



Legislative Assembly of Alberta

The 29th Legislature  
Second Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Labour  
Consideration of Main Estimates

Monday, May 2, 2016  
7 p.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
Second Session**

**Standing Committee on Alberta's Economic Future**

Sucha, Graham, Calgary-Shaw (ND), Chair  
Schneider, David A., Little Bow (W), Deputy Chair

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Connolly, Michael R.D., Calgary-Hawkwood (ND)  
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## **Standing Committee on Alberta's Economic Future**

### **Participants**

Ministry of Labour

Hon. Christina Gray, Minister

Jeff Parr, Deputy Minister

Leann Wagner, Assistant Deputy Minister, Strategy and Policy



7 p.m.

Monday, May 2, 2016

[Mr. Sucha in the chair]

**Ministry of Labour**  
**Consideration of Main Estimates**

**The Chair:** Folks, I would like to call this meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Labour for the fiscal year ending March 31, 2017.

I'd like to ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce the staff that are joining you at the table. First, I'd like to note for the record that Mr. Fraser is an official substitute for Ms Jansen and Mr. McIver is an official substitute for Mr. Gotfried. I am Graham Sucha, MLA for Calgary-Shaw and the committee chair. I will proceed with my deputy, and we will go around the room introducing ourselves.

**Mr. Schneider:** Dave Schneider, MLA for Little Bow.

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Panda:** Prasad Panda, MLA, Calgary-Foothills.

**Mr. Gotfried:** Richard Gotfried, MLA, Calgary-Fish Creek.

**Mr. Hunter:** Grant Hunter, Cardston-Taber-Warner.

**Ms Gray:** Christina Gray, Minister of Labour. With me today I have Shelley Engstrom, who is the senior financial officer for the Ministry of Labour; Jeff Parr, my deputy minister; and Leann Wagner, who is the assistant deputy minister for strategy and policy, as well as other lovely, helpful people behind, that I will introduce as needed.

**Mr. Carson:** Jon Carson, MLA for Edmonton-Meadowlark.

**Mr. Dach:** Lorne Dach, Edmonton-McClung.

**Mr. Coolahan:** Craig Coolahan, MLA, Calgary-Klein.

**Mr. Piquette:** Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

**Ms Fitzpatrick:** Maria Fitzpatrick, Lethbridge-East.

**Mrs. Schreiner:** Kim Schreiner, MLA, Red Deer-North.

**Mr. S. Anderson:** Shaye Anderson, Leduc-Beaumont.

**Mr. Connolly:** Michael Connolly, MLA for Calgary-Hawkwood.

**The Chair:** All right. Please note that the microphones are operated by *Hansard*, and we ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and not placed on the table as they may interfere with the audiofeed.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Labour, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. For the hour that follows,

members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A member and a minister may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If members have any questions regarding speaking times or rotation, please feel free to send a note or speak directly with either the chair or the committee clerk about the process.

Three hours have been scheduled for the consideration of the estimates of the Ministry of Labour. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? No?

Committee members and the ministers and other members who are not committee members may participate; however, only a committee member or an official substitute for a committee member may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery area. Members' staff may be present and, space permitting, may sit at the table or behind the members along the committee wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 10 p.m.

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

Any written materials provided in response to questions during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all meeting participants to address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on May 17, 2016.

If there are amendments, an amendment 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 deferred until Committee of Supply convenes on May 17, 2016. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved, and 20 copies of

amendments must be provided at the meeting for committee members and staff.

I will now invite the Minister of Labour to begin her opening remarks.

**Ms Gray:** Thank you, Mr. Chairman. It's an honour to be here today to discuss Labour's budget estimates for 2016-17 and to answer any of your questions. Because I'm just so excited to have their help, I am going to introduce my team again. We have Jeff Parr, my deputy minister; Leann Wagner, assistant deputy minister, strategy and policy; and Shelley Engstrom, senior financial officer.

Mr. Chairman, this year's budget is called the Alberta Jobs Plan because it is squarely focused on supporting jobs and job creators. It is a response to the challenging economic times we find ourselves in given the collapse in the global price of oil. It is a document that speaks to the resiliency, ingenuity, and values of Albertans. As we move forward through this downturn and into economic recovery and diversification, my ministry will be playing a prominent role in making sure that Alberta's workplaces are thriving, fair, healthy, and safe. As well, we will turn our minds to ensuring that Labour is doing its part to support strong labour market information and programs to support Alberta's job plan.

Mr. Chairman, the purpose of Labour is to support the needs of workers, employers, and all Albertans by growing a skilled workforce for the jobs of today as well as tomorrow in a workplace environment that is safe, fair, and healthy. Investing in our workers and employers today is the first step in creating an Alberta of tomorrow that benefits individuals, families, and our communities. Already our ministry has been very busy with essential services legislation as well as OH and S inspections and preparing for our next year's work to ensure that Alberta is the best place to go to work.

In the coming weeks An Act to Implement a Supreme Court Ruling Governing Essential Services will be given force. The labour relations community will participate in a new process that brings balance and maturity to labour relations in the province while ensuring that the vital public services Albertans depend on are protected and continue to run in the event of a labour dispute.

In addition to that, our ministry will be on the road, consulting with Albertans on a number of issues related to our workplaces. Currently OH and S inspectors are visiting 200 gas stations and convenience stores across the province to get a better understanding of the risks posed to Albertans working alone.

We also continue to vigorously urge the federal government to reconsider federal employment insurance rules that exclude too many Albertans from benefits. These rules must be updated as quickly as possible to take account of the current economic shock affecting workers in our province. These rules currently exclude the Edmonton region, which includes Nisku and Leduc, areas that we know are very busy with oil and gas services sector work and have been impacted by the downturn.

7:10

We also continue to engage with workers, employers, and all stakeholders as our government moves forward with its plan to phase in a \$15 per hour minimum wage.

When it comes to our ministry's work, you can all rest assured that consultation, conversation, and careful deliberation will be at the heart of everything that we do. I believe that our team is squarely focused on achieving the best outcomes for Albertans, and that means finding balance through collaboration. So in the coming year, through Budget 2016 you'll be hearing much more about the work we intend to do together.

Mr. Chairman, our government values Alberta's workers and businesses, and our budget reflects this. Labour's budget reflects the importance this government places on supporting Albertans and job creators through this economic downturn.

This budget of \$212 million is a \$15 million increase over last year's forecast of \$197 million. This is primarily due to \$10 million in new funding for the summer temporary employment program, STEP, a program that I'm very excited about and that I hope we get to talk about lots; \$7.7 million in increased funding from the federal government for the Canada-Alberta job fund agreement; and \$4.2 million in increased funding from the WCB for occupational health and safety and the WCB Appeals Commission.

Given the challenging circumstances our province is facing, we're also taking measures to ensure the most efficient use of financial resources. After reviewing our operational and program spending, \$8 million has been reallocated out of our budget and into other government priorities. We have also reduced our salaries and supplies and services budgets by 2 per cent, or \$2.6 million. This was accomplished while still maintaining our critical services to Albertans.

Mr. Chairman, Albertans are hard workers, dedicated to ensuring that their families are provided for and our communities thrive. With increased layoffs and unemployment, getting Albertans back to work is a top priority for this government. Skills training is one of the best investments we can make to ensure a strong and diversified economy. That's why we're investing \$35 million into labour market programs that will support people in getting the skills they need to succeed in the workforce. This includes \$26 million for the Canada-Alberta job grant, which supports employers training existing and potential employees.

We have also reintroduced that summer temporary employment program, beginning this summer, with \$10 million in new funding in 2016-17. This program will open doors for students of all ages to get the experience they need to enter the workforce, but it also supports small businesses in growing and thriving by connecting them to individuals who are able and ready to work.

Labour's budget also includes \$10 million for training for work programs to help recently unemployed individuals get a job or substantially improve their employment situation. My apologies; I think I just misspoke there. Labour will be delivering \$10 million of training for work programs, but that is not found in our budget; that is found in the Economic Development and Trade budget. Overall, \$38 million in skills and training support was transferred to Labour from Human Services as part of a major realignment to make the experience of Albertans accessing these programs more consistent, efficient, and user friendly.

Mr. Chairman, part of setting people up for success in our workplaces is ensuring that those workplaces are safe, healthy, and fair. We have \$47 million allocated to occupational health and safety, a \$3.7 million increase from last year's budget. This will allow us to devote additional resources to occupational health and safety research, education, inspections, and investigations. This also supports the review of the Alberta Workers' Compensation Board, which I announced on March 24, 2016.

Mr. Chairman, this budget will allow us to support Albertans and employers through this economic downturn while ensuring that workers' rights are protected. We're creating the right conditions and opening the right doors to support a modern, diversified, and growing Alberta economy.

I look forward to answering your questions.

**The Chair:** Thank you, Minister.

First, I would like to note for the record that Ric McIver has joined the committee here as well.

For the hour that follows, the members of the Official Opposition and the minister may speak. Would you like the timer set at 20-minute intervals?

**Mr. Hunter:** Yes, please.

**The Chair:** Are you going back and forth with the minister?

**Mr. Hunter:** Yes, I would, Mr. Chair.

**The Chair:** All right. Please proceed.

**Mr. Hunter:** Thank you, Mr. Chair. First of all, I would like to congratulate the minister on her appointment to this Labour ministry and for her first estimates.

**Ms Gray:** You can congratulate me at the end.

**Mr. Hunter:** Actually, I want to remind the members opposite of the colour of my pen as well, just to show the conciliation.

First of all, the last time we convened to discuss main estimates for this department, we were discussing a 43 per cent, or \$62 million, increase to this department's expenditures. This time we are discussing a far more modest increase, from \$197 million in the 2015-16 forecast to \$212 million for the 2016-17 estimate. Of course, it is the position of my colleagues and I that this government should find efficiencies, obviously, where possible and in all departments while focusing on spending reductions and supporting job growth.

What I would like to do, Minister, is that I would like to just go through some of the line items to be able to get some more clarity on some of these issues. Then I would like to ask you some more broad-stroke questions about your plan and about how this is, as you put it, a jobs budget, so this would be quite squarely in your purview.

We'll go through the line items first, and I hope that you will answer these questions as succinctly as you can because I have a lot. That would be very helpful. First of all, items under line item 1 show a modest decline in ministry support services. Can we have some more details on where efficiencies were found? Perhaps there is something to be learned for the other departments.

**Ms Gray:** Okay. In our budget, that we've put forward, ministry support services includes the minister's office, the deputy minister's office, human resources, corporate services as well as communications. We have an overall decrease in the ministry support services of approximately \$2.8 million, and it consists of a reduction across all of the programs as part of the 2 per cent reduction in salaries, supplies, and services directed by Treasury Board and Finance. As well, part of this decrease has to do with spending pressures from that 2015-16 budget.

You referred to the last time you met and that larger increase. The minister at the time would have told you about this ministry getting its human resources and corporate services departments for the first time over the last few years as it became a fully functioning ministry standing alone, where at one point it was sharing services with others. We now have human resources and corporate services, but there are some spending pressures that were not approved as part of Budget 2016, and that is part of why our estimate is now lower than the 2015-16 forecast.

For example, human resources, which provides professional and strategic advice to managers, supervisors, and Alberta Labour employees on human resource needs, had a forecast that reflected a higher cost to operate the human resources branch, which was beginning to establish itself fully as part of the ministry, and now

our estimate is lower. The ministry is exploring options to prudently manage those expenditures while ensuring that accountability requirements continue to be met.

**Mr. Hunter:** Minister, could you provide an organizational chart to help us understand how this department's reorganization has taken place?

**Ms Gray:** I don't know that it's the organization that has changed per se, but if you go to the GOA contact site, you can see through that way who the directors are and the staff in a particular area.

7:20

**Mr. Hunter:** Okay. Well, Minister, over the last few years the HR line item has gone up and down like a yo-yo. Are we finished with that now? Is it completed, or are we going to see changes in the future?

**Ms Gray:** I can only speak to the budget that we have in front of us right now. Based on my meetings with the team, my understanding is that our human resources section is reasonably well staffed. Again, we have spending pressures this year, but the ministry is going to responsibly and prudently manage those pressures going forward. We would not expect to see – again, I should probably just speak to the budget we have in front of us and not what might be happening in the future.

**Mr. Hunter:** Well, you're reorganizing, so I imagine that you guys are on the track of being able to keep those line items stable now?

**Ms Gray:** If I used the word "reorganization," I should not have. We have a human resources department and a corporate services department with spending pressures. We're going to be managing those spending pressures by conserving money in other places, looking for efficiencies, et cetera. We will not be laying off staff to manage those spending pressures. I can tell you that.

**Mr. Hunter:** Okay. Thank you, Minister.

Line 2.1 shows a decline in program support for workforce strategies from \$3.4 million to \$3.3 million. Can we have some more details on that decline?

**Ms Gray:** Absolutely.

**Mr. Hunter:** Were any positions eliminated?

**Ms Gray:** Under line item 2.1?

**Mr. Hunter:** Yes.

**Ms Gray:** The program support includes staff to support the workforce strategies program and policy development and regional workforce staff, who are expert resources on matters related to workforce partnership. Now, this estimate is lower because of the reduction in salaries and supplies and services, as part of that effort to achieve cost savings. No staff were laid off to achieve that reduction.

**Mr. Hunter:** Okay. Thank you, Minister.

Line 2.2, if we can go there, please, shows a decline in settlement and integration. It seems counterintuitive given that new immigrants and refugees are likely in more need of support in this economy. Can you tell me what the reason for this decline is and what was affected?

**Ms Gray:** Okay. Alberta has been and is supportive of the federal government's efforts to resettle refugees, and we remain committed

to resettling our fair share to this province. To do that, we are taking a co-ordinated and balanced approach to welcoming refugees, addressing their needs, supporting the community, as much as possible a collaborative approach, with partners looking at creative solutions that will help to ensure the long-term successful settlement and integration of refugees into our communities and workplaces.

To demonstrate our commitment to the well-being and success of all Albertans, including those who come to the province as refugees, this past year we invested an additional \$4 million in settlement and integration services in 2015-16 to support those refugees.

**Mr. Hunter:** Minister, is there a decrease in settlement?

**Ms Gray:** That was a one-time, last year of funding, so we have now returned to our average spending for settlement and integration.

**Mr. Hunter:** Maybe I could ask it this way: can you give us a dollar-per-client estimate over the last two years and compare it to 2016?

**Ms Gray:** In the 2015-16 year we put in additional funds. The government announced \$1 million for the refugee resettlement grant initiative, which supports immigrant-serving agencies and sponsorship agreements, ethnocultural groups, municipalities. Even with just that \$1 million investment, you can see that it's going to a lot of different things. It's not money that's tied to a particular refugee.

