



Legislative Assembly of Alberta

The 29th Legislature  
Fourth Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Labour  
Consideration of Main Estimates

Tuesday, April 10, 2018  
9 a.m.

Transcript No. 29-4-4

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

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

Sucha, Graham, Calgary-Shaw (NDP), Chair  
van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

Carson, Jonathon, Edmonton-Meadowlark (NDP)  
Clark, Greg, Calgary-Elbow (AP)  
Connolly, Michael R.D., Calgary-Hawkwood (NDP)  
Coolahan, Craig, Calgary-Klein (NDP)  
Dach, Lorne, Edmonton-McClung (NDP)  
Fitzpatrick, Maria M., Lethbridge-East (NDP)  
Gotfried, Richard, Calgary-Fish Creek (UCP)  
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)  
Piquette, Colin, Athabasca-Sturgeon-Redwater (NDP)  
Schneider, David A., Little Bow (UCP)  
Schreiner, Kim, Red Deer-North (NDP)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)  
Taylor, Wes, Battle River-Wainwright (UCP)

**Also in Attendance**

Fraser, Rick, Calgary-South East (AP)  
Hunter, Grant R., Cardston-Taber-Warner (UCP)  
McIver, Ric, Calgary-Hays (UCP)  
Swann, Dr. David, Calgary-Mountain View (AL)

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Stephanie LeBlanc	Senior Parliamentary Counsel
Trafton Koenig	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

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

### **Participants**

Ministry of Labour

Hon. Christina Gray, Minister

Maryann Everett, Assistant Deputy Minister, Workforce Strategies

Lenore Neudorf, Assistant Deputy Minister, Strategy and Policy

Jeff Parr, Deputy Minister



9 a.m. **Tuesday, April 10, 2018**

[Mr. Sucha in the chair]

**Ministry of Labour  
Consideration of Main Estimates**

**The Chair:** Good morning, everyone. I would like to call the meeting to order and welcome everyone. Before we commence, I would recognize that this meeting is occurring on the traditional territory of Treaty 6.

The committee has under consideration the estimates of the Ministry of Labour for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table when we get to you. I am Graham Sucha, MLA for Calgary-Shaw and the committee chair, and we'll commence introductions with the member to my right.

**Mr. van Dijken:** Good morning. Glenn van Dijken, MLA, Barrhead-Morinville-Westlock, deputy chair.

**Mr. McIver:** Ric McIver, MLA, Calgary-Hays.

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

**Mr. Taylor:** Good morning. Wes Taylor. I'm from the beautiful riding of Battle River-Wainwright.

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

**Mr. Hunter:** Good morning. Grant Hunter, MLA, Cardston-Taber-Warner. Thank you for being here.

**Dr. Starke:** Good morning. Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Fraser:** Rick Fraser, Calgary-South East.

**Ms Gray:** Good morning. Christina Gray, MLA for Edmonton-Mill Woods and Minister of Labour. Joining me at the table we have Jeff Parr, my deputy minister; Dana Hogemann, senior financial officer; and Lenore Neudorf, our ADM for the strategy and policy division.

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

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

**Mr. Coolahan:** Good morning. Craig Coolahan, the MLA for Calgary-Klein.

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

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

**Mrs. Schreiner:** Good morning. Kim Schreiner, Red Deer-North.

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

**Mrs. Littlewood:** Good morning. Jessica Littlewood, representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

**The Chair:** Excellent.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Speaking time and order. Hon. members, the standing orders set out the process for consideration of the main estimates, including 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 to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the next 20 minutes 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 minister and a member may combine their time for a total of 20 minutes. For the rotation that follows, with speaking times of up to five minutes, a minister and a member may combine their speaking time for a total of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking time is being combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either myself or the committee clerk about the process.

A total of three hours has been scheduled to consider the estimates of the Ministry of Labour. With the concurrence of the committee I will take a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break?

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

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to any questions. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Otherwise, the scheduled end time of today's meeting is 12 p.m.

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

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

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

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

**Ms Gray:** Thank you very much, Mr. Chair. I'm very pleased to be here to discuss Labour's budget estimates and business plan. I've introduced my team, but again, just so you know, we have Jeff Parr, my deputy minister; Dana Hogemann, senior financial officer; and Lenore Neudorf, our ADM for the strategy and policy division; as well as many more of Team Labour sitting behind me. If you do have questions about other areas, we have all the right people in the room, and I'd like to say thank you to everyone for being here.

As our economy continues to recover, our government remains focused on supporting workers and employers in making life better for everyday Albertans. While things are looking up, our economy continues to grow among the fastest in Canada, and more and more Albertans get back to work every day, including over 90,000 full-time jobs created last year. Last month alone another 8,000 new jobs were added. We know that there's still more work for us to do to ensure that Albertans benefit from this recovery.

For Labour, a part of this work included revisiting our business plan to better focus on planning on the three main pillars that support our province's workforce. The first pillar focuses on preparing workers for Alberta's dynamic labour market and ensuring that there are supports for everyday Albertans, to make sure that as the economy continues to recover, those supports are there for them. This is reflected throughout Budget 2018 and the commitment our government has made in developing opportunities all across the province to ensure Albertans have the supports they need to be successful in the labour market.

We're very proud that in 2018 we're providing even more opportunities for Albertans to engage in skill training initiatives. Some of these include providing continued support for programs like the First Nations training to employment and aboriginal training to employment; the program that is very well taken up, the Canada-Alberta job grant; and our training for work programs. These programs are specifically designed to ensure that all Albertans can access programs and supports that meet their personal, professional, and cultural needs.

Together, in partnership with the federal government, new funding in Budget 2018 will continue to help unemployed and underemployed workers in Alberta secure and maintain the good jobs that they deserve. For too long in Alberta everyday working people were left behind as those at the top got further and further ahead without being asked to pay their fair share. Albertans know that what is best for their neighbours is what's best for our province and that we'll never move forward unless we all look out for one another. This is what our government believes in, and this is why we're continuing to invest in the programs and supports that empower Albertans and give them the opportunity to actively engage and be successful in our growing economy, because every working Albertan contributes to the success of our province.

After the worst recession in a generation Budget 2018 is about building a recovery that will last. When we came to office, Alberta was in the midst of an unprecedented drop in the global price of oil, that severely impacted our economy. At that time we had a choice, a choice to slash services and fire front-line workers, like some were advocating at the time, a move that would have made the downturn even worse and would have unfairly punished everyday Albertans for the previous government's inability to plan and failure to

diversify the economy, or we could choose to look into the future, act as a shock absorber, and invest in and strengthen the essential front-line services like health care and education that everyday Albertans rely on.

We also worked to create good jobs that put Albertans back to work through a historic investment in provincial infrastructure spending. While some were only focused on cheering for Alberta to fail, we chose to focus on the priorities of everyday Albertans, and I'm really pleased to be able to say that our plan is working and that our continued investments are making life better and more affordable for Albertans. But, as I mentioned earlier, we need to ensure that all Albertans benefit from our recovery and economic growth, not just those at the very top, the richest Albertans and the wealthiest corporations.

What does that mean for us in Alberta Labour? What does that look like? First, it means ensuring that those who work for the minimum wage are paid fairly for their work. This year our government will fulfill our promise of a \$15-per-hour minimum wage, and I couldn't be more proud. For too long everyday working families were left behind, and for a province as rich and prosperous as Alberta, it was simply unacceptable. We know who minimum wage earners are in our province. They are families, single parents, women with children. The modest increases we've made to the minimum wage over the last three years mean that families don't need to stop at the food bank on their way home in order to put food on the table. It means families not having to choose between buying diapers for their kids or paying their bills at the end of the month. It's ensuring that those who work hard in Alberta are compensated fairly and have the same benefits and job protections as every other worker in our province. It also means working to build a strong and diversified workforce that moves our province off resource royalty roller coasters and invests in the jobs of the future.

#### **9:10**

Our government believes that Albertans need to have a future prepared for that we can use to invest in our young people through programs like the highly successful summer temporary employment program. This program opens doors for students of all ages to get the experience that they need to enter the workforce, gain new skills and confidence, and support our job creators in the province. Last year over 3,000 students participated in the program. We know that investing in STEP and other skill training programs is the first step to ensuring a brighter economic future for all Albertans, and Budget 2018 continues this important work.

While our government has the backs of working people and families throughout Alberta, we also have the backs of our business owners as well. We know that small-business owners across the province help drive our economy and create the good jobs that all constituents rely on. That's why the second and third pillars of Labour's business plan focus on investing in our province's workplaces. We're doing that by building a modern and balanced legislative framework that promotes safety and fairness, ensuring workers have access to fair and timely appeals to resolve labour disputes.

In 2017 we followed through on our commitment to strengthen and improve Alberta's labour laws by introducing an Act to Protect the Health and Well-being of Working Albertans and the Fair and Family-friendly Workplaces Act. In some cases Alberta's workplace laws had not been updated in nearly three decades and were out of step with the rest of the country. Our province's workplaces have changed a lot in 30 years, and these outdated rules didn't reflect the challenges of our modern workplaces and didn't ensure the protection and compensation that Albertans deserved. As

a result, that often meant that everyday Albertans would fall through the cracks and be left behind.

We spoke directly to Albertans and asked them to share their experiences. Some of the stories I've had the opportunity to share in the Legislature, and many of them were heartbreaking: Albertans who had lost three close family members in less than a year needing to deal with funeral arrangements, taking care of his devastated family, having to use up all of their vacation time because there was no job-protected bereavement leave. One man told us that his employer had failed to pay him over \$16,000 in overtime, vacation pay, and general holiday pay. This was the time that he spent away from his friends and family. It was money he earned and that was owed to him, and due to a lack of significant penalties or fines, there was nothing to protect him, nothing to protect him from being treated unfairly. One Albertan wrote to us about the need to protect survivors of domestic violence who may need time off to attend a crisis centre, find a place to live, see a doctor, get counselling, possibly psychological counselling or legal. Without protection survivors may choose to return to their previous situation out of fear of losing their job.

Of course, there was the story of one particular Albertan, Amanda Jensen, who wrote to our government. Amanda had been working in Lethbridge at her new job for eight months when her six-year-old son was diagnosed with leukemia. She requested a leave from work to care for him, like any parent would. She was a single mother. However, Amanda didn't meet the qualification period for job-protected care for critically ill child leave. As a result, she was terminated from her workplace. Now, to be clear, she did meet the time period to qualify for the leave that employment insurance would pay her; she just didn't meet the qualification for job protection to take that leave. Fired from her workplace for taking care of her child, for doing what any of us would do in her situation, that was not right. Not now, not ever. No parent should have to face the stress of losing their job on top of dealing with an urgent family situation. The reason that happened was because our employment standards rules had not been kept up to date.

We heard stories from other individuals like Amanda Jensen, other Albertans who were fired when life required them to focus on the well-being of their family, and we owe it to families like Amanda's to ensure that this sort of thing never ever happens again, so we did something about that.

In addition, we also updated our workplace safety legislation. That's because we recognize that every worker has the right to come home safely at the end of the day, from the very first shift through to retirement. Tragically, many Albertans can tell you that sometimes this wasn't the case. In 2016, the last year for which data has been fully reviewed, there were more than 23,000 lost-time injury claims, and 144 people did not make it home due to workplace illness or injury.

**The Chair:** Thank you, Minister. I apologize for interrupting.

For the following hour the members of the Official Opposition and the minister may speak. Would you like the time to be set at 20-minute intervals just for your awareness?

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

**The Chair:** Absolutely. And would you like to go back and forth with the minister?

**Mr. Hunter:** If that's okay with the minister.

**The Chair:** Excellent. Please proceed.

**Mr. Hunter:** First of all, I want to thank the minister and her staff for being able to come and present today in estimates. I appreciate all the work you do. I know that you guys have a lot of work that you've undertaken, and I appreciate what you've done.

**Ms Gray:** Thank you.

**Mr. Hunter:** In the first couple of years your government said, I guess, that your idea was Working to Make Life Better. This was your theme. Now you've switched to A Recovery Built to Last. I took a look at this budget under the idea that, okay, this is a recovery built to last. So my questions will focus on that concept of a recovery built to last.

I want to start out, first of all, on page 208 of the estimates. This is going to go through the expenses. The first thing I found that was interesting, Minister, is that I took a look at the minister's office expenses, and you go back to 2016-17. What I found interesting was that from the 2016-17 actual expense to the 2018-19 estimates you've got a 16 per cent increase in your minister's office expense. Then you go down to the deputy minister's office, and just from last year it shows an increase of about 5 per cent. Carrying on with that, going down to human resources and corporate services, you see a tenth of a per cent decrease in human resources, and in corporate services you see a 1 per cent decrease. I guess the question that I have for you is, you know: is that a recovery built to last, when you see those kinds of increases?

**Ms Gray:** Thank you very much for the question. We are always looking for ways to find efficiencies and to better deliver services to Albertans within the Labour ministry. When we're talking about the minister's office, over the past two years an enormous amount of work has needed to be done, particularly because the workplace legislation in this province had been left in a terrible state for the NDP government, not having been reviewed and updated in a significant amount of time. That left me in the situation where we were introducing changes to all four major pieces of workplace legislation last year. So there's been a significant amount of work to plan for, to deliver, and now to implement changes to workplace legislation.

Now, within the overall Labour ministry we have implemented a number of initiatives to find efficiencies and to work to improve processes, to be able to make sure that we're delivering our services as effectively as possible. These initiatives are called operational excellence. The operational excellence process involves . . .

