sources, predicted. Our unemployment rate staggered somewhat, and it was higher than we had anticipated it would be. That resulted in additional files. That resulted in additional expenditures. But, please, do not make this assumption that at some point in time we run out of dollars and we deny eligibility to clients for benefits. It’s not the case. That’s why we have supplementary estimates and . . .

The Chair: Thank you very much, Minister.

Thank you, everyone. I would like to advise the committee that the time allotted for this item of business has concluded. I would like to remind committee members that we are scheduled to meet next on March 23, 2011, to consider the estimates of the Department of Transportation.

Pursuant to Government Motion 5 the meeting is now adjourned. Thank you very much.

[The committee adjourned at 9:30 p.m.]