**Mr. Hunter:** Do you guys go by the metric of a dollar per client at all?

**Ms Gray:** No. In this case, when we're talking about the \$4 million, I'll let you know where we've put the rest of that: \$1.1 million was in grants to the Alberta Urban Municipalities Association to support municipalities that are welcoming newcomers; \$1.4 million, in addition to grants, to Alberta's immigrant-serving agencies, which provide general settlement assistance, including information, orientation, interpretation, translation, or referral services; and half a million dollars in grants to support language training. These are valuable programs that support our overall goal of helping all our refugees have long-term, successful settlement and integration. A lot of these are creative solutions that are community- or municipality-based because, of course, someone resettling in Edmonton will go through something very different than someone resettling in Brooks, for example. They might have different needs.

**Mr. Hunter:** Did you say that there was an increase in the language training?

**Ms Gray:** I was speaking to the \$4 million from last year. That \$4 million was one-time spending, so you will not find that in this year's budget. Instead, our forecast reflects these funds which were used to support refugee resettlement. In our 2016-17 estimate, which we're looking at now, we have returned to our more standard or average settlement and integration spending.

**Mr. Hunter:** Okay. Thank you, Minister.

Line 2.3, please. Workforce development partnerships has a modest decline as well. Can the government elaborate on what is being covered here and what is being cut?

**Ms Gray:** Absolutely. Workforce development partnerships, just to set the stage, ensure that working Albertans continue to enhance their skills and respond to skills shortage through collaborative

efforts with industry, community, and employer groups. Our funding decrease is roughly 13 per cent, and in this case it's due to the Canada-Alberta job fund agreement. In this case it's been adjusted as per the agreement that we have with them. The funding requirements in the Canada-Alberta job fund agreement dictate that the ministry must allocate more funds to the Canada-Alberta job grant over the next two years. That's where we find this decrease. The Canada-Alberta job grant, on the other side, supports employers' training current and potential employees. Skills training is one of the best investments we can make to ensure a strong and diversified economy.

**Mr. Hunter:** Okay. That's fine, Minister.

We'll just go on to the next one here. I note that both the current and previous federal governments have stated that there is vastly inadequate labour market information across Canada. Line 2.4 shows a cut in policy and labour market information. Can the minister elaborate on what is being cut here?

**Ms Gray:** Policy and labour market information works collaboratively with other GOA policy and program areas to provide strategic advice, policy direction, and evidence to address Alberta's labour force development objectives. Now, I will say that in my time as Labour minister I've heard repeatedly that Alberta's labour market information is one of the best, that we have an excellent system with which to make evidence-based decisions, and we truly believe that accurate labour market information is crucial in supporting those informed decisions. By making sure that our policies are relevant and aligned, we can deliver programs that help Albertans be successful in our workplace.

In this case our estimate for this budget line is primarily lower due again to a funding requirement in the Canada-Alberta job fund agreement, which dictates that the ministry needs to move those funds and allocate more funds to the Canada-Alberta job grant over the next two years, so that is where our decrease is coming from. Policy and labour market information works collaboratively with other government of Alberta policy and program areas to provide strategic advice, policy direction, and evidence to address Alberta's economic-focused labour force development objectives. In this case we are not in any way impeding or limiting our labour market information. It's still going strong and is quite good. Rather, the estimate is lower due to a funding requirement with that Canada-Alberta job fund agreement. It simply means that we're moving funds from here to the Canada-Alberta job grant program.

**Mr. Hunter:** Okay. Thank you, Minister.

Line 2.5 also shows that the budget for labour attraction and retention has hardly changed but for a slight decline. Given that Statistics Canada showed a net decline in interprovincial migration to Alberta in 2015, Q4, and we've desperately needed to import labour to needed – sorry. Is there a way of being able to determine whether or not we have decreased – I'm just going to go to the next question here.

**Ms Gray:** Okay.

7:30

**Mr. Hunter:** Line 2.6 shows a decline in labour qualifications and mobility. In recent years there's been emerging consensus that a lot of postsecondary education isn't aligning with the needs of the labour market. With that in mind, can you speak to what work is done in this area by your department and where cuts were made?

**Ms Gray:** Okay. Line 2.6, labour qualifications and mobility. They lead and implement initiatives and programs to strengthen the

recognition of qualifications of workers coming from outside Alberta. The decrease in 2016-17 is primarily due to the winding down of the three-year Alberta-Canada foreign qualification recognition contribution agreement, which is in its final year of implementation. A majority of the funding for the three-year agreement was allocated to the development of projects and initiatives in the first two years, and this was to ensure proper implementation of the work in year 3. This agreement supports the Alberta government in streamlining the assessment and recognition of foreign qualifications of prospective and landed immigrants so that they are able to apply their skills and find work. The estimates, of course, also include the reduction to salaries and supplies and services to achieve cost savings.

Did that answer your question?

**Mr. Hunter:** That's fine.

Line 2.7 shows one of the largest increases for your department, where labour market programs go from \$28.2 million to almost \$35 million. Can you speak to which specific programs are benefiting from this increase and which Albertans will be the chief beneficiaries of these increases?

**Ms Gray:** Line 2.7 is labour market programs. These are very important to us, particularly given the current market. These programs support Alberta employers and their employees in gaining the skills that they need to succeed in the workforce. It also includes investments in employment initiatives that improve opportunities for underrepresented groups such as indigenous people, youth, people with disabilities, immigrants, and women.

The \$6.5 million increase to labour market programs is largely due to the additional funding from the federal government as part of the Canada-Alberta job fund agreement. This increase in funding is being allocated to the Canada-Alberta job grant, which will have a budget of \$26 million in 2016-17. We had a chance to talk about this job grant during Committee of Supply earlier this year. It supports employers in training current and potential employees, skills training being one of the best investments we can make to ensure a strong and diversified economy. As well, through our labour market programs we also invest in employment initiatives that improve opportunities for underrepresented groups, as mentioned.

The Canada-Alberta jobs grant is the one that employers are able to apply for, and it supports existing as well as new employees. It provides a variety of training, the training being delivered by a third party. We were able to get you some numbers on how many people were able to take advantage.

To answer your question around which Albertans this benefits, I think I can say . . .

**Mr. Hunter:** I think you described that when you talked about indigenous and . . .

**Ms Gray:** Well, no. It benefits all Albertans. There are all sorts of currently employed or even unemployed Albertans who will be recipients of this. There have been almost 2,000 unique employers that have been approved for funding under this program; 85 per cent of these employers have 500 or fewer employees. Through those 2,000 unique employers almost 15,000 trainees have been approved for training since this program first started in October 2014. So it really reaches a wide variety of Albertans through the Canada-Alberta job grant as well as, again in this line item of labour market programs, has some training that's specifically targeted to the underrepresented groups.

**Mr. Hunter:** Okay. Thank you.

Line 2.8. For the reintroduction of the summer temporary employment program with a \$10 million allocation, can you elaborate further on how many private companies will be receiving funding compared to publicly funded and nonprofit organizations?

**Ms Gray:** I'm so glad you asked. Our government is committed to reinstating the summer temporary employment program. I'm very excited that this program was launched because it's really going to open the door for a lot of students to gain that on-the-job experience that they need to enter the workforce and be successful. It's going to do more than just help students because it is helping employers of all types, including, as you mentioned, small-business, private employers. This is the first time that we ever allowed business to apply for funding. With it being a pilot year, we weren't sure what kind of response we would get.

**The Chair:** That was your first 20-minute interval. You may proceed with the next.

**Mr. Hunter:** Thank you, Mr. Chair.

**Ms Gray:** In all categories we were oversubscribed. We were unfortunately having to deny some applicants just because so many people wanted to take advantage of this great program. To give you a few of the numbers, we approved 1,189 applications to support over 3,000 jobs, and when I announced the program, I was saying somewhere between 2,500 and 3,000. We weren't sure where we were going to land, and I'm excited to say that it's over 3,000. Of those just over 3,000 jobs 1,301 were approved for nonprofits and libraries, 678 were for small business, 578 were for municipalities, First Nations, and Métis settlements, and 478 were for publicly funded postsecondary institutions and schools.

In approving applications, we made a strong position to try and target a variety of sectors as well as a variety of areas all around Alberta, so we applied those criteria to the applications as well as made sure that they fit the base requirements. Small business absolutely really responded to it this year.

**Mr. Hunter:** How much money was allocated to rural Alberta versus, say, urban?

**Ms Gray:** I can't give you that breakdown. It was \$10 million overall, trying to distribute it fairly throughout the province.

**Mr. Hunter:** What were the metrics you used: \$3 million for rural Alberta, \$3 million for Calgary, \$3 million for Edmonton? How did you work that?

**Ms Gray:** We had it broken down by how many millions per category – small business, university, and so on – and then on top of that we applied the desire to have it be throughout Alberta. I'm not able to answer in any more detail than that.

**Mr. Hunter:** Can you get that information for us, then?

**Ms Gray:** We can try.

**Mr. Hunter:** Obviously, you'd have that. You don't have to present it to us now, but if you could present it to the committee at some future date, that would be fantastic. The question, again, was: what money was allocated to rural versus urban?

**Ms Gray:** Okay. We may have to come back to you with just a slightly different way of measuring that because I just don't know if we tracked rural versus urban in all areas.

**Mr. Hunter:** But you would know where it is, though, Minister. I mean, you'd know where each one of these goes.

**Ms Gray:** We may have done northern, central, southern. We'll go and take a look and bring back to you the information we can. Do you know what I mean?

**Mr. Hunter:** I just need to know an answer. Can you provide that information or not?

**Ms Gray:** Yes.

**Mr. Hunter:** Thank you.

Now I want to talk about the metrics of this STEP program as well. Do you have any metrics or requirements that positions receiving STEP funding will actually help to prepare young Albertans for better prospects? In other words, is there any requirement that those positions receiving STEP funding provide a meaningful opportunity, not just low-level, menial work?

**Ms Gray:** Well, I think all work is meaningful.

**Mr. Hunter:** No. Menial.

**Ms Gray:** Oh, menial.

**Mr. Hunter:** I apologize. I said that too quickly. Menial work.

**Ms Gray:** The requirements around the STEP program included that it must be full-time, a minimum of 30 hours per week, a maximum of 37.5 hours, between four and 16 weeks in duration. The different sectors that we applied the STEP funding to were identified. The students were required to be current high school or postsecondary students and returning to school full-time in the fall.

**Mr. Hunter:** Minister, were there any other metrics on that?

7:40

**Ms Gray:** STEP is intended to support students by providing career awareness and job exposure, building transferable skills, and providing an entry point to the workforce.

**Mr. Hunter:** You were oversubscribed on this program, as you said. Was that taken into consideration when you made the decision about who actually got it, the calibre of work that these students were going to be engaging in?

**Ms Gray:** At this point, for this year we applied the regional criteria, we applied the sectors criteria between nonprofits, small business, municipalities, et cetera, but we did not apply additional criteria on top of that.

**Mr. Hunter:** Okay. Thank you, Minister.

Line 2.9. Can you detail the source of the increase for skills and training support? Are these increases predominantly administrative, or are they actually supporting training that will help Albertans?

**Ms Gray:** Education and skills training is one of the best investments our government can make to ensure a strong and diversified economy. Getting Albertans back to work is a priority for this government. This year \$26 million has been allocated to the Canada-Alberta job grant, which supports employers in training current and potential employees. The Labour budget also includes \$38 million for skills and training support for Albertans to get training or find jobs or substantially improve their employment situation. We are expanding access to existing programs to accommodate laid-off workers, who may need extra support finding

work and transitioning to new jobs. We will continue to work with our partners to try and provide the right kind of employment and training supports for Albertans.

**Mr. Hunter:** Minister, are these increases predominantly administrative, or are they actually supporting training that will help Albertans?

**Ms Gray:** They are actually supporting training that will help.

**Mr. Hunter:** Okay. I noticed that last year your department didn't spend 13 per cent of the budget for this item. Now, I don't object to that in principle, but we are talking about the training and support of people who are going to be taking over in our province. Do you think you'll hit your budget this year?

**Ms Gray:** We do. The forecast was \$5 million lower than budgeted due to lower enrolment in employment and training programs, and that resulted in less living allowance funding being provided to individuals attending training. But we have estimated \$37.8 million being utilized to support skills training for Albertans impacted particularly by the economic downturn. So we do anticipate it being used.

**Mr. Hunter:** Okay. So if I understand correctly, you said that you were undersubscribed for that program?

**Ms Gray:** Yes. It was \$5 million lower than budgeted because of lower enrolment last year.

**Mr. Hunter:** Was there a change in how you rolled it out? Was there a change in how you advertised it? You'd think that in a year where we have unemployment rates going up, this would not be undersubscribed. Am I missing something here?

**Ms Gray:** No. In this case it was simply undersubscribed by a small percentage . . .

**Mr. Hunter:** By 13 per cent.

**Ms Gray:** . . . by that \$5 million, and we are anticipating that it will increase given the current economic climate.

**Mr. Hunter:** What I'm asking is: have you identified why this was and how you're going to rectify the situation so that this important investment in our workers is properly subscribed to?

Mr. Chair, maybe I could get that question tabled.

**Ms Gray:** I do have some more information. What I'm understanding is a couple of things. With the downturn last year, there were quite a few people who were using their severances, their original layoff agreements. Quite a few people who would have shown up in our unemployment numbers wouldn't necessarily have been immediately accessing some of the retraining options here, so that may be a piece of the puzzle as to why. Although we saw unemployment numbers spiking, the training services were not at that same time. In this case, though, we are anticipating the increase being necessary.

**Mr. Hunter:** Okay. Thank you, Minister.

Can you tell me roughly how many Albertans got support for the \$33 million that was spent last year?

**Ms Gray:** The various programs that are available – this money is used for a variety of skills and training supports. In some cases it's for having websites available to provide access to information, in which case we can provide the number of people who've accessed

the website; for example, the Canada-Alberta job grant numbers that I shared, where it was nearly 15,000 people since the program launched in 2014.

But this is not a number where we can just divide by the number of people served in a clean way. It depends on which program we are talking about within the skills and training supports. There's also quite a bit of service delivery happening through contracted agencies, and we won't have the numbers from those contracted agencies.

**Mr. Hunter:** Okay. Because of time, I'd like to move to another section here and talk about the Canada job grant. Given the key strategies listed under outcome 5 of the business plan, which is "Albertans have the skills required by Alberta's labour market," I have some questions about the Canada job grant as agreed to under the Canada-Alberta job fund agreement. The communications protocol, annex 3 of the Canada-Alberta job fund agreement, says, "Alberta agrees to work towards offering a minimum of 6 joint announcement opportunities per year." When was the last one of these announced?