**Mr. Hunter:** Minister, I don't want to interrupt. I consider you a friend, so I'm not trying to be rude, but we do need to get to the question. You were going to describe the program, and I don't know if that was the question that I asked. The question that I have is: look, if you're going to build a recovery built to last, are you doing it on the backs of the junior bureaucrats, or are you doing it on the backs of everybody? Is everybody sharing the cost of that? That's the question.

**Ms Gray:** In order to build a recovery built to last, we need to make sure that the working people of Alberta are protected so that in the case of an injury or illness there's a workers' compensation system that is there to support them, that injuries and illnesses wherever possible can be prevented . . .

9:20

**Mr. Hunter:** Minister, that's not what I asked, though. Minister, I specifically asked you about the minister's office and the deputy minister's office, having a 16 per cent increase in the minister's office and a 5 per cent increase in the deputy minister's office and

decreases in human resources and corporate services. My question is: are you leading by example in your office and in the deputy minister's office versus having all of this to be borne by the junior bureaucrats?

**Ms Gray:** Making sure that the minister's office, the deputy minister's office, and the overall Labour ministry are rightsized for the work that's taking place and for the services that are being prepared and planned and then delivered for Albertans is top priority. Making sure that we have the resources to not only set out some very, very large goals for ourselves, making sure that workplaces are safe, fair, and healthy, but the ability to deliver and to follow through on that is a priority for our government and for Team Labour, as I refer to them, the group that does that delivery.

With the amount of neglect from the previous government, legislation left to stagnate, the amount of work that has needed to be done, co-ordinated through my ministry office and with the help of the fantastic public servants that we have in the Labour ministry, the work that we are doing, I would say, has been rightsized.

**Mr. Hunter:** But to blame the other government – Minister, it's three years now. You've had the opportunity to be able to work on this for three years. This is the fourth budget. What we're seeing is that, again, this is a recovery built to last, but the problem is that it looks like, just on first blush, you're doing it on the backs of the junior bureaucrats and that you're not showing by example in the minister's office and the deputy minister's office. That was the question that I asked. I haven't received an answer on that yet, but I'll give you one more chance to do that.

**Ms Gray:** Let me give you an example. Making sure that the ministry is rightsized and that we're focusing on front-line delivery has been a driving force. We've just recently eliminated an ADM office, recognizing that we could make sure – and thank you to my deputy minister and the team on the executive – that we were focusing our attentions on the front lines and, in this case, finding efficiencies. The ADM of corporate services and information position has been removed, allowing us to move some of the internal structures around and remove some of those costs. We continue to look at the overall structure of the Labour ministry, reallocating resources to make sure we're putting on the appropriate focus and making sure that we have that focus on front-line delivery, because front-line delivery is primarily what the Labour ministry is doing. I think the elimination of that ADM of corporate services is one example of how we are finding efficiencies and continuing to look at reorganization to support the work that the Labour ministry is doing.

**Mr. Hunter:** Okay. Thanks, Minister. I didn't get an answer from that, unfortunately, which is sad.

But let's move on to another question here. Now, in terms of an overall, you know, macro look at these budgets, what I did was that I went back and grabbed some other budgets, from 2015-16, and went all the way forward because, unfortunately, this doesn't go back that far. From what I see, first of all, I recognize that you reorganized the ministry from jobs, skills, training, and labour just to Labour. I'm glad that we shortened the size of that name.

**Ms Gray:** We saved on ink.

**Mr. Hunter:** There you go. That might be the only thing you saved on because what I see here – and this is interesting – is that in 2014-15 the actual amount spent by that department was about \$144 million. However, when you go into the next year – so this would be the first year that, in my opinion, your ministry actually

developed these estimates – it actually changed. The 2014-15 actual number went to \$161 million, so we have a discrepancy.

Now, I recognize what you did. You pulled out some line items. Learning information: you don't have that anymore in the new actuals. But my question is that in terms of being able to see some continuity so that, you know, opposition or whoever takes a look at these books can do some quick comparisons, I don't know why you would actually change actuals in future budget presentations.

**Ms Gray:** Are you able to point to a page where I can follow this?

**Mr. Hunter:** Like I said, I had to go back to other budgets in order to be able to actually see this because it doesn't show it in here, in your budget right now. In the 2016-17 it was on page 186; in the 2015-16 it was on page 172.

Anyway, my question to you is: why the discrepancy for the 2014-15 actuals in those two documents?

**Ms Gray:** Our actuals are always made comparable to budget. The current budget is the process that our budgeting system goes through.

As well, in the time period you're looking at, there were several mandate alignments that were happening, particularly between the Ministry of Community and Social Services, which at the time had a different name, and the Labour ministry. The third ministry involved was Children's Services and also Indigenous Relations. So a number of programs that were shared or delivered in different areas were realigned in order to make sure that Community and Social Services was effectively focused on their priorities while Labour was focused on getting people who are close to the labour market reattached to the labour market, particularly as we were seeing the downturn in the economy and the increasing unemployment numbers and the impact that was having on Albertans.

**Mr. Hunter:** Okay. Well, the alignment I get. I can accept that. The problem is that you actually pulled out, like, learning information. It was a line item. Can you just give me some information on what that was and why it was pulled out?

**Ms Gray:** Learning information is really helpful information. I know there's a lot that goes into this line item, but the one thing that I can point to, that most people are familiar with, is the ALIS system. It's learning information that's made publicly available to Albertans. A lot of high school students use it. It's very, very helpful. That line item went over to Community and Social Services, so the ALIS system is now maintained and run by CSS.

**Mr. Hunter:** Okay.

**Ms Gray:** It is still using a lot of the labour market information that is generated out of Alberta Labour. That might be why you're seeing that the line item is no longer there. It's because it will now be in CSS.

**Mr. Hunter:** I appreciate that. That's good. I appreciate you explaining that.

So you took that out, and that was, in the actual 2014-15 numbers, \$1.8 million. I imagine you added something else, some different line items into the 2016-17 budget. If you did, what were those line items that you added into it?

**Ms Gray:** It wasn't new line items. The alignment with CSS, Children's Services, Indigenous Relations, where Labour primarily changed, was that we were taking on more skills and training support. The aboriginal training to employment and the First

Nations training to employment programs, for example, were previously delivered elsewhere and are now being delivered by Alberta Labour. In the current budget I believe that is line 2.8. I just want to make sure I'm pointing you in the right direction. Yes, 2.8. I would suggest that that's the major shift.

I will just check for my deputy minister's nod. Was there anything else we should mention? And training for work.

**Mr. Hunter:** Okay.

**Ms Gray:** Again, skills and training, which is the Labour ministry's focus, were the results of that alignment.

**Mr. Hunter:** Okay. Listen, just so you know, I'm a big advocate of making sure that we have those programs necessary to help people. We've been in one of the worst recessions, and I fully admit that. I know Albertans are feeling the pain. So making sure that the spending is there to help support the people in Alberta is very important. I just wanted to understand that process, first of all, what you're doing.

9:30

Okay. Well, let's just take a look, then, at that, now that we know the numbers and how they were derived. Once again going back to this concept of a recovery built to last, obviously a recovery built to last means that the government has got to be able to get their spending in line. We know we hear the Minister of Finance saying that often, and you also say the same thing. We'll just go from the actual \$161 million rather than the \$144 million. We've actually increased to \$230 million in this. Now, at that increase, is it sustainable? Is this something that we can continue to see, or are we expecting to see these kinds of increases year over year? I have heard in the past the term "compassionate cuts," so I'm just wondering where those compassionate cuts are. Is this the definition of compassionate cuts?

**Ms Gray:** When you're looking at the Ministry of Labour, what you're seeing is a reflection of our commitment to support workers and employers, to strengthen the system so that all Albertans can benefit from safe, fair, and healthy workplaces. There are increases to Labour's budgets. They are primarily the result of more funding from the federal government as part of our workforce development agreement and labour market development agreement. That's dedicated money flowing through from the federal government that Labour is then using to make sure that Albertans are getting the training and skills development that they need.

It also includes additional investments in employment standards, additional investments in the Alberta Labour Relations Board, who is taking on a number of new tasks as a result of the legislation passed last year. There is reflected an increase in funding from the Workers' Compensation Board, in part because the Labour ministry is taking on sections of work that were previously housed in the Workers' Compensation Board. This has to do with our fair practices office. The Appeals Commission is coming over from the Workers' Compensation Board to the Labour ministry.

**Mr. Hunter:** Okay. So you're looking for efficiencies. That's great, fantastic.

I just want to go back to something you just said, though, Minister. You said that it was because of increased transfers from the government of Canada and shared increases. I'm looking at your revenue right now, on page 113 of your business plan, and it has zero dollars for transfers from the government of Canada. In fact, it actually has zero transfers, as of 2017-18, forecast – obviously, zero came in – and then estimates: for this year, there's zero; there's zero

for 2019-20, 2020-21. You just said that that's because of the increased transfers from the federal government. We're not seeing that. Where is it? Is this in capital . . .

**Ms Gray:** If I can turn you to page 113 of the business plan.

**Mr. Hunter:** Yeah. I'm there.

**Ms Gray:** You have labour market development. Labour market development is the revenue from the federal government associated with our labour market transfers.

**Mr. Hunter:** Okay. So that actually is increasing by about \$6 million. Is this going to actually increase . . .

**Ms Gray:** I would have you compare – sorry – actual to target to see the increase.

**Mr. Hunter:** We don't actually have an actual for 2017-18.

**Ms Gray:** Sorry. To estimate.

**Mr. Hunter:** Yeah. Well, it's a \$6 million increase. You budgeted, basically, at \$10 million, but you actually got a \$6 million increase, not a \$10 million increase. But that's fine. Again, the revenue increases that you're seeing here: from what I see, yes, you definitely did get a bump from the federal government, nothing in terms of transfers. There was \$413 million in 2016-17, which we haven't seen any more of. Maybe I could get you to just describe that really quickly before I go on to my next thing. What was that \$413 million? Sorry: \$413,000.

**Ms Gray:** That was \$413,000.

**Mr. Hunter:** Sorry. I corrected myself.

**Ms Gray:** That's fine. I'm actually going to need to see if I can grab . . .

**Mr. Hunter:** While you're looking that up, maybe I'll just also say that it looks like the revenue increases that we're seeing so far – and I've gone back again from the original start; I think it was 2014-15 that I've gone back to – look like the revenues from premiums, fees, and licences. This would be occupational health and safety, I imagine, right? What is it?

**Ms Gray:** Okay. First, let me just respond to the question you asked around the \$413,000. That transfer from the federal government is related to internationally educated professionals, essentially international qualification recognition.

**Mr. Hunter:** But you've put that in a different line item now?

**Ms Gray:** You asked me about the line item Transfers from Government of Canada, \$413,000, and I'm just letting you know what the subject of that transfer was.

**Mr. Hunter:** Okay.

**The Chair:** Just as a quick reminder, I'll just remind members that the discussion is to flow through the chair. That was your first 20 minutes as well.

**Mr. Hunter:** Mr. Chair, would you like me to turn to you and say, "My question through the chair is," or do you want me just to keep on asking the questions?

**The Chair:** Ask the question, but continue to dialogue through the chair instead of it kind of going back and forth.

Also, a reminder for the minister and for all members at the table to allow opportunities for both the questions to be asked and the responses to be given.

**Mr. Hunter:** Okay. Going into this issue of where the revenue for your ministry is coming from, it looks like intergovernmental transfers are obviously going up. You've increased from \$1.1 million to \$2.3 million. Is that just coming in, just an increase in your budget amount? Is it coming from the carbon tax? What's it coming from?

**Ms Gray:** Thank you for that question. Give me one moment, and we'll just get more information about that.

The information I'm reviewing is that it tends to be transfers from Service Alberta. In this case there are a number of information technology related projects happening at the Ministry of Labour, specifically related to the legislation that's been changed. We need new systems and processes. For example, the Alberta Labour Relations Board case management system is being funded through Service Alberta's one IMT initiative for government of Alberta IT projects. That's one piece.

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

Let's just go down again to these premiums, fees, and licences, okay? This is obviously occupational health and safety fees.

**Ms Gray:** This has to do with fees collected for the provision of international educational assessment services for immigrants seeking employment and/or education in Alberta as well as fees collected through land agents' licensing and fees collected through employment standards admin penalties.

**Mr. Hunter:** Penalties. Okay. Can you give us an indicator of how much in these penalties we've had an increase in the last three years? What percentage increase have we seen? What I'm seeing here is that in 2014-15 that amount was \$1.3 million, and now we're estimating, or budgeting, \$3.3 million, a substantial increase, 255 per cent, I believe.

**Ms Gray:** The majority of that is because of the service we've run called IQAS. It's international qualifications assessment service. Alberta runs this IQAS program, and other provinces will use it. It's run on a cost-recovery basis, so as the demand increases, we continue to provide that because people are paying for the services at cost. This, although it's increasing, is a revenue-neutral piece. Is that the right word, "revenue-neutral"? I mean, it pays for itself as it increases.

**Mr. Hunter:** Sure. Okay. Now, what you're saying is that as we qualify these people to work here, this is outsourced to other countries, then?

**Ms Gray:** It's work that's happening for newcomers who've come here who may be trained in other countries. We run a qualification assessment service. Not all provinces run this program, so newcomers in other provinces will also use the program here in Alberta. Everyone who uses it pays a small fee. That fee covers the cost to run this program.

9:40

**Mr. Hunter:** Is this because of a jump in people from other countries coming to Alberta, then? I mean, again, you're saying that this is the majority, where it's coming from, and we're seeing a 255 per cent increase over a three-year period.

**Ms Gray:** It wouldn't be just for Alberta because we provide this service across Canada. I believe there are only two locations that provide IQAS. We are the only government agency that provides this, so across Canada newcomers will use our services to make sure that their qualifications are recognized.

**Mr. Hunter:** Okay. Well, that's actually excellent. I'm glad to hear that.

All right. Let's really quickly go to the occupational health and safety issue. This will go back to page 208 in the budget. Again I went back because I know that, with Bill 6, I've asked questions on this before, about how occupational health and safety is going to be able to get in front of the extra workload and what's going to have to happen, if I remember correctly – I'm sorry; I don't think I pulled up *Hansard* on this – asking you about, you know, what the cost is and the increase in occupational health and safety. You seemed to mention that it was not going to be substantial, that it was going to be dealt with within the occupational health and safety agency.

With that being said, occupational health and safety would do a cost recovery. I think this is on the capital side here. That would be the next page. We go from the 2014-15 actual, \$172,000 cost recovery, to the 2017-18 forecast of \$2.8 million. We have cost recovery from the WCB for just capital acquisitions going from \$172,000 to \$2.8 million. Can you explain that jump?

**Ms Gray:** Could you just tell me which page and which line item you're looking at?

**Mr. Hunter:** It's 3.2 on page 209.

**Ms Gray:** Perfect. Speaking to 3.2, this includes everything from OHS: program delivery, policy and program development, program supports, making sure that there are adequate protections, and making sure that employers are properly supported. This estimate is higher because of additional supports for the implementation of the changes from the Fair and Family-friendly Workplaces Act. Let me just make sure I'm looking at the capital. In this case the \$1.9 million is related to the development of the compliance management information system. The team calls it CMIS. Again, it's related to the changes to our legislation needing to be replicated in our information technology systems so that we can be tracking the work that our officers are doing when they're doing inspections or when there are incidents. It is IT related for that \$1.9 million.

**Mr. Hunter:** It's IT. Okay. That's the \$1.9 million.

What about the \$2.8 million in the 2017-18 forecast?

**Ms Gray:** That would be CMIS as well.

**Mr. Hunter:** What has it cost you? What's it going to cost you?

**Ms Gray:** Updating our compliance management information system: this is the key information technology foundation that we use. We will continually be updating it as there may be changes or efficiencies.

**Mr. Hunter:** I know. You've already explained what it is. How much have you spent on it, and how much is it going to cost until it's actually implemented?

**Ms Gray:** Okay. CMIS has been in place for years, and I cannot give you the total cost that it took.

**Mr. Hunter:** Could you table that at some point?

**Ms Gray:** I don't know, because this is an information technology system that has been in place for many, many years. I can tell you that we have been doing changes related to the legislation updates. Those changes in the near term, over the last couple of years, I could get more information on. CMIS has been in place well before our government took office.

**Mr. Hunter:** Which is fine. I have no problems with this program. I'm just saying: how much does it cost?

**Ms Gray:** Okay. The total cost to CMIS over three years is \$5.5 million.

**Mr. Hunter:** Have we seen the full amount already flow through?

**Ms Gray:** This \$1.9 million is part of that.

**Mr. Hunter:** Is there going to be another year? That's the question. Are there still outstanding expenses that will have to be done in the 2019-2020 budget?

**Ms Gray:** I imagine, yes.

**Mr. Hunter:** I know you're not trying to be elusive here . . .

**Ms Gray:** No.

**Mr. Hunter:** . . . but I'm trying to get to the bottom of this thing really quickly. When did you start? Did you start it in 2017-18? It's jumped up. It's doubled, basically, from what your actual is in 2016-17. We've gone from \$445,000 to \$900,000. Then in 2017-18 you budgeted \$900,000, and it actually cost you \$2.8 million that year.

**Ms Gray:** That would be related to the fact that we introduced and passed legislation updating our occupational health and safety system in the middle of that year. When we were forecasting, there would be no way to know what the Legislature would debate and pass when it came to updating our occupational health and safety legislation and the changes needed in the information technology to support that.

**Mr. Hunter:** Minister, you're saying that you have a majority government and that you have no idea that it's going to pass? That's the weakest excuse you've given this morning.

**Ms Gray:** We didn't know the content of the legislation when the budget was originally formatted.

**Mr. Hunter:** But you wrote it.

**Ms Gray:** With all of our legislation we used in-depth consultations with stakeholders. We went out and did not only online surveys but in-person meetings and through consultation with Albertans came to the updates and changes in our workplace legislation. That includes occupational health and safety, the WCB, employment standards. We needed to go through that process to know what changes would be passed in legislation and then need to be implemented in our information technology systems.

**Mr. Hunter:** Well, how many amendments were actually changed? How many amendments were added to that legislation?

**Ms Gray:** Again, we passed legislation regarding occupational health and safety in the middle of last year, in the fall session of last year. Not being able to look into a crystal ball to see exactly how consultations with Albertans would go, we needed to go through

that process. Now we are accurately reflecting through our budget process the costs and the implementation, and I'm happy to continue to tell you any more detail about that.

**Mr. Hunter:** Okay. Well, I guess the question – you know, we have to go back to the budget that we're talking about right now. We've got \$1.9 million. In the 2017-18 budget you budgeted \$900,000. You went to \$2.8 million. How could you be so far out, and how does that make us feel in estimating whether you're on track this time?

**Ms Gray:** One of the things that happens with information technology projects is that they do start out as operating, and then there's a transfer to capital. Part of what we're seeing is that happening.

**Mr. Parr:** If I may, Chair, CMIS is an old system, and it's, frankly, you know, a legacy system. We're expecting that we're going to actually have to transition over to a newer system, but right now we have to invest the money to keep it up and running and, as the minister said, to adapt to the new legislation. Over the course of the year, it's true, we had \$900,000 budgeted. Recognizing that we had a greater demand for IT changes, we transferred resources from our operating expenses over to capital in order to cover the cost. That's why it's a higher expenditure than was budgeted under capital, but it was all found within our overall allocation.

9:50

**Mr. Hunter:** Deputy Minister Parr, your operational expenses – and I'm getting to the point of why I'm asking these questions. This all comes from the WCB, which is an independent organization fully funded by businesses. So we're going to get there, but I'm just trying to get to the understanding of this.

In terms of occupational health and safety cost recovery, in terms of operating expenses, not just capital expenses, we saw 42.6 per cent over a three-year period. Now, we're seeing a huge jump over a three-year period. I mean, you're estimating that you're going down, but you estimated that you were going down in 2017-18 as well, yet you went from \$900,000 to \$2.8 million. I'm not sure whether or not your track record is showing whether we can say that \$1.9 million is actually going to be \$1.9 million in the actual in 2018-19.

Going back to the cost recovery, in terms of operational expenses for occupational health and safety you have a 42.6 per cent increase over that three-year period. Again, I go back to this question: is this a recovery built to last when you see these kinds of increases? When you add that kind of cost onto businesses, that they have to bear, is this something that is going to help them want to continue to invest and want to continue to build their businesses?

**Ms Gray:** Mr. Hunter, I'll let Deputy Minister Parr speak to this a little bit as well, but in 2016 workplace fatalities in Alberta increased; that is, the number of workers killed on the job increased. The number of injuries that we see in Alberta is something that we should all be concerned about, and preventing workplace injuries, preventing workplace fatalities, and having up-to-date, modern legislation that allows a worker to go to work, do their job, and come home safely is a priority of this government and should be a priority of all Albertans.

In order to do that, we not only needed to review and update OHS legislation, that had not seen a significant review and update since 1976, but also we have been doing significant work to review our processes within the Ministry of Labour. The work that we are doing every day to protect working Albertans both through proactive inspections and responding to incidents when they have

happened: this is the work that is happening under that line item, 3.2, occupational health and safety. There are increases related to the fact that we have updated our legislation for the first time in four decades. There are increases related to the fact that Alberta had a lower number of occupational health and safety officers per workplace compared to other places in the country. These were historical deficits that we are now looking to address, making sure that we are able to do the OHS inspections, the quality assurance, the training, and the program development needed.

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

If I understand you correctly, what you just said was that if we have more occupational health and safety inspectors, then we will decrease the number of accidents. Is that what you just said?

**Ms Gray:** Decreasing the number of incidents is one of the key goals of the Ministry of Labour.

**Mr. Hunter:** Minister, you said it, not me. I'm just asking: did I hear you correctly?

**Ms Gray:** Decreasing the number of workplace injuries and fatalities is a priority for the Ministry of Labour.

**Mr. Hunter:** Minister, I'll ask it a third time. You just said – and I want you to clarify it for us – that by increasing the number of occupational health and safety inspectors, you will decrease the number of incidents. Is that true? Do you believe that?

**Ms Gray:** I believe that across the country all governments and all occupational health and safety systems believe that having an adequate number of officers is a key point when trying to reduce workplace injuries and fatalities. I would not suggest that it is the only component or only factor, but it is an important one.

**Mr. Hunter:** Okay. Through the chair – I want to make sure I say that – Minister, how many full-time equivalent occupational health and safety inspectors have you increased in the last three years?

**Ms Gray:** I can tell you that in this budget that we are looking at right now, there is the addition of 10 occupational health and safety officers. I will just check with my officials if they can update me on last year and the increase.

An increase of 10 this year. Sorry. The number I'm looking at, just so that you know what we're looking at, is officers, lead investigators, technical advisers, and partnership consultants. So the number I'm giving you is not specific to officers.

**Mr. Hunter:** Right.

**Ms Gray:** Last year it was an increase of three. The year before it was an increase of one. The year before that, 2014-15 to the 2015-16 budget, had a more significant update of 16.

**Mr. Hunter:** All right. How many increased in the year before that?

**Ms Gray:** In 2014-15 to 2015-16 it appears to be an increase of 16.

**Mr. Hunter:** Sixteen. Okay. That's the highest number. What was the reason for that spike?

**Ms Gray:** The 2014-15? I imagine that it would be to deal with the amount of work in the department.

I'll ask Jeff to supplement on this item.

**Mr. Parr:** Yes. Thank you. As I recall, last year we – this is part of our internal reorganizations. We're sort of shifting resources from what I characterize as back office, policy, corporate services into front-line delivery. Part of that would have been reallocating some of the resources within the OHS branch on the front-line piece. We did a bit of that. I think that's fundamentally why this year has the biggest increase that we're going to have in the number of officers.

**Mr. Hunter:** Okay. The increase in this: is it a direct result of the Bill 6 implementation of the farm safety law that you passed?

**Mr. Parr:** I would say no. We have taken a very light touch with farms and ranches. We respond, you know, when we receive information that compels us to go out and do an investigation. We have not focused these additional resources on farms and ranches. We do have people who have got particular expertise in that, and we do intend to enhance that so that they understand farming and they don't go out there and sort of stumble around and create problems for people.

**Mr. Hunter:** Sure.

**Mr. Parr:** This is, really, the normal business that we were doing.

**Mr. Hunter:** Okay. I know you've finished up your consultation in terms of the panels, the six panels that you did for occupational health and safety for farm and ranch safety. Now we're moving into the implementation of that. I guess the natural question, then, would be: what is the number of full-time equivalent inspectors that you're going to have to increase for occupational health and safety inspectors in order to be able to facilitate that implementation process now?

**Ms Gray:** With the budget that we've brought forward, the additional 10 officers have been estimated to be kind of the additional officers we will need to do the business of the ministry for the next year.

**Mr. Hunter:** Okay. And you think that that will be enough going forward? I mean, we haven't implemented it yet, so is there a contingency plan? Do you foresee that being enough, or are we underbudgeting this?

**Ms Gray:** We believe this is accurate. Every year we're going to need to, through the budgeting process, review the resources allocated to the ministry, what's happening in the Alberta workplace. Alberta continues to grow as people move here for work and as people have families, so every year we will go through this budget process, but I'm confident that the increase for this year is going to be enough for this year. We've also, looking forward, planned an increase for next year of an additional 15 officers – that was part of our budget submission for this year – and in 2020-2021 an additional 15 officers again.

**10:00**

**Mr. Hunter:** Okay. So an extra 30 officers: it sounds to me like you haven't really been seeing the amount that you have to staff up for yet. You're adding 30 new officers. Obviously, the economy is not going to grow that much.

**Mr. Parr:** Mr. Chair, we quite deliberately planned a phased-in increase in the number of officers to take into account just the amount of time it takes to get them trained and into the field. If you bring on too many people at one time, the concern would be that we would take so many resources off the front line to train them up

that, you know, we would see a reduction in our productivity. So we tried to do this in a way that maintains a level of productivity.

I think the other thing is that, you know, there is additional work we're focusing on. We want to increase the number of inspections that we've been doing and the number of interactions with employers to help them get into compliance, and we're quite deliberately setting out on a path to improve on that.

**Mr. Hunter:** And I agree. I mean, your capacity to be able to train that many people: I get that. That's what happens when you bring in monumental legislation that's going to add, you know, the number of businesses and small businesses, small farms and ranches.

I think I remember asking this question: "You know, what's it going to cost? What's it going to cost the government? How are you guys going to get your head around this?" I'm pretty sure you said: "You know what? It will be able to be maintained within the occupational health and safety that we have." So the question that I have for you is: how many officers, occupational health and safety inspectors, do we have now?