**Ms Gray:** The last announcement was one year ago.

**Mr. Hunter:** Minister, under the agreement you're supposed to have six a year.

**Ms Gray:** I'm understanding that we work quite collaboratively with the federal government to meet our requirements, but in the past year we had a provincial election almost exactly a year ago and then a federal election, and they were disruptive to some of the usual business along with the Canada-Alberta job grant. But we are anticipating getting back on track with the announcement schedule as per the agreement and in the meantime have been in contact with our partners and continue to work with them on this agreement intended to increase the participation of Albertans in the labour force and to help them develop the skills necessary to find and keep meaningful long-term employment.

**Mr. Hunter:** Okay. Minister, when is the next announcement that you're going to make?

**Ms Gray:** We don't have it planned yet.

**Mr. Hunter:** Maybe I might ask this. Is there a plan to actually get to the requirement of having at least six joint announcements per year?

**Ms Gray:** Our focus at the moment is ensuring that we use the funds to provide the training, to get people into these classes, both new and existing employees. So we've really been focused in on that aspect of this program. We will be working forward to get to those six joint announcements with our partners, as the agreement sets out, with the funding streams, but in the past few months it's been focused purely on making sure that Albertans were accessing the training.

7:50

**Mr. Hunter:** So what are you actually doing to promote the job grant?

**Ms Gray:** Working with our partners, we have been talking to some of the major employers who access the Canada-Alberta job grant. As well, the training providers do quite a bit to advertise the grants and the application process and how they can be accessed. We've been meeting with, for example, the Canadian Manufacturers & Exporters to make sure that they're aware of how to access Canada-Alberta job grants and the process, the value that it provides.

**Mr. Hunter:** You talked about your partners. Who is that?

**Ms Gray:** In this case I use "partner" quite freely. I'm talking about the federal government, who is the partner in delivering this, and then there are third-party training partners, who deliver the programming, the training, as part of this. So we have the employers, we have training partners – because it's a third-party trainer that does the training – and then we have the employees or future employees who are receiving the training.

**Mr. Hunter:** Okay. Thank you, Minister.

Are you confident that your department is meeting all the communication protocols required for the Canada job grant under the Canada-Alberta job fund agreement?

**Ms Gray:** We have a bilateral agreement with the federal government, again using that term "partners." With constant communication with the federal government, we've had no concerns or complaints raised regarding communication.

**Mr. Hunter:** So if I understand you correctly, the federal government is okay with your strategy right now?

**Ms Gray:** Yes. Yes, that is correct.

**Mr. Hunter:** How was this established, then? "Alberta agrees to work towards offering a minimum of 6 joint announcement opportunities per year?" Was that established by the Alberta government or the federal government or jointly?

**Ms Gray:** That would have been jointly because this is a program we are running together and have come to a bilateral agreement on.

**Mr. Hunter:** If this is a metric and you're not performing or you're not fulfilling that metric, don't they care about that?

**Ms Gray:** In this case our federal government has just recently changed. We are continuing to deliver the training by connecting employees through the Canada-Alberta job grant. Although by that metric of the six joint announcements there is a gap, this program has been incredibly successful with the number of people trained: 2,000 employers connected, over 15,000 employees receiving training. It is a real advantage to Alberta employers during this economic downturn, so we're really happy to talk about this program with employers.

**Mr. Hunter:** I would agree a hundred per cent with you, Minister. As you know, we've talked about this already

But my question is: are these programs being rolled out properly? Do businesses understand and know where to be able to access? Do people know how to access this information? This is the question. If the metrics are there and they're not being fulfilled, specifically six joint announcements, those announcements would be for people to understand where they can go for help. If those aren't happening, how can they know where to go?

**Ms Gray:** I know that when I've been meeting with employers – and I've met with quite a few in my role – the Canada-Alberta job grant is something that I make a point of always raising, and employers have always known about it already. I think the awareness in Alberta is quite high for this.

**Mr. Hunter:** Okay. I'd like to actually move on, then, if we could. Given that lines 5.1, 5.2, and 5.3 of the business plan talk about

improving training for all Albertans, including helping under-represented groups, how is Alberta using funds transferred from Ottawa under the labour market development agreement?

**Ms Gray:** So funds transferred from the labour market development agreement, and you're on page 104?

**Mr. Hunter:** Lines 5.1, 5.2, and 5.3 of the business plan.

**Ms Gray:** Okay. "Provide funding for occupation related training for unemployed or marginally employed Albertans": a piece of how we are providing funding for marginally employed Albertans will be covered through the training for work program, which is being delivered by the Labour ministry. Ten million dollars of increased funding for training for work was announced with Budget 2016.

As well, occupation-related training includes the Canada-Alberta job grant process, that we've been talking about, as well as line 2.9 of our budget, the skills and training support line item, which had that 13 per cent increase that we've been discussing, that provides training opportunities and supports for individuals . . .

**The Chair:** Sorry to interrupt. That's the end of the second interval. You may proceed with the third.

**Ms Gray:** Thank you.

. . . to get a job or substantially improve their employment situation. Did that answer your question?

**Mr. Hunter:** But how are you using the LMDA dollars?

**Ms Gray:** It's woven in throughout a lot of what we do, so unfortunately I can't point you to a single program or item that we are delivering. Through the skills and training supports there are a number of initiatives that we provide, again, everything from the Alberta learning information service website to the training for work program, the opportunity Alberta website, all having to do with skills training for the unemployed or underrepresented within our workforce.

**Mr. Hunter:** I'll just ask two more questions on this issue.

**Ms Gray:** Oh. If I may mention, we also have workforce consultants, 21 department employees, who assist people who are looking for work. They might run job fairs or provide information to employees about opportunities, career options.

**Mr. Hunter:** Does the government, Minister, have any intention of publicly disclosing how these LMDA dollars are spent? And was the allocation of funds changed at all given the economic downturn?

**Ms Gray:** Again, the LMDA funds are woven in throughout our program delivery. With the economic downturn, we have increased our funding and supports for job seekers. We are looking for ways always to try and creatively deliver our programs in a better way.

**Mr. Hunter:** Would you be able to tell me which organizations are receiving these LMDA funds?

**Ms Gray:** I am able to share that we will be doing an annual report for the LMDA fund. So I apologize; we should be able to provide you a copy of that annual report once it's prepared.

**Mr. Hunter:** I just wanted to point out that British Columbia provides detailed reports of where these funds are going, and it is a best practice. I would imagine that you do that as well.

**Ms Gray:** And we will.

**Mr. Hunter:** You will?

**Ms Gray:** Through that annual report. I apologize. I did not realize that when I began to answer the question.

**Mr. Hunter:** Okay. This past August your department paused the intake of applications through the Alberta immigrant nominee program, citing the application backlog that had accumulated. Were there any additional hires for this processing, or was this done entirely through existing human resources?

**Ms Gray:** Existing human resources for that.

**Mr. Hunter:** In January your department lifted the pause on AINP applications. Given the economic downturn, can you speak to which occupations you currently deem needed, to be in demand, and the government of Alberta is sponsoring immigrants for?

**Ms Gray:** I don't have that detail at my fingertips, so we'll have to get back to you with that.

**Mr. Hunter:** Can you tell me maybe in broad strokes: has lifting the pause affected any of these line items as presented in your government's main estimates?

**Ms Gray:** No, it hasn't impacted our estimates line items. We have our Alberta immigrant nominee program. It did stop accepting new applicants between roughly the end of August and the end of January. During that pause time we were able to reduce the number of applications in the queue by more than half. We were able to really focus on who was already in the queue – the wait times had been getting quite lengthy – and we were able to reduce and improve the wait times for many individuals in that queue. We are monitoring that program closely and looking for opportunities to improve the program going forward.

**8:00**

**Mr. Hunter:** What is the average wait time for that, Minister?

**Ms Gray:** It varies, I believe. At this point I don't have an average wait time that I can give you, but I could follow up with you.

**Mr. Hunter:** If you could provide that to the committee, that'd be fantastic.

The government's own website notes that as of April 18, 2016, there are nearly 6,000 backlogged applications lined up. Now, you say that you've cut that in half, then.

**Ms Gray:** At the time that we paused, there were almost 9,000 applications. We cut that backlog by half. When we reopened, we reopened with an inventory of roughly 4,500, so we did not take the backlog to zero. Since the January 1 lifting of the pause, we've received almost 3,000 new applications, so that's where we get back to that 6,000 mark, roughly. With the pause we were able to make some good progress.

We've lifted that pause, and there have continued to be more applicants than we have – the critical thing to note about the Alberta immigrant nominee program is that we're limited by the number of certificates that the federal government allows us to give out, which is 5,500. It's the cap set by the federal government for each calendar year. We have always been successful in issuing all certificates in any given calendar year, but as you can see, even just talking about how we currently have roughly 6,000 applicants in the queue, we have more applicants than we do certificate spots.

**Mr. Hunter:** Given recent economic troubles, in what order or priority are these nominee program applicants being processed now?

**Ms Gray:** I apologize. Please repeat the question.

**Mr. Hunter:** Given recent economic troubles, in what order or priority are these nominee program applications being processed now?

**Ms Gray:** They are processed in the order in which they are submitted.

**Mr. Hunter:** Is there a priority?

**Ms Gray:** It's by when you applied.

**Mr. Hunter:** Okay. The previous government had publicly called on the federal government to increase Alberta's allotment under the provincial nominee program. Does your government intend to do the same?

**Ms Gray:** We are working with our federal partners to talk about the challenges we are having with the Alberta immigrant nominee program as well as our partnerships with them around immigration in general. Asking for an increase in the number of allotments is absolutely one of the things that we're talking to them about, but we're also talking about the overall process and some of the problems.

With the change in government we now have the Liberals. They're doing a lot of relooking at the various immigration pieces. The conversation has really just gotten started with them as we determine what they want to be doing with immigration within Canada. They've started things like – the temporary foreign worker program is now under review under their government, and we're building relationships and talking about things like AINP and what might happen going forward.

**Mr. Hunter:** Okay. The Alberta government's own website shows that there are nearly 100 nominee program applications in the queue for the food and beverage processing industry. Are these not typically low-skill jobs? Are there not enough available Albertans for these jobs, or are you hearing that even in this downturn employers are struggling to get applications for these?

**Ms Gray:** Within the food and beverage category – that is typically a lower skill application. But someone in the Alberta immigrant nominee program queue is someone who's already received a labour market impact assessment identifying that, yes, there is a need for someone to take that position in this way.

**Mr. Hunter:** How long do the assessments take?

**Ms Gray:** That's the federal government.

**Mr. Hunter:** Do you not know how long the assessments take?

**Ms Gray:** We require that an assessment be done, but we are not involved with the doing of a labour market impact assessment. It ebbs and flows.

**Mr. Hunter:** As we know, with the economy that would be true. So you have nothing to do with that. Is it really indicative of the situation that we have presently, or is this just something that was six months ago? How do you know how that is going to work?

**Ms Gray:** As far as I understand, we don't have any current issues or problems with the labour market impact assessment process. With an AINP applicant, they must get that labour market impact assessment, and then they enter into our queue and are processed in the first in, first out system that we currently are running the program through.

**Mr. Hunter:** Okay. Your own government figures show that 10 national occupational classification codes account for over 50 per cent of applications. Are you telling me that there are no available Albertans for these jobs, which constitute more than half of the AINP applications? Let me read the list of occupations that make up the majority of applications: food service supervisors, retail sales supervisors, transport truck drivers, retail and wholesale trade managers, plasterers, drywall installers and finishers and lathers, retail salespersons, restaurant and food service managers, cleaning supervisors, hotel front desk clerks, social and community service workers. The question again remains: do we not have Albertans that are out of work that could fill these? Is this up to speed with what our economic situation is right now?

**Ms Gray:** I'm going to ask my deputy minister, Jeff Parr, to assist with this.

**Mr. Parr:** Thank you very much, through the chair. We have a system, an immigration system, that we do need to look at and do some revisions to. It has a number of different streams. Largely what it's doing right now is taking people who are temporary foreign workers in Alberta doing jobs – there was a need for them. They're currently employed. Essentially, what we're trying to do is to get them landed in permanent jobs that exist. So that's really where the process has been.

We do recognize that, going forward, we want to streamline this and move to sort of a one-stream approach so it's more responsive to labour market demands than we have been in the past. These are things that we'll be looking at going forward. But what we have right now is essentially people in the queue who applied in good faith. We have an obligation to process them through and land them, and by and large they're already working. There was a need for them. They found jobs, they moved here in good faith with an expectation to be able to continue to stay in their job permanently, but they came under a temporary stream, a number of them, you know. Because we're not able to get them through in time, we're having to go back.

**Mr. Hunter:** How much time do I have left, Mr. Chair?

**The Chair:** You have eight minutes left.

**Mr. Hunter:** Thank you, Mr. Chair. The AINP has been used by some temporary foreign workers to gain permanent residency after securing permanent job offers, but according to recent media reports this is leading to heartbreak in many cases because their work permits expire before their AINP application is even processed. Does your department have any plan to address this? It isn't mentioned in this business plan.

**Ms Gray:** Yes. This is a situation that we're aware of, and we are exploring options, but this isn't something that has a simple or easy fix to it, particularly given that we do not control the number of certificates that Alberta is allocated. So my answer to you is yes, and if there are any definite changes, we will be making announcements and communicating that back to the people of Alberta. Right now we're trying to determine what's going to make the most sense.

**Mr. Hunter:** Now, Minister, I was asked by one of my constituents to bring a situation to your attention. Obviously, this program is kind of the broad strokes, but on the microscale: he has an aerial spray application company, so he sprays fields, okay? Because of the need to have a lot of experience and a lot of time logged, he has to actually – it's very difficult to find it in 30 million people or 36 million people in Canada. Are there provisions in what you guys are looking at to be able to specifically help someone like him find the people, say, in Australia or wherever he has to look to be able to access this yet still not have it so that it's so broad that the people who are in the food services are taking advantage of jobs for Albertans? That's what I'm asking. Does this program facilitate both of those?

8:10

**Ms Gray:** That's a really good question, and I can see where your . . . Is it a constituent?

**Mr. Hunter:** Yes.

**Ms Gray:** . . . constituent has a very specific need, and the existing program, which doesn't take into account some of those differences, wouldn't be serving him very well, I don't think. Through the discussions about what we might be able to do with the programs going forward, we have talked about, potentially, more flexibility. But we also need to be working with our federal partners because it may be a case where one of the federal programs might be more appropriate for employees of this person to come in. So my general answer to you is: we'd like to be able to move to something that allowed that flexibility, but right now we don't have any definite plans as to what that might look like.

**Mr. Hunter:** Okay. Well, finishing up this section, can you tell me when you have the intention of being able to eliminate that backlog?

**Ms Gray:** In order to eliminate the backlog, we may be looking at having to do another pause. Without having to hire additional staff during this current economic time, which we're not necessarily looking at, we are considering our options as to whether we need to do another pause, whether this is something that can be adjusted with program changes so that we can get ahead of some of that backlog and process particularly those who've been waiting in the queue the longest.

**Mr. Hunter:** Okay. We've talked quite a bit about that program, but in making your decisions, what economic impact studies or research are you using in order to be able to come up with this go-forward plan?

**Ms Gray:** We always work closely with our partners in industry, academia, the community. As well, the Ministry of Labour has processes and tools in place to assess and monitor the impact of policies on labour supply, demand, wages and earnings, health and safety. We spoke earlier about the labour market information that the Alberta government does being some of the best in Canada, and we use that; for example, labour force survey information, wage and salary survey information. We try to make sure that we've got the resources needed to help the department in evidence-based policy-making and delivery of support programs focused on skills, transferability, training, decisions around immigration, and so on.

**Mr. Hunter:** Okay. I probably will only get maybe one or two more questions in. Outcome 5 of the business plan is: "Albertans have the skills required by Alberta's labour market." What are the jobs currently in demand according to your department's figures? How do you intend to provide skills training for each of those jobs? And

what is the biggest disconnect between training opportunities and market demands according to your department?

**Ms Gray:** The occupations most in demand in Alberta over the next three years are software engineers and designers because they get elected and become Labour ministers. I'm kidding. I'm sorry; I shouldn't make jokes. Retail trade supervisors, computer network technicians, construction estimators: those are a few of the top careers that we're anticipating. To support the skills required for Alberta's labour market is one of the mandates or one of the goals that we've set out in my ministry, but also some of this will be training through advanced education, through the universities and the technical colleges.

For our part, making sure that the Canada-Alberta job grant funding is available so that software engineers can go – particularly in that field there's a lot of training and retraining as you learn your job every 12 to 16 months as technology changes, and the Canada-Alberta job grant training there is great, particularly for that career. The other skills and training support programs that we are offering also do help to support that, but as we've got the department set up and as we're trying to support our job creators, we have not, for example, created a stream just for software engineer training per se. Rather . . .

**Mr. Hunter:** Can you just – sorry; I've got less than one minute. I just want you to finish this one thing. What is the disconnect between training opportunities and market demand according to your department?

**Ms Gray:** I will invite Leann Wagner to speak.

**Ms Wagner:** Thank you very much. There are probably two disconnects. One is about the level of skills required in the workforce and that we have a tremendous number of workers who need to move up those skill levels and move into those occupations. They might be labourers or construction helpers or warehouse specialists . . .

**Mr. Hunter:** Or oil field workers.

**Ms Wagner:** . . . or oil field workers. How do we through the employment insurance program, through LMDA get them into, particularly, postsecondary training that meets their families' needs and move them forward in a fast enough period so that they can continue to sustain their families.

The other issue is that we continue . . .

**The Chair:** I hesitate to interrupt, but the time allotted has expired. Just to note it for the record, Dr. Swann has joined the committee as well.

We'll now proceed with the PC caucus. Would you like to share your time with the minister?

**Mr. McIver:** If that's okay with the minister, yes, I would, please. Thanks.

**The Chair:** Please proceed.

**Mr. McIver:** All right. Thanks, Minister, for being accessible since you've been there. We've met and you've answered some questions for me, so I want to tell you that I appreciate that. I'll be brief, but I'll tell you that you've got a tremendous staff. Thank you for bringing them here. Yes, you should all be embarrassed and everything now because you're that good.

Now I've got some questions for you, Minister. What are your top priorities for the ministry during the next year?

**Ms Gray:** One of the top priorities – but it's not necessarily something we will accomplish fully in the next year – is to look at the employment standards, the Labour Relations Code, and occupational health and safety. The legislation that is the foundation for a lot of what the Labour ministry does in many cases hasn't been updated in decades, so determining what process may make sense for that, engaging Albertans in a conversation, and getting something started in that field I think makes sense and is a priority for me. The minimum wage conversation that we will be engaging in with Albertans and making sure that we are having a fulsome discussion as we move towards that \$15 minimum wage phase-in is a priority for me in making sure that we're making informed decisions and talking to Albertans about that.

**Mr. McIver:** Thanks, Minister. Okay. We're going to touch on some of those things during the next short 20 minutes that we have.

**Ms Gray:** Okay.

**Mr. McIver:** On the minimum wage, since your government has moved just the first dollar of it up, according to \$15, are you aware that since January last year to March of this year the average wage of 15- to 24-year-olds in Alberta has dropped from \$18.18 to \$17.01 an hour?

**Ms Gray:** I'm sorry. Which age range were you discussing?

**Mr. McIver:** Fifteen- to 24-year-olds in Alberta. It's been on kind of a – it's not really risen. Actually, in May 2015 it was \$18.65, which is the peak, in fairness. I think a more fair comparison for you is January 2015. It's gone from \$18.18 then to \$17.01 now according to Statistics Canada. Are you aware of that?

**Ms Gray:** We have been monitoring the trends with average earnings and the Stats Canada data that we do get.

**The Chair:** Sorry. I hesitate to interrupt a little bit. I've got a little bit of leeway here. I do want to make sure that we're staying on the task at hand, which is consideration of the estimates here as well.

**Mr. McIver:** Indeed, and the minister made it clear that moving the minimum wage up to \$15 an hour is one of her top priorities, and it's in the budget, so I think asking questions about that is zeroing dead centre on topic, with all due respect, Mr. Chair.

**The Chair:** Okay.

**Mr. McIver:** Okay. Other things that are true and that we've spent some time with Statistics Canada on. Are you aware of the research by the Federal Reserve Bank of San Francisco, which is in a state known for its progressive policies on labour and social issues, dated December 2015? So it's quite current. They say that every 10 per cent of a minimum wage increase reduces employment by 1 to 3 per cent for teens, young adults, low-skilled workers, which might be the Albertans most in need of employment. Are you cognizant of that?

**8:20**

**Ms Gray:** Yes. In fact, I have been engaged in a comprehensive review of the research on minimum wage, but what I've been finding is that there is no consensus. In fact, there are roughly equal the number of research studies, projects, and papers that support an increase to minimum wage as do not, and it is not a straightforward problem where you can find a single data source and say that this is what will happen.

**Mr. McIver:** All right. Well, let's zero in on Alberta a little bit here, then. From March last year until now Stats Canada shows that the average hourly wages for males during that period grew by 5.7 per cent and for females by only 4 per cent. Have you considered what the minimum wage is or is not doing for that growing disparity?

**Ms Gray:** Those who work for the minimum wage and for \$15 an hour or less are almost 65 per cent women, and by increasing the minimum wage, we are in fact increasing or closing some of that gender pay gap.

**Mr. McIver:** Yeah. Well, see, the stat I just read you shows that it's actually getting wider instead of narrower, unfortunately.

**Ms Gray:** Well, in this case you're attributing something to just minimum wage when I can tell you there's a lot more than just a minimum wage change happening in our economy right now.

**Mr. McIver:** I would agree with you that there's more than those things happening in the economy right now. In terms of the changes, though – and there have been quite a few changes, you're right to point out – since your government has been there, the ones that have actually done the best are people 55 and older, whose wages have grown by 9.2 per cent. I'm just kind of asking to see if you're cognizant of what effects you may or may not be having with the minimum wage policy.

**Ms Gray:** It's a fair question. I can tell you that the department and I are monitoring all measures that we can to try and assess the impact of the change in minimum wage during a time of increased unemployment, a lot of market shifts that are happening right now because of the drop in the global price of oil. We also are dealing with a very short time frame since the change in minimum wage, because it was raised just on October 1, making it even more difficult to identify exactly which impacts can be tied to the minimum wage.

**Mr. McIver:** Okay. But what we can measure seems to be going negative, so I'll just ask you to keep track of that.

In the short time I've got, I'll move on to something else if that's okay, Minister.

**Ms Gray:** Yes, it is.

**Mr. McIver:** The Workers' Compensation Board is yours still, right?

**Ms Gray:** Yes, it is.

**Mr. McIver:** Under Workers' Compensation Board policy 03-01 part II it recognizes psychiatric and psychological injury as being important. Between April and December 2014, which are the latest stats I could find, there were 27 first responders who died of suicide. Does this budget include any action to address that situation? For example, have you got any stats on workers in Alberta in general and on government workers in particular as to which occupations are the most susceptible to suicide?

**Ms Gray:** I'm afraid I won't have suicide numbers with me here today, but, yes, this is something that our government cares deeply about, and it's a tragedy when any first responder takes their life.

In the case of the Workers' Compensation Board, the concrete action that I have taken is that in March I announced a complete review of the Workers' Compensation Board. As part of that, I have directed the board to be sure to review things like presumptive posttraumatic stress disorder coverage.

**Mr. McIver:** When did the review of the Workers' Compensation Board begin?

**Ms Gray:** I announced the review at the end of March of this year. There had been pre-work for this review begun earlier, setting up a secretariat and a panel.

**Mr. McIver:** When did the pre-work start, if you don't mind?

**Ms Gray:** I'm afraid I'm not going to be able to give you a date today, but there was also a review of agencies, boards, and commissions, that began with Premier Notley's announcements last year. That would have included workers' compensation, with the more fulsome and specific, targeted review of the Workers' Compensation Board having been announced by me in March specifically because the Workers' Compensation Board is such a huge organization that the standard ABC review process was not going to be sufficient.

**Mr. McIver:** Okay. Where would I find in your budget money set aside or things set aside for suicide prevention amongst workers?

**Ms Gray:** You will find that the WCB review is part of 3.3, occupational health and safety.

**Mr. McIver:** Okay. So nothing specific to first responders, then?

**Ms Gray:** That includes supports for first responders offered through . . .

**Mr. McIver:** Okay. When will we see results of that, then, roughly? When will Albertans see the results of that review, please?

**Ms Gray:** The results of the review: I'll be getting an initial report this fall and a final report in the spring of next year, with legislation, if necessary, to follow or perhaps changes to the Workers' Compensation Board administration operations. They are looking at it quite comprehensively.

**Mr. McIver:** Okay. With the economy being tough, is your ministry aware of talent leaving Alberta, highly skilled, trained people, some of whom Albertans paid to train and some of whom came here from other places? Are you aware of how many skilled workers are leaving the province right now?

**Ms Gray:** We do use labour market information to track some of that mobility between areas.

**Mr. McIver:** I'm just looking to see if there's someplace in the budget where you've made provision to stop the brain drain. I know you've talked about things to train people, but the people are already here and trained that we're going to need. Is there any effort or any line in your budget that you can point to where we're making an effort to stop the brain drain that's occurring right now?

**Ms Gray:** Right now our focus is on providing those training opportunities to make sure that we can have those trained and skilled workers here in Alberta connected to jobs when they become available, training and upgrading their skills so that they are ready to continue to work. I'll just check with my department officials to see if there are any additional details.

Our government through the Alberta jobs plan is also trying to maintain those skilled workers that we have in this province through \$34.8 billion, I believe, in infrastructure spending and making sure that we continue to protect the jobs that we have here through our budget.

**Mr. McIver:** So you're spending a lot of money on construction but no other efforts in the budget to stop the brain drain. I think that's what I'm hearing.

**Ms Gray:** Again, we are making training available to those who are looking for it.

**Mr. McIver:** Yeah, I know. Respectfully, I'm talking about people that don't need training, that are ready to go, and that we'll need in the future. What are we doing to keep them here?

**Ms Gray:** Would you be able to provide an example of that?

**Mr. McIver:** Engineers leaving, doctors leaving, accountants leaving, lawyers leaving.

**Ms Gray:** Do you have an example of a program you would use to maintain them, to keep them from leaving?

**Mr. McIver:** I'm not the minister. I'm asking you what you're doing.

**Ms Gray:** Fair enough.

**Mr. McIver:** There was a time that I was; now it's your day to answer questions, respectfully, Minister.

Okay. Let's move on. One of your priorities is aboriginal peoples and indigenous peoples. I think you mentioned that that's one of the things that's important to you. I think one of the things you talked about in your priorities was that. The United Nations declaration on the rights of indigenous peoples is, I believe, a flagship of your government, correct?

**Ms Gray:** It is a priority for our government, yes.

**Mr. McIver:** Okay. I'll settle for your word "priority" instead of flagship. That's good. We're agreeing on that, Minister.

Strategy 5.5 commits the department to implementing recommendations by the UNDRIP. In what order does your ministry prioritize those recommendations for implementation? Since it's a top priority, probably that's at your fingertips.

**Ms Gray:** Currently we are trying to fund programs that serve underrepresented groups, including Alberta's indigenous population. Minister Feehan through the Indigenous Relations ministry is working with all of us, other ministers, in ways that we can support the United Nations declaration in different aspects. The training for work program, specifically, is one that provides training and supports to, again . . .

**Mr. McIver:** Which line is that in the budget?

**Ms Gray:** In the budget you would actually find that in the economic development budget. It is a program that was part of the jobs program announced by Minister Bilous.

**8:30**

**Mr. McIver:** All right. So even though it's one of your top priorities, the budget is in somebody else's ministry. I'm just saying. I'm not being – did I hear you correctly?

**Ms Gray:** That is correct. That additional \$10 million is from the economic development ministry, but we will be delivering those programs.

**Mr. McIver:** Okay. It's a top priority, but you haven't got anything in your budget for it. It's in somebody else's ministry.

**Ms Gray:** We do have other programs through skills and training support. That's budget line item 2.9.

**Mr. McIver:** Okay. Thank you.

Now, where would I find performance targets for key strategy 5.5, which commits the department to implementing recommendations? I'm looking for performance targets for that. Where would I find those?

**Ms Gray:** We do not have performance targets in our business plan, but Indigenous Relations is leading that work, and we'll be assisting to measure performance as we move forward.

**Mr. McIver:** All right. Well, one of the hardest things to keep track of is performance in multi- and crossministerial initiatives, so I guess that's why I'm looking for the performance targets. We'll have to maybe ask some of the other ministers if they exist anywhere.

**Ms Gray:** What we have done in our business plan is to include the unemployment numbers for a variety of populations as a way for us to try and start tracking where we can make improvements.

**Mr. McIver:** Okay. Let's move on to one of your other top priorities, which is labour relations. What do you hope to accomplish in labour relations in the next year or two out of this budget?

**Ms Gray:** Okay. On the labour relations front we want to continue to support our Labour Relations Board and make sure that we have a fair labour relations environment, in which all parties can negotiate. Essential services was a big change and a very positive step forward as we move to implement the Supreme Court ruling, which was supported by the Alberta Court of Queen's Bench ruling, allowing our public-sector workers the right to strike. With the essential services legislation, Bill 4 . . .

**Mr. McIver:** Yeah, I understand that, but I guess I'm looking for something more results oriented. Do you hope to spend less on labour expenses or more on labour expenses due to your labour relations initiatives?