**Ms Gray:** We currently have – I apologize. Because our numbers include technical advisers and partnership consultants, I'm just going to ask Dana if she can . . .

**Mr. Hunter:** No. Just go ahead and give me that number, please.

**Ms Gray:** Okay. One hundred and seventy-eight.

**Mr. Hunter:** One hundred and seventy-eight. That's where we're at right now?

**Ms Gray:** Correct.

**Mr. Hunter:** And what's the proportional increase that you're going to be at after these extra 30? You've got 10 this year and then an extra 30 thereafter. What's the proportional increase?

**Ms Gray:** I believe the 178 includes the 10 for this year.

**Mr. Hunter:** Okay. What's the proportional increase from the 168, then?

**Ms Gray:** My deputy minister is just calculating that for you.

**Mr. Parr:** Is it the 30 or the 40?

**Ms Gray:** The 30.

**Mr. Hunter:** No. It would be 40.

**Ms Gray:** The 178 includes the 10.

**Mr. Hunter:** Well, I get that, but this is where we're actually deliberating today's budget, this year's budget, so you'd have to go from the 168. The proportional increase based upon – what I'm trying to find out, Minister, is: what is the proportional increase due to the implementation of occupational health and safety on farms and ranches?

**Ms Gray:** Ah. So you are not talking about those numbers. These numbers are to do with occupational health and safety, the entire system, and the changes that we did in Bill 30. This is not related to Bill 6. Rather, this is Bill 30, where we've updated occupational health and safety for the first time since 1976.

**Mr. Hunter:** Okay. So what you're saying is that we aren't addressing the increases that are going to be taken into consideration for Bill 6 yet? I'm just going to give you a quick number here because I've got it already. We've got roughly a 25 per cent increase in staffing levels, and what you're saying is that you haven't even addressed the issue of implementation for Bill 6.

**Ms Gray:** Sir, I think you've misunderstood. Through the chair, I will say that the implementation of farm and ranch protections for our farm and ranch workers is included in this, but it also includes the protection of mining workers, the protection of fast-food workers. This is all workers in Alberta and the supports that we provide to them. For context, one of the reasons that you are seeing this investment is because of the fatality and injury numbers.

But, also, we look at something called the employer-to-officers ratio. How many employers are there in a province, and how many officers are there in that province? When we look at that ratio, B.C. has a ratio of roughly 800, Manitoba has a ratio of roughly 800, Ontario has a ratio of 600, and Alberta has a ratio of over 1,200. Alberta officers are looking at 1,200 places of business while Ontario officers are looking at 600. There is a disconnect between the investments that have been made historically in our occupational health and safety and what we are doing with updating the legislation and now staffing up to make sure we can keep Alberta workers safe.

**Mr. Hunter:** Okay. The legislation is a separate issue, Minister. You're talking about just staffing levels in terms of comparisons this way. You're talking about comparisons to other jurisdictions. I like that. My question is: how long have you known that we have had that discrepancy?

**Ms Gray:** We have been committed to updating our workplace legislation and delivery of services to Albertans . . .

**Mr. Hunter:** Minister, that's not what I asked.

**Ms Gray:** . . . since we were elected.

**Mr. Hunter:** Through the chair, I've asked the question. Now, this is the second time. How long have you known of the discrepancy between other jurisdictions and ours?

**Ms Gray:** I will ask my deputy minister to respond.

**Mr. Parr:** We've certainly known about this for a couple of years. It hasn't been a secret. The approach we were taking was, you know: first, let's look at the legislation, make sure it's in place, and then, following that, do the appropriate adjustments and staffing so that we're doing it systematically.

**Mr. Hunter:** I see a disconnect, though, and here's the reason why. If you say that you've known for the last couple of years – you only added three the year before, and you added another one the year before that. If you've known for a couple of years that there's a disconnect, why did it take you until this year to be able to actually add to that?

**Ms Gray:** I would just like to say that we are talking about the addition of a new FTE. We have also been looking at, through that operational excellence piece that I was talking about earlier, reviewing our processes and our systems to make sure that things are more efficient and investing in front-line staff within the ministry.

I'll ask Deputy Minister Parr to continue.

**Mr. Parr:** The minister is quite right. Essentially, before we go out to ask for additional resources, we look internally to see what we can do to improve on our processes. It's something we're doing on an ongoing basis, so there's that.

The other piece was, frankly, that the legislative framework we were operating with needed a significant, significant overhaul, so to put more people into an existing system, we didn't think that was going to give us the results we needed it to. As the minister said, there was a need to update the legislation. That happened, and to be honest, in terms of the resources of the department that took a lot of our time and energy for the last couple of years, focusing on: "What do we need to do? How do we consult? What does this end up looking like moving forward so that we end up sort of in the Canadian mainstream?"

It's true that that had been our priority: what does the legislation look like? We're now moving, quite candidly, into an implementation mode, so we're much more going to be focused on: "How do we get this out the door? How do we improve on our inspections? How do we extend our reach?" That's the logic that we're following.

**Mr. Hunter:** Well, I guess we'll have to agree to disagree on this because I think that there's a disconnect between the two. Your legislation, updating it since 1978 or 1988 or whatever it was: I get that point. But you knowing that there was a discrepancy between different jurisdictions and not doing anything about it and now saying that you're going to do something about it: it doesn't make sense.

But I want to move on here, through you, Mr. Chair, to page 208 in the budget, line 8. Now, this is operating expenses. I know you knew that I was going to ask you this question because it's one of the opposition's favourite questions to ask, and that is: what is going on with the climate action plan? In the 2017-18 forecast the cost would be about \$960,000, and we're looking at an estimated cost to your ministry of \$6.4 million this year. I guess the question is: why the big jump?

**Ms Gray:** Funds from the climate leadership plan: you are seeing them in the Labour budget because they're being invested to ensure coal workers have the support that they need. We're delivering financial and employment training supports to allow workers to choose what their best next option is. Through a coal workforce transition fund and Labour supports we're making sure that workers can support themselves and their families as they prepare for new opportunities.

There are a number of programs that we are funding through this and that Labour is responsible for delivering, and it's been developed in response to the anticipated layoffs of coal workers in communities across the province. It includes a bridge to re-employment. Workers who are looking for new jobs that may need to collect employment insurance will receive grant relief that brings them to 75 per cent of their previous salary. Bridging to retirement: if workers are within 72 weeks of employer pension eligibility, they will get grant relief up to 75 per cent of their previous salary to bridge their transition to retirement. Relocation assistance: if workers are moving to start new jobs, they are eligible for up to \$5,000.

**10:10**

**Mr. Hunter:** Minister, I've got five minutes here left, so I apologize. It's all good stuff. The problem is that you created the problem in the first place. Now you're trying to fix it. When you have to create the solution for the problem that you already fixed, do you take responsibility for that?

**Ms Gray:** Making sure that we are taking action on environmental issues – making sure there's clean air, making sure that we are showing leadership through our climate leadership plan – and then also making sure that we are there and we have the backs of the workers is what our government has been doing. We have stepped up to provide this funding and to continue to support the workers in these communities. I'm very pleased with the positive response we've gotten from the employers, the unions, and the workers themselves. We have workforce transition employees from the Labour ministry who are there.

**Mr. Hunter:** Minister, I've been in those communities. There's nothing positive coming from those communities. They're devastated. You've ruined their livelihoods, and this is a pittance of throwing something back to them.

**Ms Gray:** If I may, we know that it was through actions of the federal government that a lot of these coal phase-outs were going to happen.

**Mr. Hunter:** By 2030.

**Ms Gray:** The previous federal government provided no supports. We are providing supports for these workers.

**Mr. Hunter:** Minister, that's quite the interesting answer there.

What percentage of Alberta coal workers have signed up for this financial assistance program under the coal workforce transition program? How many in absolute terms, please?

**Ms Gray:** As of March 16 a total of 14 applications for financial supports were received: 10 applicants to bridge to re-employment, one for relocation assistance, and three for – I didn't even get a chance to tell you that we also are doing tuition vouchers. One applicant to the bridge to re-employment relief grant found employment soon after applying for financial support, and we are continuing to assist workers with career counselling. We are seeing a low uptake in this program, in part because many of these workers are finding new positions within their existing employer or existing company without needing supports from the provincial government. But we are on the ready and will continue to support all workers as they need.

**Mr. Hunter:** So you're saying that it's a low uptake. I asked: what percentage of Albertan coal workers have signed up for assistance?

**Ms Gray:** It's a very small percentage.

**Mr. Hunter:** Do you have a percentage?

**Ms Gray:** No.

**Mr. Hunter:** Can you table that for us or provide it for us?

**Ms Gray:** Are you asking for total coal workers in Alberta? Are you asking for coal workers who may have received layoff notices and their percentage? If you could be more specific.

**Mr. Hunter:** Total coal workers, yes.

**Ms Gray:** Total coal workers. Then, yes, we can follow up with that.

**Mr. Hunter:** Thank you.

I'm going to dive into – actually, I'm not going to dive into that one because I'd like to take a little bit more time for that.

Let's see here. I've got a little over one minute here, and I'm just trying to think what I can ask that's only one minute. Actually, one question I have for you, more of a statement, actually, is on line 2.7, summer training program. I'm very happy to see you guys get back on the bandwagon on that and reimplement that. It's very important. But as the minimum wage has increased, from the employers that I talk to, they say that they're very concerned that you've got a budget in 2017 and then a forecast in 2017 of the same amount, and then in 2018 you're at the same amount, \$10 million. They're saying that your portion that you help them with is not increasing, yet the cost to them is increasing.

**Ms Gray:** We do do a \$7-per-hour subsidy. Increasing that to, let's say, \$8 per hour is something to consider, but this program is already oversubscribed. By increasing the subsidy, that would decrease the number of people who receive the benefit. That's what we weigh as we talk to employers about this program. As it is, we already cannot accept everyone who applies although we know it is of great benefit to nonprofits and small businesses, who we made it available to.

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

**The Chair:** The time allotted for the Official Opposition has now expired.

We will now move on to the third party and the Alberta Party caucus. Would you like to share your time with the minister, Mr. Fraser?

**Mr. Fraser:** Yes, Mr. Chair.

**The Chair:** Thank you. Please proceed.

**Mr. Fraser:** Minister, thanks for being here, and thanks to your staff. Again, I just always like to highlight the exceptional work of the civil service. I know how hard it is to operate any ministry, so I certainly appreciate that.

I want to talk about page 108 in your business plan. You say:

Across government, this commitment has been operationalized through the adoption of Gender-based Analysis Plus (GBA+) and establishment of Centres of Responsibility in each ministry to assess the gender and diversity implications of engagement processes, policies, programs and initiatives.

I'm just wondering if, really quickly, you can give us an update on the status of that initiative and any tangible outcomes.

**Ms Gray:** Thank you so much for the question. I think that to best answer this one, I will ask Lenore Neudorf if she can give us the response.

**Ms Neudorf:** Thank you for the question. Mr. Chair, the ministry has been active in implementing the GBA plus program. We've been working with the Status of Women ministry and have used that lens in order to implement our recent policy work. The work that we have done with regard to all of our labour legislation, as an example, has been done through the GBA policy lens. We have taken into account the impacts of the policy on women and other unrepresented groups, and going forward, we intend to train all of our senior staff on the program and continue to apply the policy lens.

**Mr. Fraser:** Very good.

How many people have received that training in all areas of government, including those in the SUCH sector? How many people are receiving the GBA plus training?

**Ms Gray:** Status of Women may be able to respond for a government-wide answer. We can tell you more about Labour.

**Mr. Fraser:** Right. But, I mean, your key strategy is to implement these types of lenses. Again, as we look at, you know, encouraging other employers to apply this, it just seems to me that you would have an analysis of how many people are receiving this type of training as it's part of your business plan to make sure that people are trained.

**Mr. Parr:** Mr. Chair, really, at this point it's a new program that came into the government of Alberta about a year or two years ago. Our focus has been to train our own staff at this point and to apply it internally. I think you're quite right that as we move on, we need to start looking outside the organization – and that work is yet to come – but our focus has been on making sure that we utilize the tool so that we're ensuring that our policy work reflects the kind of approach you take through GBA plus. That's really where our focus has been at this point.

**Mr. Fraser:** Right. As of January 1, 2018, how many people and staff in the ministry office have received the GBA plus training, including training on the truth and reconciliation piece and also on the United Nations declaration on the rights of indigenous peoples? How many people in your office have received that training?

**Ms Gray:** I'll see if one of our team members knows the exact number. I can tell you that ADMs across the government of Alberta have participated in a blanket exercise to build indigenous awareness as part of a recent ADM conference. That would include all of the Labour ADMs. Our workforce development staff also participated in several rounds of indigenous awareness training to better assist in serving this client group, and we continue to help staff with different training initiatives.

But I will see if anyone in the department or the gallery knows the number.

**10:20**

**Ms Everett:** Maryann Everett. I don't have an exact number, but what I would say is that in key parts of the department – for example, in the workforce strategies division – this is included in the required training for all staff, and it's included in their performance assessments. As part of the ADM network conference every ADM participated in the blanket exercise, which was a half-day initiative, and the purpose there was to increase understanding. Those are examples of some of the things that we're doing. We do have a large number of staff that are moving around between several core ministries that are involved in training programs, and we've been making every effort through incorporating it into division days and Skype meetings and those kinds of things so that people have awareness of the importance of the GBA plus lens.