**Ms Gray:** As the regulator of the labour relations system my goal is to make sure that there is a fair framework. It is Minister Ceci's and Minister Hoffman's goal to spend less, potentially. I want to make sure that there's a fair framework when there are labour relations negotiations. In reviewing the labour code, employment standards, and occupational health and safety in the near future, my hope is to make sure that our legislation is keeping up with modern times and the changing workplace as well as to make sure that, again, we have a fair framework for all our labour relations.

Does that answer your question?

**Mr. McIver:** Not really what I was looking for, but it's what you have.

On page 100 the third paragraph mentions the need to address and support cultural diversity. Which line item in the budget supports developing and implementing the plans mentioned, and what performance measures are you going to use to show increased cultural competency amongst employers and government?

**Ms Gray:** We have a significant number of programs to do with settlement and integration, things like our foreign qualification recognition program, the international qualification assessment service, and so on. These you will find in line item 2.2.

**Mr. McIver:** Okay. Key strategies, the percentage of collective bargaining agreements with the assistance of a ministry-appointed

mediator settled without a work stoppage: the last actual was 100 per cent, and your target is to go down to 95 per cent. I'm presuming that's because more people will be allowed to strike under essential services.

**Ms Gray:** In this case, actually, no. We've maintained a target similar to previous years. Last year we had a year where there was 100 per cent. What we're doing with the 95 per cent is keeping the same target that we've had before, so this is not a reduction because of essential services.

**Mr. McIver:** Okay. At some point you talked about keeping the government running through the essential services, but you're allowing strikes now, and you're not allowing replacement workers. So if the employees go on strike and you're not allowing replacement workers, how are you going to keep the government services running as you have stated in your comments? I think that's a fair question.

**Ms Gray:** Absolutely. The essential services agreement requires that the two parties come to the table and negotiate during a strike or lockout essentially which jobs or activities, not individual employees, need to continue to happen. For example, in a hospital setting . . .

**Mr. McIver:** Well, I appreciate that. I guess my question is: after all that's done and some jobs aren't essential and they are allowed to strike, how are you going to keep the government working when you don't allow replacement workers to do the work?

**Ms Gray:** The essential work will continue.

**Mr. McIver:** So nonessential work won't continue, potentially.

**Ms Gray:** That is what happens during a work stoppage, yes.

**Mr. McIver:** All right. Okay. Respectfully, that sounds a little different than keeping all the work going, but that's a good clarification. I'm grateful for the straightforward answer.

**Ms Gray:** The right to strike was deemed fundamental by the Supreme Court of Canada.

**The Chair:** I hesitate to interrupt. Just to help keep the hallways clear, we'll proceed with members of the independent parties and proceed with our break following that as well.

Dr. Swann, would you like to go back and forth?

**Dr. Swann:** I would appreciate going back and forth if the minister is open to that. Thank you.

**The Chair:** Okay. Proceed.

**Dr. Swann:** Thank you very much. I'm curious to know, Minister. Under line 3.3 in the budget, occupational health and safety, the increased investment in occupational health and safety, potentially a 15 per cent increase by 2016-17: can you tell us in more detail where that's going?

**Ms Gray:** Line 3.3, occupational health and safety. This is where we have our occupational health and safety officers responsible for the legislative requirements to ensure adequate protection for workers in Alberta. We've increased from \$43.3 million to \$47 million. That additional \$3.7 million in funding is going to allow government to devote resources to improving OH and S inspections, investigations, education, and research. It also supports the review of the Workers' Compensation Board, which I

announced, again, in late March of this year. All of the expenses in occupational health and safety, line item 3.3, are fully funded by the WCB. We are doing so in order to allocate an appropriate level of staff resources and, again, continue to make sure that we are on top of conducting inspections and investigations.

Does that answer your question?

**Dr. Swann:** Partly. Is any of that related to Bill 6 and the studies on farm safety?

**Ms Gray:** It will include activities related to farming and ranching.

**Dr. Swann:** Can you talk about the number of inspectors you're talking about right now and how that's changing?

**Ms Gray:** At this point we've allocated \$2.4 million to ensure that appropriate level of staff – we haven't predetermined what that will be; it's something that the department will be responsive to – as well as to make sure that as those detailed technical standards specific to the farm and ranch sector are developed and amended over the next 18 to 24 months, our department understands how that will apply to their own work practices and patterns going forward. But the agriculture sector is not subject to the rules of any OH and S regulations until the consultations have wrapped up. So we have the \$2.4 million for appropriate levels of staffing, but I wouldn't be able to say that there was a certain number specific for farm and ranch.

**Dr. Swann:** I'm speaking more generally now. How many occupational health and safety inspectors will you have this year, and how does it compare to last year?

**Ms Gray:** Give me just one moment while I look that up.

**Dr. Swann:** The other issue that you raised there is the timeline. When first introduced, it was discussed that the consultations on Bill 6 would be six to 12 months. You're now talking 18 to 24 months.

**Ms Gray:** I believe the consultations are shorter whereas the development of the regulations and the drafting of those details take additional time, which is why my timeline would go a bit longer. It's my department that will be doing that work. That's what I would suggest. Also, we have committed to taking the time necessary to get those regulations right and to consult with the people impacted by these regulations. For that reason I've quoted a bit of a range, giving us a little bit of flexibility.

We have 145 occupational health and safety inspectors this year.

8:40

**Dr. Swann:** How does that compare with past years? What's been the trend in occupational health and safety inspectors?

**Ms Gray:** My understanding is that we've increased the number of occupational health and safety inspectors. Let me see if I can find that specifically. Yes, we do have the total numbers. The number I have in front of me, just to clarify, includes officers, lead investigators, technical advisers, and partnership consultants, so it's not specifically what you asked me. This year it's 174, including those categories. The previous year was 158, and the year before that was 146. So we have a trend where we're increasing by just under 10 each year.

**Dr. Swann:** Thank you.

I presume you have an audit process for assessing the quality of these inspections and the degree to which inspectors are fulfilling the requirements of their job?

**Ms Gray:** Yes, we do. Would you like to know more about that?

**Dr. Swann:** I'm wondering, I guess, how you deal with inspectors who have not reported in a comprehensive way or a way that is considered to be meeting a standard. How do you deal with inspectors that fail to do their job?

**Ms Gray:** I'm going to ask my deputy minister, Jeff Parr, to assist.

**Mr. Parr:** Thank you very much. The occupational health and safety branch has a quality assurance unit. Specifically, one of the things it does is to deal with the quality of the inspections that are undertaken. My experience is that that would involve pulling a sample of the inspections, checking on what the officers have been doing: have they been writing appropriate orders or not? So it's an ongoing sort of feedback that we have to make sure that the officers are behaving appropriately and doing the appropriate work when they're in the field.

**Dr. Swann:** Can you give me any sense of what percentage of your inspections fail to meet the standards?

**Mr. Parr:** I cannot. I don't know if we have that.

**Dr. Swann:** Could you maybe give me that afterwards at some point, give me a sense from your department of what level of failure your quality inspections meet?

Again on occupational health inspections: are you involved in hospitals and health care situations?

**Mr. Parr:** Health care is certainly covered under occupational health and safety, so my expectation would be that, yes, we do inspections in health care. I'm told that we primarily target employers based on a number of metrics, including injury rates and disability injury rates and that sort of thing. In the health care sector there are 76 facilities that are being specifically targeted for activity. It may be because their health and safety records are worse than others' or their injury rates are higher than others', that sort of thing.

**Dr. Swann:** Yeah. So you're spending more time in these institutions because of the higher rates.

**Mr. Parr:** That's right. Similarly, we would look at other industries as well and target the areas where there's a higher rate of injuries or there are other indicators that there are issues that need to be addressed.

**Dr. Swann:** Thank you.

With respect to Bill 6 and where we're at with WCB registrations, you've reported in the House an increase of some 10,000 registrations under WCB.

**Ms Gray:** When I last received the numbers of registrations – it was actually, I think, a week ago, and I'm just waiting for the latest update – we had 60 per cent registered, with registrations completed, so we were on a good trend. We were seeing more registrations as we got closer to the deadline. We'll be working with farmers and ranch owners going forward, any who didn't meet that deadline, to make sure that they are aware and educated as to why that WCB account creation is important. We have occupational health and safety team members who are out talking to farmers and ranchers about that sign-up process, but I don't know what the current state of registrations is.

**Dr. Swann:** What does 60 per cent mean? Is that 60 per cent of all farms and ranch operations?

**Ms Gray:** Correct.

**Dr. Swann:** Oh, it is?

**Ms Gray:** That meet the requirement, that have waged farm workers. Let me make sure I've clarified that.

**Dr. Swann:** And what percentage were already registered with WCB? How many of these are new WCB registrations?

**Ms Gray:** I'm just getting updated numbers for you. One sec.

**Dr. Swann:** Sure. Yeah.

**Ms Gray:** As of April 9 we had an additional, roughly, 600 accounts opened as of January 1.

**Dr. Swann:** Sorry. I thought you said April.

**Ms Gray:** Since January 1 to April 9 roughly 600 accounts opened. These would be new registrants, all new. Prior to that, on December 31, so before January 1, we had 1,700 already existing.

**Dr. Swann:** Very good. So 1,700.

Given that you talk about 30,000 operations, we're a long way from 60 per cent, no?

**Ms Gray:** No. I don't think 30,000 is the target number for farms and ranches with waged farm workers.

**Dr. Swann:** Okay. What's the target?

**Ms Gray:** I think it's lower than that, 4,000 to 6,000. I apologize. I don't have that number in front of me. But our registrants that we have now were targeted as being roughly 60 per cent of the way. That was about a week ago.

**Dr. Swann:** Okay. Thank you.

With respect to data on farm injuries, how are we going to get farm and ranch injury data? Unless we require all hospitals to report all farm injuries and all clinics to report all farm injuries, we will not have reliable data. It's my understanding that they haven't had any directive about registering injuries.

**The Chair:** I apologize for interrupting. I do caution and remind the committee again to make sure that we're remaining on the task at hand, which is the consideration of the estimates here as well.

**Dr. Swann:** Thank you.

**Ms Gray:** I'll ask Assistant Deputy Minister Leann Wagner to speak.

**Dr. Swann:** Thanks.

**Ms Wagner:** That's a question about all injuries in workplaces and the reporting by physicians and hospitals, not just in farm and ranch but across the broad spectrum of WCB-covered industries. We continue to work with Alberta Health Services in particular to try to encourage reporting requirements.

We are also working in partnership with WCB and Alberta Health Services to try to start matching data. Otherwise, they have to report in three places. If they only report once, we can get that data one time. As part of our activities over the coming year we will be working with Alberta Health Services and WCB to see if we can streamline the reporting process so that physicians and hospitals only report one time and we can get the most accurate data from them on all injuries, not just those on farms and ranches.

**Dr. Swann:** Thanks very much.

With respect to child labour standards, is there anything in this budget relating to this aspect of the Bill 6 requirements? I'm particularly concerned about Mexican Mennonite kids, of whom I have anecdotal reports that they're often working under age on farms and ranches in southern Alberta.

**Ms Gray:** In regard to the enhanced protection for farm and ranch workers, waged farm workers were really the criteria with that legislation. However, through our employment standards there are rules and regulations around that. Currently I'm aware that Alberta's employment standards may not be fully in line with some of the international child labour standards, so in any review of employment standards going forward, that is something that I would expect us to take a closer look at in making sure that our legislation is in line.

I'm going to ask Deputy Minister Jeff Parr to speak.

**Mr. Parr:** Thanks. The circumstance you described sounds to me – you're saying that Mexican Mennonite kids are coming to work, so I suspect they'd be coming through the seasonal agricultural worker program, which is a federal . . .

**Dr. Swann:** Not necessarily. Some of them are permanent residents of Alberta.

**Mr. Parr:** Oh, they're permanent residents here.

**Dr. Swann:** Yeah.

**Mr. Parr:** Okay. I'm sorry. Then I was off base there.

**Dr. Swann:** So what you're arguing, then, is that if they are temporary farm workers, they would be subject to the international standards.

**Mr. Parr:** Well, what I was going to suggest, you know, is that there's no perfect system. But if there were instances of that happening through the seasonal agricultural worker program, we would certainly be prepared to have conversations with our federal colleagues about that and say that we need to have better controls in place right across the piece. So we could do that.

But as the minister says, employment standards is really the piece of legislation that applies to all provincially regulated workplaces in Alberta, so that would be where we need to see some improvements with regard to the statutes.

**8:50**

**Dr. Swann:** Are you expecting also to wait for 18 months to 24 months to get child labour standards in place?

**Ms Gray:** My current intention when looking at our labour legislation is to take a comprehensive look at it because so many pieces haven't been reviewed in decades. We could go in to fix one particular section in a much quicker way, but my inclination is to make sure that we are looking at the entirety of employment standards, looking at where labour legislation is across Canada and how Alberta lines up. I realize that delay, when you're concerned about a very specific issue, could be frustrating, but I do want to make sure that we have the best labour legislation for all Albertans, and to do that will take a little bit of time.

**Dr. Swann:** Well, with respect, we're not reinventing the wheel here. Every other province in the country has all these standards in place. I guess some of us are frustrated that more injuries and deaths will be occurring because we're seeming to be having to reinvent the wheel here.

**Ms Gray:** I think consultation is going to become very important in any labour legislation review. It's a priority for me to make sure that we . . .

**The Chair:** I hesitate to interrupt again. We are discussing the task at hand, which is the consideration of the main estimates here.

**Dr. Swann:** Thank you. Well, it's all part of the sustainable agriculture criteria: child labour standards, animal health standards, environmental standards, occupational health standards. I for one was not surprised to hear Earls Restaurants say that they're going to take their beef from elsewhere because we're not meeting international standards on almost any of those fronts. By delaying, you're also harming the agriculture industry. Many of those who are purchasing our products are saying that we're out of line with the world in terms of our agricultural practices.

**Ms Gray:** I absolutely hear your intention behind these comments, but it's important to me that we are fully consulting and doing a fulsome review of this labour legislation, which is foundational to the operation of our province and which hasn't been reviewed in decades.

**Dr. Swann:** What kinds of supports are you providing for farm workers so that they can actually understand the issues, have some confidence about speaking to the issues, even consider attending some of these consultations when they've never had that right before and never been educated around some of these issues?

**Ms Gray:** We're getting a little too far into – right now I have the intention of reviewing labour legislation in Alberta. I have not announced any process or specific timelines.

**The Chair:** Sorry. I apologize for interrupting again, but I do remind the committee that we are not here to discuss future legislation but that we are here to discuss the main estimates of the budget.

**Dr. Swann:** So what part of the budget is to help farm workers participate in these consultations? I don't see anything here that would help farm workers be trained, confident, and empowered to participate meaningfully in these consultations.

**Ms Gray:** We are already doing information sessions for farmers.

**Dr. Swann:** I'm talking about farm workers, not farmers.

**Ms Gray:** Farm workers are welcome to attend. As well, Agriculture is leading right now on the technical working group aspect. When it comes to the regulations, we've made an intentional effort to make sure that there were farm workers well represented on those committees as well as to provide supports for the farm worker participants in the technical working groups through the chairs. Going forward in other future consultations, we will take under advisement the need to adequately support farm workers in any consultation.

**Dr. Swann:** So you haven't really considered it for this particular consultation.

**Ms Gray:** No. We have because we've included farm workers in the technical working group tables, and through those – we'll be working with Agriculture, who is currently leading that process. I know I've been party to some discussions around ensuring that the chairs are providing supports to the farm workers who are participating in the technical working groups.

But that is a very specific scenario, whereas I believe your question was more broadly about: when we consult farm workers, how will we support them? I can speak specifically to the technical working groups a little bit, but more broadly I'll have to take that under advisement.

**Dr. Swann:** Can you clarify your role vis-à-vis Agriculture's role in these?

**Ms Gray:** Agriculture is leading the process right now and the formation of the technical working groups. My ministry and I are fully supporting that process, are meeting regularly with Agriculture, and are meeting with stakeholders as well so that we're fully informed of what's happening and are part of some of those conversations going forward.

With the development of the technical regulations, that work will come back to my ministry, and that's why we will have attendees at each of the technical working group meetings making sure that we're fully informed of all discussions as well as participating in the consultation process.

**Dr. Swann:** Thank you.

**The Chair:** All right. We will proceed with our five-minute break. The clock will be set for five minutes, so please ensure that we all return to the room in that time.

[The committee adjourned from 8:56 p.m. to 9:01 p.m.]

**The Chair:** All right. I would like to call the meeting back to order.

We will now be proceeding with the government caucus members. So for the members of the government caucus, would you like to go back and forth with the minister and share your time?

**Mr. Coolahan:** Yes. If it pleases the minister, I'd like to go back and forth, and perhaps be sharing my time with my colleague here.

**The Chair:** Okay. Please proceed.

**Ms Gray:** Thank you.

**Mr. Coolahan:** Thank you. The families in my constituency see Budget 2016 as working to create jobs, as the name implies. It provides a fair chance to all Albertans and especially those living on lower wages. It will allow hard-working people of this province to provide for their families without resorting to being dependent on a food bank. Minister, under key strategy 1.2 on page 101 of the business plan you talk about evaluating increases to Alberta's minimum wage. Considering the current economic conditions, I was hoping you could elaborate on this for me, please.

**Ms Gray:** Thank you. Last October our government raised Alberta's minimum wage to \$11.20 per hour as part of the election commitment to phase in a \$15 per hour minimum wage during this mandate. Some of the research that went into that decision was research into: who are the Albertans who make less than \$15 per hour? We know that there are roughly 300,000 Albertans in that category, and 55 per cent of those 300,000 Albertans are one of the heads of the household for their family. Over 60 per cent – I believe it's 64 per cent – of those 300,000 people are women, and over 35 per cent of those 300,000 people have children, meaning that there are a hundred thousand working parents trying to raise children on less than \$15 an hour here in Alberta, and we know Alberta can be an expensive place to live.

Governments across North America are looking to make meaningful enhancements to minimum wage so that people can

earn enough money to look after themselves and their families. The state of California and the city of Seattle are just two examples of other major jurisdictions moving forward with plans to phase in a \$15 per hour minimum wage or who have already done a \$15 per hour minimum wage. So as part of evaluating this, we are keeping a very close eye on all economic studies or information coming out of these other regions that are making similar moves.

As well, we are continuing to study the economic survey information, the labour market information, Stats Canada information as well as engaging with the stakeholders that are involved in this industry, so employers and employees – that includes on the employer side nonprofits as well as for-profit businesses – all of those involved, as we continue to engage on the best way to reach a \$15 per hour minimum wage.

Now, we have not yet announced any further minimum wage increases, but what we will be doing is consulting and gaining a wide range of perspectives to go with some of the data points that the government is continuing to monitor in the effort to assist all Albertans, particularly those earning less than \$15 per hour today.

**Mr. Coolahan:** Thank you, Minister.

I just wanted to touch on Bill 6 briefly. I'm very happy that paid farm workers are now protected. Can you tell me a little bit more about how many of the farms have complied with the WCB conditions?

**Ms Gray:** When I spoke earlier to Dr. Swann about some of that information, I was using information from April 9. On the break I was able to get up-to-date information, so for the record I'd just like to share with everyone that as of the April 30 deadline 2,686 farms have been registered, and that is 64 per cent of the estimated 4,200 farms that are requiring a WCB account. The 4,200 number was arrived at by census data, independent research, and crossjurisdictional analysis. We will continue to work with farms, ranches to encourage them to create that WCB account and to understand why it is a priority.

The other piece of information I can share is that as of April 30 we have 199 accepted WCB claims for injuries from farm workers, with 77 of those since January 1 having been for lost time. That means there are 77 farm workers who are no longer able to work that received coverage and compensation through the WCB because of the Enhanced Protection for Farm and Ranch Workers Act.

Thank you for the question.

**Mr. Coolahan:** Thank you. Yes, it sounds like farms are getting their WCB priorities in line and that, clearly, that was a necessary bill.

Keeping with the promoting workers' safety line of questioning here, Minister, in a press release last week Enform president and CEO, Cameron MacGillivray, mentioned, "Safety training must remain a priority so projects are shovel ready when the economy picks up again." Now, this sentiment is very much in line with the current NDP government's understanding of workers' safety. From legislation to protect paid farm workers to promoting worker safety in trades, I'm proud to say that the government is ensuring that workers come home safely to their families and loved ones at the end of the working day. In the capital investment plan, page 187, under safe, fair, and healthy workplaces, at line 3.3 it shows a substantial increase in the budget for occupational health and safety. Can you elaborate on this, please?

**Ms Gray:** Thank you. Every worker in Alberta has the right to a safe, healthy, and fair workplace. Workers and employers can't cut corners when it comes to health and safety, and neither will our government. For occupational health and safety's program budget,

it is increasing from \$43.3 million to \$47 million, and that represents an increase of \$3.7 million, or roughly 9 per cent.

Now, of that increase \$2.4 million in funding will go towards improving OH and S inspections, investigations, education, and research. That includes support for OH and S activities related to farming and ranching. Farmers, ranchers, and other stakeholders will be consulted on the detailed OH and S technical standards specific to the farm and ranch sector, which are going to be developed and amended over the next 18 to 24 months. The agriculture sector will not be subject to these rules in the OH and S codes until the consultations have wrapped up. Employment standards and labour relations codes will be developed after consultations with industry. Farm and ranch operations maintain their current exemptions until the new regulations are proclaimed.

In addition to that \$2.4 million, \$1.3 million will go towards supporting the review of the Workers' Compensation Board that I announced at the end of March last year. The purpose of that review is to ensure fair compensation and meaningful rehabilitation for an injured worker and a sustainable and affordable workers' compensation system. What we've done is set up an independent, three-member panel that will conduct the formal review. We have a neutral chair, a workers' representative, and an employers' representative. There is also administrative support in the WCB secretariat. This is also contained in line item 3.3. The review is expected to take a total of 14 months, and all expenses related to that review are funded by the WCB.

**9:10**

**Mr. Coolahan:** Thank you, Minister.

There is a training for work portion in that budget, I believe. Can you tell us how that's being expanded?

**Ms Gray:** The training for work program is something new for the Labour ministry. As the price of oil continues to stay low, our government is focused on continuing to support hard-working Albertans impacted by job loss, through the Alberta jobs plan, Budget 2016. We know that Albertans hit by the economic downturn may need support and extra help finding work and in transitioning to new jobs, so expanding access to existing workplace and skills training programs to accommodate recently laid-off workers is one way our government is taking action. Training programs are being realigned between Human Services, Labour, and Advanced Education to provide a more consistent, efficient, and user-friendly experience for Albertans accessing these services. I think this is a really important initiative so that we can make sure we're streamlining the delivery of services.

Labour is inheriting some of these existing programs and services under that training for work title from Human Services. Training for work is a bundle of existing programs and services aimed at providing unemployed or marginally employed Albertans skills and training opportunities to help them secure and maintain employment in high-demand jobs. Albertans accessing these programs include skilled and semiskilled individuals as well as those from underrepresented groups such as women, newcomers, and indigenous people.

We are expanding this program with \$10 million over two years to include support for unemployed Albertans, particularly workers in the oil and gas sector who've been impacted by the economic downturn. An estimated 1,200 to 1,500 Albertans will benefit from the additional funding over two years on top of those already being served, depending on the types of training required. Participants are eligible to receive essential skills training and/or occupation-specific training. They receive a combination of classroom and on-the-job training. Training for work is delivered through contracted

training providers who work with the client and employers to secure job placements and on-the-job training opportunities.

Examples of training providers include Women Building Futures. This contract will support 130 women to access training offered by union and contractors at the North West refinery. Ironworkers and carpenters are examples of the types of training that might be available. The Bredin centre, the Elizabeth Fry Society, indigenous groups such as the Alexander First Nation, the McBride Career Group, Motive Action, West Coast Group International, 3A Academy & Consulting are all examples of training providers who are connecting these workers with additional services. We will continue to work with our partners in the community to provide the right kinds of employment and training supports for all Albertans.

**Mr. Coolahan:** Thank you for that fulsome answer and new initiative.

Actually, I had an incident in my riding in which there was an employee killed on the job, and it touched my constituency quite a bit. What I'd like to ask is: will part of the safe, fair, and healthy workplace initiative also address safety concerns experienced by workers employed in stand-alone convenience stores and gas stations? These are the people that are often the targets of violent crimes.

**Ms Gray:** Yes. Thank you for the question. I also had someone in my riding recently pass away from a situation similar to what you've described. The death of any worker is a tragedy. The National Day of Mourning as well as occupational safety and health week are reminders to us that we need to be focusing on that.

Within our budget are the safe, fair, and healthy workplaces line items. We are reacting to some of those alarming incidents in the industry, including last June when the Calgary gas station attendant, trying to stop a gas-and-dash, died of her injuries and the two convenience store workers in Edmonton in December of last year who were shot and killed in a string of robberies. These incidents and others have renewed calls for maybe mandatory prepayment for fuel or stronger working alone legislation.

To better understand the risks posed to workers in this industry, my ministry launched a focused inspection campaign of 200 gas stations and convenience stores across the province. The inspections started the week of February 22. It's expected to wrap up the week of May 27. Officers are talking to employers and workers about current OH and S and employment standards legislation relating to working alone, workplace violence, paycheque deductions, and employing young workers. As you may know, the OH and S code requires employers to identify existing or potential safety hazards associated with working alone, put safety measures in place to reduce those risks for workers, ensure workers have an effective way to communicate with their employer or immediate supervisor, and keep in regular contact with workers as indicated in the hazard assessment. The Employment Standards Code prohibits an employer from deducting from an employee's earnings for any loss of property in circumstances such as a gas-and-dash.

Given those are their current regulations, why these incidents continue to happen is part of what we are investigating and hoping to learn from the inspections as well as potentially comparing with our partners in other provinces and learning from what they've implemented. As of April 25 we have completed almost 200 of those inspections, and we will be looking at the outcomes of this work to help decide if changes should be introduced around pay before they pump or possibly legislation around working alone.

In British Columbia they have Grant's law, which has a series of actions and requirements upon employers. Things like that are what

we'll be taking a look at so that we can talk to Albertans over the summer. If legislation is required, I'd like to see something we can introduce in the fall.

**Mr. Coolahan:** Thank you for examining that, Minister.

I'm going to turn the floor over to my colleague.

**Mr. Piquette:** Thank you. Hon. minister, just kind of shifting gears a little bit, just referring back to page 99 of the business plan, in there it states that – I think this is something that's been pretty apparent to all of us at the table – “Alberta's labour market has cooled and layoffs have affected many workers, particularly in the oil and gas sector,” which is definitely something I've been finding within my own riding. It does mention also that the “ministry will focus on positioning workers for [future] success.” I'm just wondering if you could maybe elaborate a bit on this, maybe kind of explain that further.

**Ms Gray:** Thank you. As the price of oil continues to stay low, our government is focused on continuing to support hard-working Albertans impacted by job loss through the Alberta jobs plan and Budget 2016. Getting Albertans back to work is a priority for this government. During this economic downturn our work is more crucial than ever. Education and skills training is one of the best investments our government can make to ensure a strong and diversified economy. Our government is expanding access to existing programs to accommodate laid-off workers who may need extra support finding work and in transitioning to new jobs.

Labour's budget also includes \$38 million for skills and training support for Albertans to get training or find jobs or substantially improve their employment situation. That includes the \$10 million over two years we're investing in that expansion to the training for work programs to help recently unemployed Albertans gain meaningful employment.

As well, this year \$26 million has been allocated to the Canada-Alberta job grant, which supports employers to train current and potential employees. The Canada-Alberta job grant is part of the labour market programs budget line and has a budget of \$26 million in 2016-17, an increase of \$6 million compared to last year. The Canada-Alberta job grant was introduced in October 2014 to respond to Alberta's labour challenges by supporting employers in training current and prospective employees. The grant was designed to be flexible to meet the needs of all business sizes in all industries and regions of Alberta.

The \$38 million in skills and training support was transferred to Labour from Human Services as part of the mandate alignment related to employment and training programs. The transfer included a range of training and employment programs to support an individual's skill development and workforce participation.

The summer temporary employment program was announced as part of Budget 2015 but will officially begin in 2016-17 with a budget of \$10 million. You've heard how excited I am about that project.

Expanding access into existing workplace and skills training programs to accommodate recently laid-off workers is one way our government is taking action. We'll continue to work with our partners to provide the right kind of employment and training supports for all Albertans.

9:20

**Mr. Piquette:** Thank you very much, Minister. That's, you know, information that I was looking for.

How are we for time, Chair?

**The Chair:** You have one and a half minutes.

**Mr. Piquette:** One and a half minutes. Okay. We'll see what I can get in.

I'm glad you referenced the STEP program. This is, you know, part of our platform that I'm particularly proud we were able to move forward with. I mean, especially in difficult times like this, it's really important that we restored STEP, and we've opened the door for young Albertans to get valuable job experience. I'm very happy that we reversed the I think short-sighted action by the previous government, which is something that their far predecessors never did. I was a student under Don Getty, and if it hadn't been for the STEP program, I would not have received any valuable work experience with the Mission Historical experience and so on.

I'm just wondering if you could share some details, if we have time, about what the next steps of this program are and how you think that'll generally impact Alberta's labour sector.