**Mr. Fraser:** In terms of budgeting what specific ways will GBA plus training and the additional training that I just mentioned show up in your ministry's measurable outcomes? If you don't have any, do you have an anticipated date for when you would be able to see that? Again, I think it's important. If you could just explain – obviously, we want to lead by example, and it sounds like you're on your way, certainly, in your ministry and with ADMs. But to implement that government-wide, again, as the head of Labour and wanting to send a clear message, when we're asking other Albertans to be a part and, you know, consider things like inclusion and equity, it only makes sense that government would take the lead and make sure that we do that. I know that I asked these questions around GBA plus last year in Status of Women. I've taken the GBA

plus training. Again, we should be able to see the measures of how we budget for that and what the outcomes are in terms of whether it's reducing incidents within government when it comes to conflicts around gender-biased analysis and those sorts of things. Do you have measurable outcomes at all?

**Ms Gray:** I certainly appreciate the focus of your question, and this may be something where Labour and Status of Women will need to determine who, particularly, is tracking government-wide. I can tell you that when it came to our performance measures and our performance indicators, we went through a very large exercise last year to review what we were measuring. We looked at a crossjurisdictional scan across other Labour ministries in the whole country to identify commonly used measures, promising practices, and near-term measures and longer term measures.

Our challenges with our business plan: we want to be as comprehensive as possible, but we also have space constraints. I think that's something I need to take away and talk to our Status of Women minister about, to look at how that can be better incorporated as a measurable. The reason our measures were chosen for our business plan was based on a few different factors: the work of the ministry as a whole, making sure things were understandable, to be reliable and something that allows us to present good value for the time and effort. That's how we came to the measures we have today.

**Mr. Fraser:** Very good.

What measures in your budget promote the inclusion of women in science, technology, engineering, and math?

**Ms Gray:** I don't believe we have a specific measure for that. No, we do not have a specific measure for that, but what we have been doing is providing funding and support for a number of initiatives that promote the inclusion of women in STEM fields. That's certainly an area that I feel quite strongly about, having come from a programming background and seeing the shortage of women in those industries. I can tell you more about specific programs that we are funding that do promote the inclusion if you'd like more information on that.

**Mr. Fraser:** No. That's fine, Minister.

Could you answer this: would it be fair to say that it is crucially important to ensure, when asking other employers to change their business models to support inclusion and recognition of different groups to have a healthier workplace, that government takes the lead on that? When we ask other employers to do something, we should have that fully implemented and, you know, make it very clear that we are taking the lead on that. Would you agree with that?

**Ms Gray:** I absolutely do. As you heard from my deputy minister, from Maryann Everett, and from Lenore Neudorf, we've taken quite seriously training our staff and some of those practices. I'm also pleased to say that all my ADMs are women, which is nice. We continue to work to promote inclusion and support women throughout the ministry.

**Mr. Fraser:** Very good.

On page 108 key strategy 1.1 says: "lead the implementation of and transition to modernized labour laws that protect the workplace rights and well-being of working Albertans." How is this ministry helping nonprofits provide crucial around-the-clock services in light of the recent overtime legislation without corresponding increases in government funding?

**Ms Gray:** We have been meeting specifically with the service sector. I'll ask my deputy minister to just provide us with an update on how those conversations have been going.

**Mr. Parr:** Yes. Thank you, Mr. Chair. We've been meeting with Community and Social Services as well as Children's Services and the organizations representing the sector, Align and others, first to understand sort of what their operating requirements are and to see what we're going to be able to do to sort of reflect that. To move from an environment where, essentially, you know, the regulation was very light to one that says, "You're going to have to recognize that people have to work sort of more standard hours of work," how do we move there?"

One of the things we're finding is that there is some ability, I think, to find an accommodation for them. We've yet to bring it forward to the minister, but we're looking at, you know, how it averages over four weeks, recognizing that they respond to emergency situations – those aren't always scheduled – and the fact that the staff actually have some flexibility, not a lot but a little bit of flexibility, to say: "Okay. I was late last night, so I can adjust my schedules going forward."

We're intending to bring forward to the minister a package of information to, you know, lead to a decision on whether a variance can be provided or not. We're working on that right now. It's taking a while because we started from a position where it was just, "We don't like the rules" to: "Okay. Let us understand your operational requirements. How can we tailor to meet those?" We're quite deliberately working forward to a solution.

**Mr. Fraser:** Right. And would it be fair to say that you're probably receiving quite a few inquiries from nonprofits, that they're very concerned about how they're going to be able to carry on their operations considering the increases in the minimum wage, overtime laws, statutory holidays, those sorts of things? Would that be fair to say?

**Mr. Parr:** Again, like all employers, they've raised concerns, and we've certainly heard them, and we're trying to work our way through to find some solutions for them.

**Mr. Fraser:** Right. As you go through that specifically with nonprofits, do you think it would be appropriate to perhaps have a committee or a task force with nonprofits on it to discuss exactly, as these labour laws change, what kind of services they may have to drop and where government might have to pick that up at a much larger cost, those sorts of things, so that people aren't getting lost in the fray as this transitions, as nonprofits try to, you know, fix their business model to adapt to the current changes in labour law?

**Mr. Parr:** The departments that they interact with: certainly, they're on the front line to sort of deal with the nonprofits and the organizations that represent them. We essentially play a support role and work with them on that. Certainly, with respect to the effect of the minimum wage, we work closely with those departments to see what the effect is, and, you know, government made some decisions about what it was able to do about that. Whether it's a task force or something else, we certainly need to have ongoing dialogue with them about: "All right. What are your real needs here? How do we respond to it? What changes can you make to your business model that are reasonable, that allow for workers to have the level of protection that they deserve?" It's really trying to find an appropriate balance, and we'll continue to work our way through that.

**Mr. Fraser:** Right. Can you tell me where in your budget you're addressing that?

**Mr. Parr:** This would be . . .

**The Chair:** Sorry. Just as a point of clarification, it is traditional that for the time the minister's staff speak, the minister does direct the question to the staff member.

**Ms Gray:** I will ask my deputy minister to respond.

**Mr. Parr:** Sorry. I got a little enthusiastic there.

**The Chair:** I appreciate the enthusiasm.

**Mr. Parr:** You know, we don't have a specific line item for this. You would find the expenditures related to this in areas related to strategy and policy and also employment standards delivery. Those are the two areas that are working directly on this.

**Mr. Fraser:** Okay. Again, just back to those inquiries in your office, how many people are dedicated to talking to nonprofits, their boards of directors and those types of people, about the changes in labour laws, the minimum wage, those sorts of things, and how they comply? You know, are there different standards for nonprofits in terms of dealing with that right now?

10:30

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

**Mr. Parr:** There are not special rules for nonprofits and anyone else. What we're doing right now is trying to work through the existing hours-of-work provisions to see if we can provide the minister some advice on a variance she might be able to provide. We're working on that now. The number of staff that were involved in that I'm going to estimate at about, you know, half a dozen. We have a few people in the policy area and a few people in employment standards, the delivery area, working directly to understand: what exactly are we able to do? That's essentially what we have on this one.

With respect to sort of talking to boards of directors and the agencies themselves, I think that that would be captured in the broader work that we're doing around education outreach on employment standards. We've done a number of webinars, and they were quite well received. We're currently working with the Alberta Chambers of Commerce to deliver sessions around the province, and we'll continue to do those. If other organizations want us to do those, we've got people who are available to go out and say: "Okay. This is how it works. Here's what you can do, and here's the process."

**Mr. Fraser:** Right. Minister, do you take a position on what an actual living wage is and what that is by the hour? Is there a consideration to move forward on that in the future?

**Ms Gray:** We know that a living wage is calculated usually in a city or a specific geographic area. The standard definition of it is what a two-parent family needs to make when they have two kids and they need to cover the costs of transportation, food, housing, and some of those basics. The living wage varies, depending on the region. The highest living wages in Alberta tend to be in Edmonton and Calgary.

And the living wage will adjust. We know, for example, that the living wage recently dropped when our government introduced some of the Alberta child benefit programs and some of those tax credits that were introduced in 2015-2016, when we were first

elected. The living wage will always change. We are currently working towards that last step of the increase in the minimum wage. The minimum amount an employee can be paid will move to \$15 on October 1 of this year, the final step. We have not made any plans to move to a living wage system. Part of the challenge with the living wage is that there is no single living wage for all of the province. It's different in different areas.

**Mr. Fraser:** Right. Would it also be fair to say that if the living wage changes based on the demographics, perhaps increasing the minimum wage to \$15 may have a more significant impact in rural and remote Alberta in terms of businesses being able to survive? You can imagine that if you are in remote Alberta and you provide one particular service and there is a *carte blanche* change to the minimum wage, some of those services might be vacated in these areas, you know, leaving people in the lurch. In your budget and in your business plans are you looking to address that to look at the impact of the minimum wage, again based on demographics?

**Ms Gray:** Making sure that all hard-working Albertans are able to support themselves and their families was a key goal of our government and behind the increase to the minimum wage that we have been moving forward with. We continue to monitor the impacts of the increasing minimum wage, posting publicly available documents like the Alberta minimum wage profile and low-wage profiles and continuing to put forward monthly labour force statistics and wage and salary survey information. What we're seeing is that the employment numbers in Alberta continue to increase and improve, particularly in industries that hire minimum wage workers. The unemployment numbers have been better than average in minimum wage hiring industries during this time that we've been increasing the minimum wage. We know that as we increase the minimum wage, we're providing more disposable income to those low-wage workers who are in turn spending that money locally and helping to boost the economy from the bottom up.

**Mr. Fraser:** Has your department looked at or does it have a statistic on how many hours worked before the minimum wage increases and how many hours worked after the fact? Again, I'm excited and want to see Alberta recover in the best possible way. We still seem to be struggling in the nation in terms of unemployment. What are your strategies around that and on why that might be?

**Ms Gray:** Statistics Canada provides a lot of really great labour market information and information like hours worked as well as average weekly wages, median wages, a lot of that great information.

Regarding our unemployment numbers, as we continue to monitor the increase in the minimum wage, we see that employment in accommodation and food services remains strong. We continue to support business by doing things like the small-business tax cut, tax credits, and access to capital for businesses.

When it comes to our unemployment numbers, I find that there's a very good comparator in that we can look to our next-door neighbour, to Saskatchewan. We have had significant increases in our minimum wage whereas Saskatchewan has not. When we compare, for example, youth unemployment in both, it's the same.

**The Chair:** I hesitate to interrupt. The time allotted for the third party has concluded.

We will now take a five-minute break and return at 20 to 11.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

**The Chair:** Hon. members, we'll call the meeting back to order. We are now about to start with the independent members and other parties represented in the Legislative Assembly.

Because there are two parties represented at this time, we'll split the time evenly, starting with the PC caucus, who will have five minutes for questions and then five minutes for responses. Dr. Starke, would you like to share your time with the minister?

**Dr. Starke:** Yes, please.

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

**Dr. Starke:** Thank you, Chair, and thank you, Minister. I'm going to get sort of right to the heart of this. In your opening comments, Minister, you made a number of comments that bother me, and they bother, I think, a lot of people who are employers, entrepreneurs, professional people that employ people; that is, the idea of everyday working people and creating this divide between employees and employers. I'd like to just say for the record that employers are working people, too. We work hard. Having employed people in my business for over 25 years and having treated my employees I think very fairly, I resent this overriding attitude from your government that somehow if you're an employer, you're not an everyday working person. I just wanted that on the record.

I want to move on, because time is limited, to the question of the minimum wage. It's certainly one of the pillars of your government's overall economic agenda. On page 108 of your business plan key strategy 1.3 is: "fully implement a \$15 minimum wage in Alberta." You mentioned in your opening remarks, Minister, that the \$15 minimum wage is one of the things you're very proud of. One of the comments that you made, though, I have to ask a question about. You said, I think, if I'm quoting directly here: "We know who [they] are."

**Ms Gray:** Yes.

**Dr. Starke:** Right. Well, it seems, Minister, that your ministers don't know who they are. From about 15 hours ago in this room, during the estimates on Culture and Tourism, I'm going to quote the Culture and Tourism minister.

The minimum wage will help reduce poverty in many respects as well because it does have the impact on the majority of the workers that are impacted by minimum wage, being single mothers in the province.

Now, Minister, if indeed we know who they are – and I assume all of your colleagues in Executive Council and the cabinet ministers know who they are – how can you reconcile that statement with the statistics I have from your own website that indicate that only 6.2 per cent of minimum wage earners or people earning below \$15 an hour are single parents with children? And that's single parent, not a reference to gender.

**Ms Gray:** You are exactly correct that we post on the Alberta Labour website information about who our minimum and low-wage earners are. Every year we update the low-wage earner profile, and from that we know that there are approximately 300,000 Albertans who earn \$15 or less. A hundred thousand of them are parents. But you are correct that not all of those are single parents. We know that over 60 per cent are women. We know that 75 per cent of them are nonstudents.

**Dr. Starke:** Right. Actually, the statistics here are very good. I actually looked these up last night, and you're right that 292,400 is very close to 300,000. You know, again, I asked the minister about an hour later about that statistic he indicated, and the minister said, "That's one of the stats that I received." Minister, I'm just sort of

letting you know that the minimum wage information that's even shared amongst your own government, for a pillar policy of your government, is not necessarily widely known.