**Ms Gray:** Thank you. I'm excited to talk about STEP just a bit more. I learned only after I became minister that it was created in 1972. This program had been going on for a very, very long time. We've talked already about how we opened it up to small businesses for the first time, and I have to say that it was small businesses that really showed a lot of enthusiasm. We had over 2,600 applications total, not just from small businesses, so a lot of excitement on this program.

**The Chair:** I hesitate to interrupt. We will now reset the rotations. Each party will receive 10-minute intervals here as well, and we will revert to the Official Opposition.

Would you like to continue to share your time?

**Mr. Hunter:** Yes. Please.

**The Chair:** Okay. Please proceed.

**Mr. Hunter:** Mr. Chair, I have a proposed amendment, please, that I'd like to submit.

**The Chair:** Okay.

**Mr. Hunter:** I'll read it as you get it. I move that the 2016-17 main estimates of the Ministry of Labour be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 186 by \$17,000
- (b) for the deputy minister's office under reference 1.2 at page 186 by \$17,000
- (c) for human resources under reference 1.3 at page 186 by \$19,000
- (d) for corporate services under reference 1.4 at page 186 by \$85,000
- (e) for communications under reference 1.5 at page 186 by \$31,000

so that the amount to be voted at page 185 for expense is \$212,182,000.

I would like to carry on with my questioning if I could.

**The Chair:** Please proceed.

**Mr. Hunter:** Okay. Minister, I would like to first of all preface my next questions with what your key strategy is on page 101. Section 1.2 says, "Evaluate increases to Alberta's minimum wage, considering economic conditions." This line of questioning, Mr. Chair, is in regard to this, okay? What do you think the businesses, the small businesses, will have to increase – their costs will increase for this increase in minimum wage. I got 10 minutes, so you have to speak really quick.

**Ms Gray:** Okay. I've been meeting with small business groups and been hearing from them concerns around raising the minimum

wage. Potential increases, price increases may be an impact is one of the things that they're saying. So we've been looking at: is that something we can measure from the previous increase? As well, what do studies from other jurisdictions say? What price increases, for example, in Seattle, where a change in minimum wage was put in? I just recently saw a study that showed that in Seattle there were minimal to no price increases. Again, when you find a study saying one thing, you usually find a study saying the reverse as well. We are going to assess potential price increases by talking to employers and understanding their concerns and continuing to monitor as we potentially move forward with additional increases.

**Mr. Hunter:** Who is affected by those price increases?

**Ms Gray:** If something costs more, then it would be the purchaser.

**Mr. Hunter:** The purchaser. Okay. So the people who we're trying to help could potentially be affected by this. Will you admit that?

**Ms Gray:** Price increases would impact all. One of the reasons why an increase to minimum wage is thought to be of benefit to the economy is because those earning minimum wage will turn around and spend the increases immediately.

**Mr. Hunter:** Do they spend it on increases in costs?

**Ms Gray:** They'll spend it on food, housing, things that they need.

**Mr. Hunter:** But these things are going to go up, though.

**Ms Gray:** Likely housing costs won't change with minimum wage increases.

**Mr. Hunter:** But food?

**Ms Gray:** Potentially.

**Mr. Hunter:** So their increase in, say, their second line item could go up. Say their second line item cost and say that their expense sheet could potentially go up, then food.

**Ms Gray:** We are potentially looking at cost increases.

**Mr. Hunter:** Is there going to be an offset for the costs that you're going to have these low-income people incur? Is there going to be some kind of an offset, some kind of a program that's going to help them offset this?

**Ms Gray:** Raising the minimum wage.

**Mr. Hunter:** Is it a net benefit or a net loss, or is it equal?

**Ms Gray:** Raising the minimum wage is a benefit to those earning the minimum wage.

**Mr. Hunter:** Which study are you using, Minister, to be able to determine that?

**Ms Gray:** Taking a look at – I won't be able to give you a name of a study at this point.

**Mr. Hunter:** Do you have studies that you can use, empirical evidence? You talk about empirical evidence, your group talks about empirical evidence, making sure the science is there. What evidence do you have to show that this will not be a net loss for . . .

**Ms Gray:** I will commit to following up with you with a list of studies that show a positive impact to increasing the minimum wage.

**Mr. Hunter:** Okay. I would just like to state that when businesses have to increase their minimum wage, usually what happens is that if someone who's sweeping the floor has a bump in their minimum wage of 50 per cent, someone who has a degree is not going to accept not receiving a wage bump as well. So you're going to be in a situation where you're going to force businesses to have a bump in all of their wages in order for each of the employees to feel that it's fair. Now, if you have a 50 per cent increase in wages and they only have a 3 to 10 per cent profit margin in businesses, where will they come up with the money to be able to provide this?

**Ms Gray:** Within your question you're talking about a 50 per cent increase, and we're doing a phased change to the minimum wage to allow for businesses and the economy to adjust. So it really isn't a 50 per cent increase. When you speak about it that way, it does give the wrong impression. Over time, from last year through to 2018, you are correct, but when we're talking about a business adjusting to a single increase, we're not jumping it by 50 per cent. That being said, the minimum wage is earned by roughly 2 per cent of the workforce, so the impact to prices that you referred to earlier will be mitigated somewhat by the small number of people who are working for minimum wage.

The concept of what we refer to as wage compression, meaning that as minimum wage increases, other wages that are in that lower range also need to adjust, is an impact of raising the minimum wage. A rising tide lifts all ships, for example, is a colloquial way to describe that. But wage compression is not a one-for-one comparison. If you raise someone who is making minimum wage by a dollar, you're not necessarily raising all wages by a dollar. That wage compression tends to increase relative to how much someone is making compared to that person making minimum wage.

**Mr. Hunter:** Minister, okay. I appreciate that.

Because of time – and I'm not trying to be rude here – let me just say this. Obviously, some of the stuff you've talked about sounds like you've read some articles, empirical evidence, peer-reviewed articles that talk about this. I just wanted to know what they were, and I appreciate you being able to get back to this committee on those.

I want to be able to read into the record some of the information we've received and some of the information you've received as well. According to the CFIB such a wage increase would result in between 50,000 to 183,000 job losses in Alberta according to their submission to the government of Alberta. On behalf of businesses both the Calgary and Edmonton chambers of commerce have said that this will make things harder for business per their joint submission to the government of Alberta. The government's own figures show that only 2.2 per cent of the population works at the minimum wage, mostly youth in part-time positions, according to your own submissions. An analysis released last week by the University of Calgary economist Trevor Tombe showed that the proposed minimum wage increase could potentially result in up to 20,000 jobs lost for 15- to 24-year-olds. I encountered widespread opposition from small businesses in all areas of Alberta when I did an outreach tour this last summer.

9:30

Now, I guess what I'm trying to ask is – I thought that in the research that we went through, it was fairly evident that substantial increases in minimum wage cause substantial increases in unemployment, especially amongst groups such as young people, and there's lots of evidence to show this. Again, my question is: are you going to provide some kind of help to this group if they lose

their jobs or if they can't get into jobs because it is a training position? What is your plan? What's your go-forward plan on that?

**Ms Gray:** Our government, through Budget 2016, the Alberta jobs plan, has allocated \$10 million to the STEP program to help youth find that first job, to gain on-the-job experience as well as to help small businesses at the same time.

**Mr. Hunter:** We've talked about that. Is there anything else? Any other programs?

**Ms Gray:** For small businesses we've also decreased the small-business tax rate from 3 per cent to 2 per cent in an effort to try and help.

**Mr. Hunter:** That was a great idea, by the way.

**Ms Gray:** Thank you.

As well, we've included tax incentives to try and spur investment and to help promote businesses in Alberta. As well, we are spending that \$34 billion in infrastructure projects, which will have spinoff benefits and will help to grow the economy. So we are doing a number of very deliberate, positive things towards growing the economy and helping business as well as this very deliberate and positive thing to help our lowest earners, who are trying to raise a family on \$11.20 an hour.

**Mr. Hunter:** I get that point. This isn't supposed to be a living wage. It's supposed to be a training wage.

**The Chair:** I hesitate to interrupt, but we'll be proceeding to the third party. Just before we proceed, I would remind all committee members to direct your statements through the chair.

Would you like to share your time?

**Mr. McIver:** How many minutes do I have, sir?

**The Chair:** You have the full 10 minutes.

**Mr. McIver:** Okay. I'll share time with the minister if she's amenable to that.

**The Chair:** Okay. Please proceed.

**Mr. McIver:** Well, thank you. Minister, to me and other people here you talked about doing skills training for jobs. What jobs? What jobs are available that you're training skills for, please?

**Ms Gray:** We have labour shortages in some of these categories, including software engineers and designers, retail trade supervisors, computer network technicians, construction estimators, licensed practical nurses, food service supervisors. As well as listing these occupations that are considered to be most in demand, I know I've spoken to employers in the hotel industry who, in regions – for example, Canmore and Banff – are having trouble finding employees. So even though Alberta's unemployment numbers are high, labour market information tells us that there are still areas where there are needs, where people are having trouble hiring.

**Mr. McIver:** Okay. I agree with you, okay? I'm not arguing with you on labour skills. I'm happy that you answered that question. I'm grateful for it.

On those job classifications, what's the median or average wage for those jobs? Any sense?

**Ms Gray:** I can only speak to software engineering and designers off by heart. Someone initially starting in a software engineer or

design position is likely to make \$45,000 to \$55,000 a year; in more senior levels, \$80,000. The most senior levels will be over \$100,000. Retail trade supervisors I could not speak to.

**Mr. McIver:** Okay. Well, here's the thing. One of the things you're doing that I like is some apprenticeship training, but I think that very few of those categories you talked about actually would benefit from apprenticeship training. Is there apprenticeship training in a retail supervisor or, you know, in a software engineer? Probably, or maybe. I'm not even sure if that's a college thing or whether that's – let me ask you the question. Are there any of those that actually would benefit from an apprenticeship?

**Ms Gray:** We do have some in the careers most in demand: electrical power line and cable workers, tile setters, plasterers, drywall installers and finishers. That being said, apprenticeship training is delivered not through my budget but through the budget of Minister Schmidt in Advanced Education.

**Mr. McIver:** I appreciate that, but you'll have to forgive me because when we ask you about what you're doing, you have all this skills training. So you're doing skills training for these jobs, then, and not apprenticeships? Is that what you're saying?

**Ms Gray:** Apprenticeships are Advanced Education. We don't have apprentice training through my ministry.

**Mr. McIver:** Okay. So how many people are needed altogether in these categories that you named?

**Ms Gray:** I don't have that number in front of me, but we could follow up with you if you need.

**Mr. McIver:** Okay. Well, it's kind of important, right? There are 100,000-plus people out of work. So if there are only 6,000 openings here, that's not very good. On the other hand, if there are 600,000 openings, then we maybe need to get people into those jobs. So you understand why I'm asking the question.

**Ms Gray:** Absolutely.

**Mr. McIver:** Okay. Let's talk about your targets, interprovincial rank of the labour force, on page 104. You rank number one now. You want to stay at rank one through '18-19. Do you still feel confident that you can hit that target?

**Ms Gray:** Yes, we do.

**Mr. McIver:** Even though unemployment right now is up? Are we even number one today, Minister?

**Ms Gray:** Yes, we are. As of the last actual we are number one.

**Mr. McIver:** November 1?

**Ms Gray:** Number one. Sorry. The last actual.

**Mr. McIver:** Oh, okay. Sorry. I just didn't hear you. I thought you said November 1. Sorry. Okay.

**Ms Gray:** That's okay. We are still doing quite well although we have been hit quite hard through the drop in the global price of oil. It does have an impact across Canada, as I think you . . .

**Mr. McIver:** Okay. Looking at page 102, at 2(c), near the top of the page, the percentage of applications with Alberta Labour Relations involved settled before reaching a formal hearing: the last actual is 72 per cent. You want to reduce your effectiveness from

72 per cent to 57 per cent. You'll have to forgive me if I find that an odd target when you're reducing it by that much.

**Ms Gray:** What we've done there is similar to an earlier case that we discussed with performance measures, where we've left the target the same as it has been in several previous years. So it's not saying that we are anticipating or wanting a decrease but, rather, that the target has been set at 57 per cent, and we haven't increased that for this year.

**Mr. McIver:** Okay. Is the Labour Relations Board getting an increase in their budget?

**Ms Gray:** Let me take a look. The Labour Relations Board received a very small decrease, in most line items through the 2 per cent decrease in services and salaries. Because we had planned to give them a slight increase and then applied the 2 per cent decrease, they ended up with a decrease of 0.2 per cent.

**Mr. McIver:** All right. So they're getting essentially the same budget, within pennies.

**Ms Gray:** Essentially the same budget, where most are getting a cut.

**Mr. McIver:** All right. I'm going to ask it again. They're getting about the same budget, and you're allowing them a 25 per cent performance decrease by target?

**Ms Gray:** Again, we're not trying to let them have a performance decrease.

**Mr. McIver:** Yeah, but, you know, Minister, respectfully, it says it in black and white.

**Ms Gray:** They exceeded the target last year. We commend them for that, and we hope that they will exceed the target again.

**Mr. McIver:** And one year is good enough. Okay. All right. Well, you're going to have to accept my criticism for that one because it seems horrendously far to let them drop, 25 per cent, from 72 to 57. You understand why I and some Albertans might be concerned about that, I suppose.

Let's talk about the throne speech. In the throne speech – and you mentioned it in your answers to me earlier, the \$34 billion. How many jobs is this going to create or protect, in which communities, and for how long, the \$34 billion in capital expenditures?

**Ms Gray:** I'm afraid that the \$34 billion is not in my budget. So detailed questions on that . . .

**Mr. McIver:** I appreciate that, but you gave it as part of your answer on what you were doing to protect jobs. Consequently, you kind of opened the door for me.

**Ms Gray:** The Alberta jobs plan is estimated to create 100,000 jobs, but I don't have the detailed breakdown for you on that line item. It's not something that my ministry would be able to get for you. I would recommend that you talk to the Minister of Infrastructure for that question.

**Mr. McIver:** Okay. So when people come here from someplace else, what are we doing differently to get them qualified for jobs? When people come here, presumably, are you matching to make sure that they are qualified for software engineer or retail food service supervisor and all those other job classifications that you said are needed?

**Ms Gray:** There are several different streams of immigration. Most streams of immigration are through the federal program, which we do not have control over. Through the Alberta immigrant nominee program we do require that a labour market impact assessment be completed that shows that that person is required for that job, particularly because we want to make sure that we're bringing people in when there is a need for their services.