But I will tell you that as far as the businesspeople that I talk to, the implementation, the rapid implementation, of the \$15 minimum wage at breakneck speed, a 47 per cent increase to the minimum wage in the space of less than four years, has been the single most damaging piece of policy to the viability of small businesses in the province. Earlier you said that you have the backs of employers as well. Well, I think I have a lot of small-business owners that would disagree with you. I guess my first question is: is it the goal of this government to have fewer workers earning the minimum wage?

**Ms Gray:** When we are looking at our labour market, when we are looking at what is happening with workers in this province, making sure that somebody who is earning the minimum wage is not having to stop at the food bank is one of our . . .

**Dr. Starke:** I understand that. I understand that.

I guess my question, again, is: is it the objective of the government to have a lower percentage of workers earning the minimum wage?

**Ms Gray:** Through the policy of increasing the minimum wage, we understand that that will increase the percentage of people earning the minimum wage. It just naturally does that because the group of people earning the minimum wage gets larger as the increases go in. Making sure that all Albertans are supported in that if they feel they are underemployed and would like to retrain or further their education: these are important things that our Labour ministry supports through our training and skills supports.

**Dr. Starke:** No disagreement with that. I absolutely agree with upgrading and training to upgrade skills and development. You know, I think that, then, is one of the pathways to moving beyond the minimum wage. I one hundred per cent agree with that. But Alberta has historically had the lowest percentage of its workers earning minimum wage. In fact, at one point not too many years ago, according to Statistics Canada, we were below 1 per cent of our total workforce that earned the minimum wage, and as recently as 2009 that number was 1.3 per cent. In 2013 that number was 1.8 per cent. Minister, I would actually think, you know, perhaps contrary to what you've said, that the goal is to have as low a percentage of Albertans as possible earning the minimum wage.

I want to move on to another area, though, Minister, because this also came up in Culture and Tourism, and that is with regard to the cost and what this has done as far as employment. Now, you mentioned a few minutes ago that employment was actually increasing in I think you said the accommodation and food services sectors.

**Ms Gray:** Yes.

**Dr. Starke:** Yet the statistics that I have from Workers' Compensation – and this is a slightly different metric. This is from the hotels and convention centres. WCB industry code 87503 indicates that from 2013 to 2018 year to date the number of workers actually hasn't changed. Well, it's increased by one. It's gone from 29,297 to 29,298. Yet the salaries paid have increased by 12 per cent. What we are seeing in the hotel and lodging sector is a drop in the overall profitability, partly because of increasing costs and partly because of decreasing revenues. Minister, I'm just wondering. You mentioned to my colleague the Member for Calgary-South East that you were going to be working with the nonprofit sector. Are you also going to be working with the for-

profit sector, sectors like the Hotel & Lodging Association, to analyze what the impact of increasing the minimum wage has been on the profitability and indeed the viability of that sector?

**Ms Gray:** Thank you for that question. If I may, I would just like to disagree that a low percentage of people earning the minimum wage should be a goal that government should look to achieve, because if we set the minimum wage at \$1, we would get a very low percentage of people earning the minimum wage.

**Dr. Starke:** Sure.

**Ms Gray:** The work that we do with business and nonprofits as we look to monitor the implementation of the increase in the minimum wage as well as all of the other workplace legislation changes is very important to us. That is done through myself directly meeting with the Hotel & Lodging Association, with CFIB, with other business groups. That is done through the work of our parliamentary secretary for small business, who meets regularly with our business stakeholders. My department will also make themselves available. I would suggest that our current partnership with the Alberta Chambers of Commerce and the chambers across the province to help deliver more information to business is helping to improve our ties and the communications that we have and feeding more information back into the ministry. So to answer your question, we work with all sectors and all employers on both the minimum wage and workplace legislation.

10:50

**Dr. Starke:** Okay. Well, I encourage you to continue to do that, because the feedback, certainly, that I'm receiving from entrepreneurs, from hard-working Albertans, those that happen to sign the front of the paycheque and not the back of the paycheque, is that they are telling me that the changes you've implemented both in the minimum wage and employment standards have caused them a great deal of hardship and have caused them damage to the viability and indeed the profitability of their businesses.

Now, one of the statistics I haven't seen recently – and I'm hoping somebody has this. Of course, we always look at what the gross minimum wage per hour is compared to other provinces. Alberta right now has lost its lead position to Ontario – they leapfrogged us on the 1st of January – but we'll gain our lead position back again. They're at \$14 an hour as of the 1st of this year, but of course we'll get back out in front as of October 1, when we go up to \$15.

What I'd like to know is – Alberta has some of the most generous income tax provisions in terms of personal exemptions. One of the things we always like to compare: for people earning the minimum wage, what was the comparison of take-home pay? How does someone earning the minimum wage in Alberta compare in take-home pay to people earning the minimum wage in other provinces? Now, even though Alberta historically was sort of right in the middle of the pack as far as the minimum wage gross, as far as net, as far as take-home pay Alberta was always one of the highest. Where do we compare now that the changes have been made to the minimum wage?

**Ms Gray:** Okay. I do have some of those minimum wage comparisons.

**Dr. Starke:** And we'll get them later.

**The Chair:** I hesitate to interrupt. That's the first 10 minutes.

Dr. Swann, the additional 10 minutes will be for you.

**Dr. Swann:** Thanks very much. Thank you, Minister and to your staff. Good to be here with you today. Your ministry is Labour and democratic reform?

**Ms Gray:** I believe this is just the estimates for Labour because democratic renewal does not have a budget or business plan. That is my understanding, so I believe we can only talk about Labour.

**Dr. Swann:** Okay. Where would I find information on democratic reform?

**Ms Gray:** Because there is no ministry associated with that responsibility, I would invite you to come have a meeting with me, and we can chat more about that.

**Dr. Swann:** Sounds good.

With respect to your targets for lost-time claims could I make a suggestion that we include more years than just the last year in lost-time claims and disabling injuries? It's very difficult to interpret one year to the next when we're talking about an important issue like injuries and lost-time claims within one year to the next. We should have at least a five-year trending average to make any sense of how we're doing on lost-time injury claims.

**Ms Gray:** Our business plan standards only allow us to have a last actual in this document, and I believe the formatting of business plans is primarily controlled through Treasury Board. I can pass that feedback on, but that's not something I'm able to change on my own.

**Dr. Swann:** Where would I find those statistics?

**Ms Gray:** If it is a measure that has been reported multiple years, previous years' business plans will have that information, and I'll ask my deputy minister if there's another location where a citizen can find them. It is on the website, I am told, and if you'd like, we can follow up with . . .

**Dr. Swann:** The five-year trending?

**Ms Gray:** The five-year trending.

**Dr. Swann:** Thank you.

I assume that soon we'll start to see farm workers included in that. What is the mechanism for recording and reporting on farm worker injuries, including disabling injuries, going forward?

**Ms Gray:** We are tracking those through the same mechanism as for other employees, so you will see those injuries recorded through WCB statistics. Now, we've just recently made a change to our occupational health and safety legislation that will be coming into effect later this year where OH and S will be tracking hospital admissions, not just two-day hospital stays, which was the previous standard, as well as near misses. We anticipate to see an increase in information coming to the department through OH and S regarding near misses and incidents in workplaces. I will say, if you are interested, from the WCB claims statistics for the farming and ranching sectors, that in 2015 there were 145 lost-time claims, in 2016 there were 187, and in 2017 we saw 349, so a significant increase.

**Dr. Swann:** In reporting.

**Ms Gray:** Through the WCB. Correct. But we hope to supplement that with OH and S tracking of near misses as we roll out the changes that were part of Bill 30.

**Dr. Swann:** How would OH and S manage to identify near misses?

**Ms Gray:** It's not OH and S that is identifying. We're asking employers to self-identify and to report that information. Near misses can tell us a lot about potential workplace hazards and how to track and prevent injuries.

**Dr. Swann:** One of my understandings is that over the years there was very inconsistent reporting in hospitals. In fact, they don't necessarily report injuries as work related, and in some areas the employers choose not to identify or they discourage their workers from identifying a workplace injury, and they specifically direct their worker to not claim WCB and not claim a workplace injury. That combination of inconsistent hospital policy and discouragement by some employers to claim WCB because it impacts their premiums means that we're very likely underreporting farm-related injuries. Do you have anything to say about how we're going to encourage hospitals to make a standard reporting and how we're going to, I guess, encourage more farm workers to counter their employers' restrictions on reporting workplace injuries?

**Ms Gray:** First, I'll say that I think you are likely correct, that there is inconsistent tracking and that there are likely injuries that are not getting captured in our current statistics, so updating the guidelines for employers and the process was one step. But this is something we'll have to work on on an ongoing basis, ideally working with medical professionals. I believe – and my deputy minister, Jeff Parr, can speak to this a little bit more – we see this as likely an issue across the country that all jurisdictions need to review.

I'll ask Jeff if he wants to supplement.

**Mr. Parr:** Thank you, Minister. Mr. Chair, the minister is quite right. Right across the country, you know, there is an issue of the underreporting not only of hospitalization issues but also on WCB, so it's an ongoing area that we need to continue to work on in health and safety. I think, too, as you say, that if we get good hospitalization data, that can give us a baseline against which we can measure the WCB reporting information. I've seen that in some jurisdictions they've made some progress there, so we'll certainly look at what they've been able to do to improve on the reporting of hospitalization.

With respect to WCB claims, of course, there are lots of incentives for employers not to report, so it's an ongoing challenge that we have, to make sure that they understand that it's beneficial to them as well as to their employees to sort of make sure the claims go forward. This is a huge undertaking that we'll just have to keep doing on an ongoing basis and continue to improve on. You're quite right. It's work that we will continue to do.

**Dr. Swann:** What's the proportion of farm and ranch operations that you think are now registered under WCB? Do you have any estimate of whether we're getting close to full registration?

**Ms Gray:** We think we're pretty close. We think that the uptake has been very well done. We continue to use an informational approach, letting people know about the benefits and the availability of WCB coverage. My deputy minister is just looking to see if we can give you an exact percentage, but I will say that we're pleased with the progress.

**Dr. Swann:** Thank you.

With respect to regulations, now that you've had a couple of years of consultations, when would we expect to see some regulations for farm and ranch safety, agriculture safety?

**Ms Gray:** I've signalled publicly that we are looking to get the final regulations implemented this year, but we've also tried to very carefully balance so that we're not rushing this process. We needed to work with the community, with health and safety professionals to find the right balance of keeping workers safe and also allowing farms and ranches to operate in a manner that wasn't overly burdensome. That process continues, but we do hope to implement it this year.

**Dr. Swann:** Have you compared us to other jurisdictions to see, if there are objections, how we can justify some of the regulations?

**Ms Gray:** Absolutely. Looking at other jurisdictions, particularly given that every other jurisdiction has had these rules in place, in some cases for decades, has been very helpful as we move towards that.

**Dr. Swann:** With respect to employment standards we're still excluding farm workers. Can you tell me what progress is being made to include farm workers in rest periods, in days off, in some kind of reasonable overtime standard?

11:00

**Ms Gray:** We did create a technical working group to review employment standards in relation to farms and ranches, and when we introduced Bill 17, that included the recommendations from the technical working group. So as things stand today, the standards that exist for farms and ranches are where they are today, and we currently don't have any active process to adjust that.

**Dr. Swann:** I'm hearing concerns expressed in the farm worker community. What would it take to have you review those employment standards and apply the same standards you apply to every other occupation to farm workers?

**Ms Gray:** We are always interested in talking to employers, to workers to hear feedback on how employment standards or occupational health and safety are impacting their workplaces. I would encourage anyone with concerns to contact my office or Deputy Minister Jeff Parr's office to raise those concerns.

**Dr. Swann:** What are other provinces doing in this regard, and why are we outliers in this when this is a population of people that for a hundred years haven't enjoyed any of the basic rights of other workers and are not likely to come forward to complain?

**Ms Gray:** I'll ask my deputy minister, just because you're talking about comparing against other jurisdictions, if he can speak to this.

**Mr. Parr:** Yes. Specifically with respect to hours of work and overtime, really the only jurisdiction that deals with hours of work and overtime on farms and ranches is Newfoundland and Labrador. For the rest of them, it's not a standard that's applied . . .

**Dr. Swann:** Even legislated rest periods?

**The Chair:** I hesitate to interrupt, hon. members, but the time for independent members has concluded.

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

**Connolly:** Yes, please.

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

**Connolly:** Thank you very much. Minister, I just want to start off by thanking you for all the work you've been doing to protect workers throughout our province. Now, throughout the business plan you mention investing in and ensuring that all Albertans have access to fair, safe, and healthy workplaces. I am proud of the work, the changes that our government has done in Bill 17, the Fair and Family-friendly Workplaces Act, to modernize our minimum workplace standards and bring our legislation up to date with other jurisdictions'. Line 3.3 in your estimates shows an increase for employment standards. How will this additional funding be utilized to support Albertans?

**Ms Gray:** Thank you for the question. Our government introduced changes to the Employment Standards Code to bring Alberta in line with the rest of Canada and ensure that Albertans are treated fairly at work. Most Alberta employers follow very high standards – they treat their employees according to the code – but some employers needed to improve.

The increase in funding will help strengthen our system by hiring more front-line workers to enable proactive inspections, education, timelier complaint resolution, and enforcement activities. As you pointed out, our estimate increased by \$3.7 million, from \$13.6 million to \$17.2 million. The additional funding is required for resources to deliver timelier complaint resolution, to enhance education and prevention efforts, and to establish a proactive inspections program as well as to allow us to have stronger enforcement through administrative penalties.