9:40

**Mr. McIver:** So the feds can just drop people in here whether they have skills we need or not.

**Ms Gray:** I did not say that. What I did say is that there are streams of immigration that are out of my control.

**Mr. McIver:** All right. You didn't say that that doesn't happen either.

Foreign credentials recognition. What specific actions are you taking to recognize foreign-trained professionals so that when they get here, they can go to work?

**Ms Gray:** Okay. For foreign credentials recognition we have since 2009 provided \$8 million in funding through the foreign credentials innovation fund to support positive and . . .

**Mr. McIver:** What about this year, respectfully, Minister? I only have about a minute and a half left.

**Ms Gray:** We are essentially supporting the College of Physical Therapists, the College of Dietitians of . . .

**Mr. McIver:** Okay. Now we're getting down to it. I thank you for that answer.

How will you work with professional regulatory bodies to make sure that they recognize everybody and don't treat any of it as: if you don't get trained with us, we're not going to recognize you? How do you push them or make them or get them to recognize people that they didn't train themselves?

**Ms Gray:** We have a team of very qualified individuals within the department who work on foreign qualification recognition and work with the professional regulatory organizations.

**Mr. McIver:** What levers do you pull to put pressure on them to recognize people that are qualified to do the jobs? I'm okay if they don't recognize people that aren't qualified, but when they are, what levers do you pull to make them do that?

**Ms Gray:** I'll ask my deputy minister, Jeff Parr, to respond.

**Mr. Parr:** In Alberta primarily what happens is that we use various funding programs and persuasion to encourage them to do more expedited methods of recognition of qualifications.

**Mr. McIver:** Financial incentives: is that what I'm hearing?

**Mr. Parr:** There are financial incentives where we provide grant funding and that sort of thing. Other jurisdictions have legislation where they compel them to do certain things. That's not the path that Alberta has chosen, but in other jurisdictions . . .

**Mr. McIver:** Okay. So if they can make more money by training their own than by taking your grant, then that's my concern.

**Mr. Parr:** Well, the other thing that governs how they conduct themselves is the agreement on internal trade. That's going to come

into play as well. There are a number of variables here you have to take into account.

**The Chair:** I hesitate to interrupt, but the allotted time has elapsed.

**Mr. McIver:** Thank you, Mr. Chair.

**The Chair:** No worries.

As there is no independent member in the room, we will now revert to government caucus members. Would you like to continue to go back and forth?

**Mr. Piquette:** Yes.

**The Chair:** Please proceed.

**Mr. Piquette:** Thank you. I would like to share time with my colleague.

Just before our time ran out in the last round, we were just starting to get some interesting details on the STEP program and where we see the program going, next steps, and how it impacts the labour sector. I wonder if the minister could continue elaborating on that.

**Ms Gray:** Oh, sure. With the STEP program, we let our successful applicants know several weeks ago. I was excited to announce the program and excited to let those employers know that they had qualified for their STEP funding. The applicants that we approved, which were 1,189 applicants: we ended up approving 678 of them for small business as well as 1,301 for nonprofits and libraries, 578 for municipalities, First Nations, and Métis settlements, and 478 were for publicly funded postsecondary institutions and school boards.

STEP really begins in earnest this month, with the summer placements running from May to August. Now the next step is for each of these employers who are approved for STEP funding to hire the students that will begin work over the summer. I know that during my summer I'm hoping to go visit some of the STEP employers and check out some of the jobs that these students are doing.

Looking forward to next year, it will be interesting to see what we might learn from this year when it comes to the distribution both regionally and across sectors and types of employers so that when we look at the STEP program next year, we can apply some of that learning.

**Mr. Piquette:** Okay. Would it be fair, then, to say that you're fairly satisfied with the uptake so far?

**Ms Gray:** Absolutely. I think there was huge interest in this program. The \$10 million was easily allocated. I think it's quite a successful program, that we should be telling everyone about so that they can apply next year.

**Mr. Piquette:** I agree with you wholeheartedly, Minister.

I know that my colleague here had a burning question he wanted to ask.

**Mr. Coolahan:** Certainly. Thank you, MLA. Thank you, Minister. It's been made abundantly clear that this government and your ministry are committed to making sure that the Workers' Compensation Board provides fair compensation and meaningful rehabilitation and that the system is sustainable and affordable. Remarkably, it's been more than 15 years since the last review. My constituents in Calgary-Klein are employed in diverse trades and professions, and they want to know about workers' compensation.

I see that outcome 4 on page 103 of the business plan mentions that “Albertans have access to timely, fair and independent appeal services through the Appeals Commission for Alberta Workers’ Compensation.” Can you tell us what’s meant by this and describe it further, please?

**Ms Gray:** Absolutely. You are absolutely right to talk about the last comprehensive review having been 15 years ago. The Workers’ Compensation Board is something that has received, unfortunately, a lot of negative attention at times. It’s critical that Albertans feel confident that the Workers’ Compensation Board provides fair compensation and meaningful rehabilitation.

The three-person panel that we’ve appointed is actually going to look at all aspects of the Workers’ Compensation Board, everything from their overall governance, the fees that employers pay – I’ve heard from some employers that they’re not certain that the fees are set at an appropriate amount – the compensation that is done, the process, how long it takes, all the way through to what is covered by the WCB. I mentioned earlier, when we were talking about first responders, that presumptive coverage for posttraumatic stress, for example, is something where other jurisdictions have slightly different rules than we do in Alberta, so looking at that crossjurisdictional comparison as well as talking to the stakeholders is going to be of utmost importance.

The panel is going to be communicating with Albertans through a website. If you go to [alberta.ca/wcb-review](http://alberta.ca/wcb-review), you can stay up to date with what the panel is doing and where they are. They’ve just recently done an update where they announced some of their plans for engagement, which include that they will be launching a survey as well as accepting submissions to feed into their consultations.

The panel chair, Mia Norrie, will be doing a blog, talking about the findings as they go. She’s committed to updating that blog at least once a month as they go or more often if there’s more information that needs to be shared. We hope that with this review process, not only being comprehensive, not only giving us something really substantive to judge our system by, whether it requires small changes or larger changes – at the end we’ll see what that looks like – will give us confidence that we do have a Workers’ Compensation Board that provides that fair compensation and meaningful rehabilitation. I’m really looking forward to hearing about the panel’s progress this fall and receiving their final report next spring.

**Mr. Coolahan:** Thank you. As am I. You know, negative feedback like that is what happens when you let something go for a decade and a half.

On page 186, under line 3.1, it talks about medical panels for Alberta workers’ compensation, and there is a slight increase there. Have you touched on that yet, and if not, can you tell me about that, please?

**Ms Gray:** Thank you. The medical panel provides the Workers’ Compensation Board and the Appeals Commission with an independent, impartial decision-making process to resolve medical issues. The medical panel will see a 1 per cent increase, so that’s line 3.1. This is slightly higher due to the operating costs in providing medical information to medical panel physicians for review. Expenses related to the medical panels are fully funded by the WCB through what we refer to as dedicated revenue, so it receives no taxpayer support per se.

**Mr. Coolahan:** Thank you.

I’ll turn it over to my colleague.

**Mr. Piquette:** Okay. All right. Well, thank you. I’m happy to have a bit of time left here. Maybe we could step back and talk about the Workers’ Compensation Board farm and ranch enrolment briefly. I know we had a fulsome discussion about this earlier this evening. I do want to put on the record how proud I am that this has been a priority for our government. I’m also, you know, pretty pleased with the uptake so far. I know that we do have some percentage of farmers that still need to enrol, but so far the numbers seem to be fairly encouraging.

Now, there are some questions that farm employers do have about this plan, and I guess one of those questions that I’m hearing is: are there any additional costs for farmers to enrol in WCB beyond the cost of premiums?

**9:50**

**Ms Gray:** No, there are no additional costs for farmers to enrol in WCB. The deadline for enrolment was originally set to be April 30. Going forward, for those who aren’t already registered, we’ll be working to raise their awareness and educate them on why it’s important and get compliance that way so that they can get signed up.

I know I had heard a question around these costs before because someone had found the FarmSafe program, which is something that the government has had for quite some time. Agriculture and Forestry created it to be compatible with the partnerships in injury reduction program. It’s the certificate of recognition, or COR, and the small employer certificate of recognition, or SECOR, program. It confirms that an employer has developed or audited a health and safety management system. That FarmSafe program, which has existed for many years now, does still exist. Because it has COR and SECOR, it does have some additional fees, but it’s a completely voluntary program. So if someone talks to you about needing to pay money to get WCB certified, that’s incorrect. But there are some voluntary programs that were set up previously; in this case, the FarmSafe program. COR and SECOR are seen as the gold standard for any Alberta employer who wishes to ensure that they’re protecting their workers, but again it’s not a requirement. It’s a voluntary program.

**Mr. Piquette:** Okay. Well, thanks for that reply. I think it’s important to make that clear, especially considering all the scare stories that were being spread around before we put this, you know, into legislation.

I seem to have a few minutes. I also just wanted to question regarding the backlog, that was alluded to earlier, in the Alberta immigrant nominee program. I know that you were talking about whether you’d be having a pause or whether there would be some program changes. I’m just wondering if you could provide . . .

**The Chair:** I hesitate to interrupt. The final eight minutes will be for the Official Opposition caucus. Please proceed.

**Mr. Hunter:** Thank you, Mr. Chair. I’ll be really quick here. In your outcome 3 on page 102 it says:

Alberta has safe, fair and healthy workplaces that protect the status of all employees and workers.

It goes on to say:

Every worker in Alberta has the right to a safe, fair and healthy workplace.

Then it says:

3.3 Prevent injury and illness in Alberta workplaces, in collaboration with partners and other ministries.

3.4 Improve workplace compliance with occupational health and safety and employment standards legislation by identifying workplace trends, balancing education and

enforcement activities, and continuing evidence-based initiatives for those who may be most vulnerable to unsafe workplaces.

Do you believe that all workers deserve to have WCB?

**Ms Gray:** Workers' Compensation Board coverage is a benefit to both workers and employers.

**Mr. Hunter:** Just a simple question: do you believe all workers deserve WCB?

**Ms Gray:** Yes.

**Mr. Hunter:** Then why are WCB employees exempt from WCB? Why are there two pages of industries that are still exempt?

**Ms Gray:** I can't speak to the other exemptions. I know I'm very proud of our government for removing the exemption for farm and ranch workers, which had been in place for far too long.

**Mr. Hunter:** It seems like a double standard, Minister.

**Ms Gray:** That there be any exemptions?

**Mr. Hunter:** I just want to get that on the record, that there is a double standard going on here.

**Ms Gray:** Fortunately, we have that WCB review, which will be looking at things like the exemptions, and I look forward to that panel's report because perhaps there will be changes to that.

**Mr. Hunter:** All right. Thank you, Minister.

Line 5.5 of the business plan lists the implementation of recommendations outlined by the Truth and Reconciliation Commission and the United Nations declaration on the rights of indigenous peoples as a key strategy to ensuring the outcome that Albertans have the skills required by Alberta's labour market. Can you speak to which TRC recommendations the Department of Labour is working on and how you hope to help First Nations, that are underrepresented in the labour force? If you could tell me which line items those are on.

**Ms Gray:** How we help to represent workers who are underrepresented, one of the specific programs: it would be through line items 2.7, 2.8, and 2.9. Some of the examples of how we're representing the underrepresented include a partnership with the Alexander First Nation, a partnership with Boyle Street Community Services, which is supporting participants in gaining employment or completing apprentice and trade entrance examinations through its water wings program. That training for work program, with the increase of \$10 million through the Alberta jobs plan, is targeted at underrepresented groups and, as part of that, is helping to implement the Truth and Reconciliation Commission's recommendations.

**Mr. Hunter:** Okay. Page 104 of the Labour business plan has no target numbers for future years for aboriginal Albertans living off-reserve. What are your performance targets for aboriginal Albertans in the labour market?

**Ms Gray:** The reason that we track – sorry. Let me make sure I understand your question. You're asking . . .

**Mr. Hunter:** Off-reserve.

**Ms Gray:** How we're tracking that? We are measuring the labour force participation in the performance indicators, the participation rate of aboriginal Albertans living off-reserve, as well as the

unemployment rate. That might be one measure where we look to see an improvement as we continue to deliver these programs for underrepresented groups.

**Mr. Hunter:** Why no future target numbers, though?

I'm going to actually, just because of time, Mr. Chair, ask the last question just to make sure that it gets into the record.

**The Chair:** Okay.

**Mr. Hunter:** The last question is: there are a number of federal programs such as the aboriginal skills and employment training strategy and the skills and partnership fund. How do the government of Alberta's plans for job training for aboriginal Albertans complement these programs? Is there any overlap, any joint planning?

**Ms Gray:** Thank you. I'm going to ask my assistant deputy minister, Leann Wagner, to speak to this.

**Ms Wagner:** Thank you. We do do joint planning. There is a labour market management committee, where the federal government and Alberta meet on a regular basis to review our progress on labour market agreements. Recently we proposed to the federal government that the asset holders be part of that labour market management committee so that we can do that joint planning that you referenced and we can get a better sense of: what are the labour market training needs of aboriginal communities, and where are those duplications and gaps? That process is starting this year with the asset holders.

**Mr. Hunter:** Okay. Actually, I guess I can read one more question in here. I'm going to just finish up. Page 100 of the business plan says that the government will be holding consultations on the previous Bill 6. "This year, consultations will be held with all stakeholders, including farmers and ranchers, on regulations that fall under the framework." How many stakeholder meetings are currently scheduled?

**Ms Gray:** I don't believe that the working group meetings have been scheduled yet because we have not announced the working group memberships. Agriculture is leading that, setting out the working group tables, the memberships there, and from there we'll be announcing the schedule of meetings. We do this particularly because we want to make sure that the participants are able to join. We're dealing with a stakeholder group where seasonality really impacts their availability, so we're going to work with them to try and figure out the best schedule.

**Mr. Hunter:** I know that farmers are happy about that. I talked to the minister of agriculture about that.

Is there a line item in your budget here that will cover these stakeholder meetings, or is this under the ag minister's budget?

**Ms Gray:** It's Agriculture's budget.

**Mr. Hunter:** Okay. Page 71 of last year's business plan spoke about "providing workers in the farm and ranch sector with the protections workers have in other sectors." Given the amount of time that has passed, is there an updated estimate as to how much it will cost OH and S to supervise farms? Which line item reflects this?

**10:00**

**Ms Gray:** The cost on occupational health and safety's side, once regulations are put in place, would be covered by the Workers'

Compensation Board, by the amount that the farms and ranches are paying into the system. But the estimate for what that cost would be would be under . . .

**The Chair:** I apologize for the interruption, but I must advise the committee that the time allotted for this item of business is now concluded.

I would like to remind the committee members that we are scheduled to meet next on May 5, 2016, for the consideration of estimates of the Ministry of Economic Development and Trade.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 10:01 p.m.]