Of the \$3.7 million, just over \$850,000 was moved into employment standards from other areas in our ministry as a result of an internal organizational review, which identified resources to redirect towards ministry priorities and front-line service delivery. This reallocated funding will be utilized to hire employment standards officers.

We felt that this increase was necessary to provide us with appropriate resources, to ensure that the ministry can support family-friendly workplaces, and to effectively enforce and administer the new standards in Alberta's workplaces.

**Connolly:** Great. Thanks.

With this additional funding and the changes to employment standards, how is the ministry helping Albertans to understand what the changes could mean for them?

**Ms Gray:** The changes came into effect as of January 1, with the exception of standards relating to youth employment, which will be effective in the spring. We are actively informing Albertans about the new changes using webinars, videos – and I just happen to have with me print materials that we've created, that we can distribute to all your constituency offices should you be interested – and are using partnerships with the Alberta chambers to distribute this information as well as many different employer groups and partnerships. The online webinars have been incredibly popular and helpful to employers. As of April 6, 43 different online webinars have been delivered, with 3,617 people participating. The brochures: employers can order them online, and they will be sent out to them; the posters similarly. There's an online employer tool kit to help them, updated website content. We update our frequently asked questions – as we hear new questions, we update our materials to address those – and we continue to engage with employers' associations, business groups, nonprofits, different professions.

It's a priority for us to inform Albertans, both employees and employers, about the changes, and we will continue with education and outreach activities to ensure that they are understood.

**Connolly:** Thank you very much. As you just mentioned, there were a lot of changes and, I obviously believe, for the better, because I did vote for it. It is so important that we show Albertans why we made these changes and how these changes affect them and will benefit them in the long run.

Now, line 3.2 in your estimates shows a substantial increase in funding for occupational health and safety. Can you explain this a bit further?

**Ms Gray:** Our occupational health and safety programs estimate is increasing to \$58 million. This is a \$9 million increase when compared to the forecast. Of the \$9 million, approximately \$6 million will be directed to OHS inspections, OHS investigations in mining, and quality assurance and training, all of which have an impact on enforcing compliance with the new legislation. This includes an additional 10 OHS officers and two support staff hired this fiscal year. This hiring of additional staff will bring Alberta more in line with the ratio of front-line staff to workers that exists in other provinces.

There is an increase in funding that will be primarily directed to new farm and ranch grant programs. The final decisions regarding this program are yet to be made in cabinet, but our intention is to use the funding to provide and develop informational resources to help industries understand the legislation, training and certification requirements, and best practices as well as to assist individual farmers and ranchers to implement health and safety management systems, safety plans, or to implement health and safety requirements in their operations that align with similar systems in other Alberta industries.

The work of our OHS officers, since we are adding 10 of them: they enforce the compliance with provincial OHS legislation. They conduct inspections, issue orders. They will work with employers and employees to help them understand the legislation and to make sure that our workplaces are safe. We also are very proud of our education and proactive programs that encourage compliance with legislation, that helps to result in safer, healthier workplaces.

I really think that our investments in the OHS program and the changes to the OHS legislation will better protect Alberta workers.

**Connolly:** Great. Thanks.

How will the changes to the Occupational Health and Safety Act offer more protections for Alberta workers?

**Ms Gray:** The primary change in the legislation introduced last year, Bill 30, is in making sure that Alberta's health and safety system is continually improving to better support workers and prevent illnesses and injuries as well as to be able to respond to changing hazards and support an injured worker's return to work. These changes are going to make sure that workers have the same rights and protections as other Canadians. It's going to empower them to participate in health and safety in our workplaces.

Most of these changes will come into effect on June 1, so we're working on materials, similar to those I showed you for employment standards, on the occupational health and safety side. It makes sure that workers are informed about potential hazards, enshrines workers' rights, and adds duties for work-site parties to provide health and safety information. We've also created a new, mandatory establishment of joint work-site health and safety committees for employers at work sites with 20 or more workers and designated a health and safety representative at a work site with

between five and 19 workers. We will be providing more information and support for employers on these effects.

**Connolly:** Great. Thanks.

A change of pace. Your ministry has identified a number of strategies where it seems a significant amount of work is required. Page 112 of your business plan identifies: "An opportunity for the ministry to streamline and adopt innovative approaches to business processes will enable enhanced program delivery as the economy continues to recover and grow." Can you please tell us more about what the ministry is doing to streamline business processes and adopt innovative approaches to business processes that will enable enhanced program delivery?

**11:10**

**Ms Gray:** Within the Ministry of Labour and under the leadership of Deputy Minister Jeff Parr we have begun a series of operational excellence exercises to improve our processes and eliminate waste, to enhance our programs and our services we provide to Albertans. We want to be more efficient and effective. Albertans benefit through processes and systems that are responsive to their needs and address their issues in a timely manner. I'm going to give you just a couple of examples of operational excellence projects that we've done to review our process, identify efficiencies, and improve those. We have nine op ex projects under way at varying stages.

The reimbursement program for the Canada-Alberta job grant was experiencing lengthy delays reimbursing employers for approved training, and you can see where this would be a challenge. Employers are now out of pocket for money, and they're waiting, unfortunately, too long for reimbursement. The reimbursement stage takes place partway through the grant process. It lets the employers request half of training costs to be paid out, with half paid at the completion stage. The goal was to reduce the processing time by 25 per cent, from a high of 114 days. Now, our op ex project made it optional for employers to request a reimbursement instead of it being mandatory, made improvements to the online system, application forms, and a variety of administrative changes. Early results are showing a 47 per cent improvement. We're now showing payments completed in 60 days.

We've done similar things for the collections process under the employment standards program. We've streamlined, using op ex principles and tools to reduce the processing time by 20 per cent for employment standards complaints.

Similarly, the Alberta immigrant nominee program is working to implement a reconsideration process for clients to improve fairness and transparency. This project is aiming for a 20 per cent reduction in requests received and a decrease in the wait times.

We continue to look at ways that we can apply efficiency and effective process to our operations and to the front-line delivery that we're doing.

**Connolly:** All right. Thanks so much.

I just want to move to talk about the increase in FTEs for a moment. Page 151 of the 2018-21 fiscal plan includes a table of the number of full-time equivalents, FTEs, across government. Labour's FTEs increased by 83. Can you tell us how these additional 83 FTEs are going to support Albertans?

**Ms Gray:** Absolutely. First off, eight of these full-time equivalents are to do with that IQAS immigration program, that we were talking about earlier, where essentially the fees someone pays IQAS cover the cost of operating.

There are 18 staff that are related to the fair practices office. This is the function that we're moving from the Workers' Compensation Board. It touches on the Appeals Commission. We're creating a

new fair practices office within the ministry, as well, similarly, the medical panels office, again a function that needs a small team of people as part of that WCB process.

Under safe, fair, and healthy workplaces – this is where the majority of our staff are being hired – 32 new employment standards officers as part of the implementation of Bill 17 and 15 new staff in occupational health and safety, 10 of which are going to be occupational healthy and safety officers: these are going to help us improve our delivery of services to Albertans.

In the case of our occupational health and safety officers we measure our injury and fatality statistics, look at the number of WCB-accepted fatalities per million person-years, for example. We continue to work towards decreasing the number of injuries – it's something that we measure in our business plan – but also the fatalities because we've seen our fatality rate recently increase, in 2016. It's a core part of our business to make sure that workers are coming home safely at the end of the day, and our number of fatalities per workers is something that is higher than I'm comfortable with. We need to make sure that all workers come home safely at the end of the day.

**Connolly:** Right. In that same vein, I noticed that when Mr. Hunter was asking about the increased FTEs, you mentioned that our ratio of FTEs to workers was something like 1,200 workers to each FTE. Is that correct?

**Ms Gray:** Employers, in fact, so it's not even measured based on workers; it's based on employers. It was 1,260 per officer whereas most others are in the 800 or 600 range, so a significant difference there.

**Connolly:** Right. When you mentioned that, Mr. McIver interjected that this ratio is efficient. However, I'm more inclined to believe that when our workers are getting injured or killed at work because of unsafe practices and workplaces, it's the exact opposite of efficient.

Generally how does Alberta's fatality rate compare to the rest of Canada, considering that this is the only stat not subject to potential reporting or claim suppression? It's a critical measure.

**Ms Gray:** I'll share some of our comparators. We have 76 fatalities per million workers. B.C. has 64. Manitoba has 37. We do not have a comparable measure for Ontario just based on how they do their data collection, unfortunately. Quebec is 58. Our nearest approximate neighbour is Saskatchewan, at 78. We can see that there are lower fatality rates in other jurisdictions across Canada, and we continue to look at practices and standards in this area and ways we can reduce fatalities. Updating legislation that had not been changed significantly since 1976 was one of the key things we were doing to try and create safer workplaces and ensure that all workers can come home safely at the end of the day.

**Connolly:** Well, thank you so much.

Again, I want to thank you for the work that you've been doing on that. I know that it's a priority for our government and for you in particular to make sure that workers are safe in the workplace and are able to get home safely. I want to thank you again for all the work you've been doing over the past few years and your predecessor as well.

**Mr. McIver:** Thank you.

**Connolly:** Well, not particularly you. [interjections] No, the one before Christina, the one right before. [interjections] That was Minister Sigurdson before.

**The Chair:** I'll remind members to go through the chair and also to keep the focus on the item at hand.

**Connolly:** Sorry; I digress. I'm just glad that our public service has the right to strike and the right to say if they want to strike, so thank you.

As our economy continues to recover, why is it so important that we bring these extra staff onboard now?

**Ms Gray:** When we're talking about our full-time equivalent increase, the new staff are going to help ensure the successful implementation of the Fair and Family-friendly Workplaces Act and the Act to Protect the Health and Well-being of Working Albertans. We want to make sure that we can effectively support and respond to Alberta's workers and employers with the changes that have been made. We want to make sure that our labour system has the staff it needs to function fairly and that concerns are being addressed quickly.

The consequences of not hiring these additional staff or delaying their recruitment could include workers and employers not having the support they need to help keep their workplaces safe and healthy, reduced timelines to address complaints and enforce violations to the labour legislation. I can tell you that when someone is making the minimum wage and they haven't gotten their paycheque, waiting six months for resolution can often have very, very troubling consequences in their lives.

We feel that hiring the additional staff now is our best approach for Albertans to ensure that new minimum safety standards are being followed and that both employers and workers know what's expected of them.

**Connolly:** Thanks.

I don't have very much time, but I have a couple more questions. Key strategy 1.1 in your business plan on page 108 talks about leading the implementation of and transition to modernized labour laws. What is your ministry's current plan for implementing this new legislation?

**Ms Gray:** Well, being able to update Alberta's workplace legislation has been one of my most proud accomplishments as minister. In some cases, as I've mentioned, our labour laws hadn't been updated in 30 years and were considerably out of step with the reality of our modern workplaces. Our province has changed considerably in 30 years, and it was unacceptable that our workplace laws hadn't changed. We didn't have reasonable unpaid job-protected leaves, that every other Canadian had access to. Workers didn't have the same rights and workplace protections that are in place across the country.

Before last year when workers happened to be hurt on the job, they often faced a workplace compensation system that made things more difficult for them rather than providing them with fair compensation and meaningful rehabilitation. I've said it before, but in a province that is as prosperous and diverse as Alberta, it's unacceptable that working people and all Albertans didn't have the protections they deserved.

**11:20**

All the changes applicable to employment standards have come into effect except for changes to youth employment, which will be effective spring 2018. The employment standards staff are leading the support of a number of key activities to fully implement the Fair and Family-friendly Workplaces Act. That includes the webinars we talked about, the creation of the materials I was showing, lots of online materials, and we continue to do province-wide a series of

presentations. I don't think I mentioned it earlier, but in-person presentations are something that is happening, particularly in combination with the chambers, and we will arrange that with groups of people. If someone wants to reach out to our ministry and request more information and wants to bring a group of people together, we're happy to work with people on that.

The Alberta Labour Relations Board, who is the independent body responsible for the application and interpretation of Alberta's labour laws, has been responsible for applying the new changes to the Labour Relations Code. They've created new and revised information bulletins outlining the board's procedures for new types of applications. They are continuing to update their policy and procedure manual to reflect the changes of the legislation and their new scope.

Occupational health and safety staff are focused on the implementation of the new OHS Act, which will come into effect on June 1. This is going to include a media awareness campaign, webinars, guidance information and documents, online bulletins, and so on. The work is under way to develop regulations to operationalize the changes in the OHS Act, particularly in the areas of harassment, violence, and joint work-site health and safety committees. Selection and appointment of our new OHS advisory council is targeted for the summer of 2018, and the council is expected to be operational in the fall.

For workers' compensation, there are a number of players.

**The Chair:** I hesitate to interrupt.

We'll turn back to the Official Opposition caucus, with times being five and five. Would you like to share your time with the minister?

**Mr. Hunter:** Yes.

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

**Mr. Hunter:** Minister, you say that you want to help all working Albertans, right? I submit to you, through the chair, evidence to the contrary. This is in reference to 1.1 in the key strategies of the business plan on page 108. This is an article that was written on February 16, 2018, and it's entitled Workers and Employer Go to Court to Fight Union Trickery and Alberta's New Labour Law. I'm going to read portions of it, Mr. Chair, and I'm sure you guys know all about what's been happening here.

A new labour law in Alberta designed to empower workers has left a group of Calgary labourers saying they feel tricked, bullied and voiceless.

Workers with Icon West Construction allege they were "deceived" into signing union cards and unwittingly made history in what's believed to be Alberta's first union certification without an employee vote, since recent labour law changes . . .

One Icon labourer, who had previously worked at a union work site two years earlier, says he was approached during his lunch hour in October by a union official with Local 1111.

"He told me I owed about \$250 in past dues but that the union had a promotion, and if I paid \$2 now, I would have what I owed wiped [out]," said the worker, who, along with the other four employees spoken to by the Herald, requested anonymity for fear of being blackballed from future work by the union.

"So I gave him \$2," says the recent immigrant to Canada. "Who wouldn't pay \$2 to get a \$250 debt wiped [out]?" . . .

However, "he used my signature not for a receipt, like he said, but to sign me up for the union," the labourer said.

John Desrosier, business manager of Local 92 . . . said he doesn't believe that Icon workers were "duped" . . .

"The labour code has been changed, so they got an automatic certification and we had those numbers and then it

went to review at the labour board and the labour board made their decision.”

I carry on.

Under the Alberta NDP government's new law, private ballot votes are no longer required to certify a union. All that's needed is for at least 65 per cent of employees at a given site to sign a card and pay \$2 . . .

In a sworn affidavit that has yet to be filed, [Blake] Leew says that on Dec. 21, he “received a number of emails from employees who expressed that they did not want to be part of a union, or that they had not understood that signing up for the union could result in certification of the union without a vote” . . .

A third worker at Icon says union officials used dodgy manoeuvres “to get us to sign those union cards.”

This worker never signed a card, however many of his colleagues, who struggle with English, were allegedly told that they needed to pay \$2 and sign the card to ensure they receive their pension benefits. Others were reportedly told they would never work in Calgary again if they didn't sign the card . . .

“We were harassed,” said the third labourer . . .

Icon and many of the employees . . . filed objections on Dec. 21 . . . The submission included a handwritten note by an employee and seven emails, mostly written in broken English from the multinational crew.

All the submissions were declared inadequate by the ALRB at a Dec. 22 hearing.

“Every single person at the meeting wanted a vote,” said one of the 11 employees who attended the ALRB hearing. “We didn't get a fair shake in the meeting. (The board) didn't want to hear our stories of bullying by the union . . . and how we felt misled . . .

The board members present – Chair William Johnson, Jason Copping and Peter Marsden – heard allegations of this behaviour toward the workers by union officials . . .

**Mr. Dach:** Point of order.

**The Chair:** Mr. Dach, what's the point of order?

**Mr. Dach:** I was just wondering whether or not this was pointing to any part of the budget whatsoever.

**The Chair:** He did cite an item in the business plan, yeah.

**Mr. Dach:** All right.

**Mr. Hunter:** Mr. Chair, he's using up the time that I have here. You'll have your time, Mr. Dach.

. . . but didn't change their ruling.

How's that for empowering workers and increasing fairness

. . .

One of the workers, who said they voted for the NDP in the May 2015 election, is urging Premier Rachel Notley to make private votes required if a majority of workers ask for one.

“My rights as a worker have been trampled. I am having troubles now making ends meet. I feel totally violated. I hope by speaking out, Rachel Notley will change this undemocratic law.”

Now, it took a while to be able to present that, but I read very little of that article. I recommend that the members opposite read that article because I actually brought this issue up . . .

**The Chair:** Mr. Hunter, I apologize for cutting you off, but as set out in Standing Order 59.01(6)(f), it cites five minutes back and forth. I did actually give you additional time because of the point of order that was called, so the remaining time . . .

**Mr. Hunter:** I'm asking a question, though.

**The Chair:** If you utilize the entire five minutes, it reverts to the minister's time because you've utilized the full five minutes. I gave you additional time because of the point of order as well, so it would be the minister's opportunity to respond.

**Ms Gray:** Thank you very much, Mr. Chair. I appreciate and am familiar with the article that the member was reading from, having read that article myself as well.

When we looked at updating our Labour Relations Code, legislation that had not been significantly reviewed and updated since 1988, making sure that we were reviewing that code and protecting the right to unionize but balancing the rights and needs of all workers and employers was important to us. It was a priority for our government to ensure that our laws were kept up to date. Following a focused review of the code, that had 340 written submissions from business, industry, organized labour, nonprofits, and the general public as well as technical advice from the respected labour lawyer and former Labour Relations Board chairperson Andrew Sims, a series of changes were passed as part of Bill 17. As part of those changes the right to a secret ballot vote was protected.

This particular case, I understand, is now before the courts, so I can't speak further to that specific scenario. But we're making sure that we have a Labour Relations Board that is properly resourced so that they can continue to have their three-person panels review these cases, which always include an employer representative, and we're providing the resources that they need to make sure that they have improved processes.

We've given them some new tasks as the Labour Relations Board to implement, including new pieces of work that the Labour Relations Board previously wasn't responsible for, including changes related to the Fair and Family-friendly Workplaces Act. In 2016 we had actually made them responsible for governing essential services agreements, and they needed a new essential services commissioner. At that time, in 2016, we did not increase their budget, so the budget increase that we are talking about is really to help make sure that we are providing strong services and are allowing the Labour Relations Board the ability to do the work that they need to do.

**11:30**

The Labour Relations Board has the ability to refer to arbitration when there has been an egregious or unfair labour relations practice. They have the ability to require a party to produce all documents related to a matter coming before the board and restrict the disclosure of certain sensitive commercial or labour relations information it receives. The Labour Relations Board has the ability to review arbitration awards, to manage the proceedings that come before it, including the ability to defer a case where some other remedy or more appropriate forum may be available. The Labour Relations Board has the ability to proceed with an application after the death or incapacity of a chair or vice-chair, to give priority to and expedite the resolution of complaints as it relates to discharge as an unfair labour practice, to decline or dismiss applications of prehearing disclosure. To continue, unions and employers will be allowed to ask for a supervised strike or lockout vote prior to the expiry of a collective agreement.

There are a number of things that the Labour Relations Board can do. When we looked at our Labour Relations Code, we really had to take into account the Supreme Court of Canada decisions which enshrined the rights of Canadians to unionize and collectively bargain as Charter-protected rights. It was incumbent on us to make sure our laws were kept up to date, and making sure that the Labour Relations Board is properly resourced was a priority for us.

**The Chair:** I hesitate to interrupt. The time allotted for the Official Opposition has now expired.

We will now go to the third party. Mr. Fraser, would you like to share your time with the minister?

**Mr. Fraser:** Yes, please, Mr. Chair.

**The Chair:** Please proceed.

**Mr. Fraser:** Thank you. Minister, I might have missed this, but just on page 113 climate leadership plan expenses are at \$6.4 million this year and \$4.65 million next year and \$7.45 million in '20-21. What's being funded under that line item?

**Ms Gray:** The line item for us that has to do with the climate leadership plan is ensuring that coal workers have the support they need, so the transition for coal communities, the coal workforce transition fund, everything from bridging to re-employment if someone is looking for new work, bridging to retirement, relocation assistance, training, if someone is going back to university, all of those things.

Earlier I had the opportunity to just quickly say that we've so far received 14 applications for financial supports as a result of the federal government's decisions to phase out coal. Those were the first coal plants that were closing down. We're very proud that we're able to provide these supports for workers, and that includes somebody on the ground talking to people, making sure that they're connected into this.

**Mr. Fraser:** So is that person on the ground part of Economic Development? Is there a task force that's still speaking to the mayors and the leaders of those communities to make sure that there is, you know, cohesiveness, that these things are actually being done, and that the community is able to move on?

**Ms Gray:** There are two different pieces. Labour is funding something that's very focused on the workers and this workforce transition, and we have people on the ground. EDT is also providing community support, that is more broadly for the mayors and those organizations. That being said, with the work that we're doing to help with workers, if someone like a mayor wanted to know more about these programs, we'd be happy to make sure they understood. Our contact is more directly with the workers when we go.

**Mr. Fraser:** Right. Is there also an assessment of how many people have just left that community altogether for other prospects? I know that you had mentioned earlier that you had a number of people, you know, some uptake in terms of numbers, which sounded positive, that other people were still employed by the company in other positions. But is there also a gauge of how many people have left the community altogether, that might impact other businesses and labour in those communities?

**Ms Gray:** Unfortunately, I don't think I have this information. Economic Development and Trade may be able to provide that. What I can tell you, though, because we provide relocation assistance, is that only one person has asked for relocation assistance to move away from the community to another location.

**Mr. Fraser:** Okay. Very good.

This speaks a little bit to my former career as a paramedic. You talk about, on page 110, in outcome 3, you know: "workers and newcomers are well-prepared to participate in Alberta's dynamic labour market." When we speak about that specifically, we've heard a lot about EMS in the news, and we think about paramedics and their ability to practise to their full scope. Now, again, the

question is really more along the lines of how you interact with the Department of Health and the decisions that the Health department and/or the Ministry of Health make that impact on the ability for somebody to practise to their full scope. Obviously, that includes paramedics and making sure that their regulations allow them to do that. That also increases employment opportunities for them.

Secondly, we think about pharmacists and dentists being able to practise to their full scope and be paid appropriately. I think it's only fair. I know that the hon. member, the good-looking guy sitting to my left here, Richard Starke, had talked about, you know, that as much as we want to care for the nonprofits, it's the people for profit and the small businesses such as dentists and pharmacists that are feeling a little bit limited now based on capping of certain things that they're allowed to do. One of those examples would be that a pharmacist that's delivering some care and therapy right now is only allowed to bill to a certain amount, but we would allow a physician to bill over and over again. Making sure that there are fair labour practices amongst, you know, all professions: where in your budget are you promoting that? Again, how are you working with Health and other departments that might impact somebody's ability to practise to their full scope and have quality of life on the job and also be able to bill in the ways that other professionals bill?

**Ms Gray:** You've touched on a number of different issues. I will start with a response, and I'll see if my deputy minister wants to fill in. You started off talking about newcomers and perhaps someone who's trained in another country coming to this province. We run an IQAS service, that helps with qualification recognition, but we also rely on our professional regulatory organizations to manage a lot of the certifying if someone is sufficiently trained for a particular practice. That's not something where the government will impose standards; rather, we rely on the professionals of those industries to self-regulate and manage that process. That would include Health and some of the other areas.

Regarding safe work practices, no matter what occupation you are talking about, occupational health and safety officers are able to come into a workplace and advise . . .

**Mr. Fraser:** Right. Sorry to interrupt. I just want to focus on making sure that what's fair is fair right across the board in terms of labour practices. The government, when it intervenes on particular issues in regard to health professionals, either limiting them in the way that they bill or limiting them in their practice: to me, that would be an unfair labour practice. Again, how do you interact to make sure that those things, while you're trying to put the best interests of Albertans forward – and I understand that – are not unfair to these particular professions?

**Ms Gray:** Okay. Again, this not being my area of expertise, I believe you're talking about recent negotiations with pharmacists, as an example. I believe that those were negotiated changes, where representatives for the pharmacists agreed to those at a negotiating table. If we have two parties who come to an agreement together, at that point I don't believe you would refer to that as government intervention. That is a negotiation that's had an outcome.

**Mr. Fraser:** Okay.

**Ms Gray:** But this is not my area. We're starting to talk about things that the Minister of Health would be the better person to talk to about.

**Mr. Fraser:** Again, would it be fair to say that sometimes when the government is taking a hard stance, trying to negotiate the best price

on the taxpayers' behalf, perhaps embedded in that is an unfair practice that sometimes happens? There's no way in a human-run department and/or government where valuable – does the government look inside itself to make sure that there was no unfair negotiating practice and/or unfair labour practice to try to correct that? You know, we talked about it before, that government needs to lead by example so that nobody felt bullied into that – and certainly there are some of those sentiments – but it's just to make sure that there are checks and balances within government to make sure that those things are appropriate.

**Ms Gray:** As Minister of Labour I'm responsible for making sure that there's a fair collective bargaining system when collective bargains are entered into, but as kind of the manager of the system I don't get involved directly in negotiations themselves. Making sure that there's a fair and balanced system and that adequate negotiations can happen I think is really important.

I'm going to ask if my deputy minister has anything to add on this.

11:40

**Mr. Parr:** Thank you, Mr. Chair. This is a difficult line of questioning because it's not our area, but I think a couple of things. The negotiations that happen between the province and the pharmacists and doctors, for example, sit outside the labour relations framework, so it's not something that we regulate. But I can say that the province does have in place structures to sort of oversee, you know, the negotiations with doctors and pharmacists and that sort of thing. It works through, essentially, Treasury Board to make sure that that all lines up. I think that's kind of the oversight body for how we interact with various professional bodies in terms of fee levels and that sort of thing.

I hope that's helpful.

**Mr. Fraser:** Yeah. Thank you very much.

I cede my time. Thank you.

**The Chair:** We will now move on to other representatives in the House, the PC caucus. Dr. Starke, would you like to share your time with the minister?

**Dr. Starke:** Yeah, if that's all right.

**The Chair:** Absolutely. Please proceed.

**Dr. Starke:** Thanks, Chair, and thank you, Minister. I want to go back to a couple of different topics. I have three sort of main areas of focus in this round of questions. The first deals with operating expense, line 8 in the budget, on page 208. You answered some of these questions already. It's the increase from \$960,000 to \$6.4 million for the climate leadership plan. You mentioned that that's the Labour department's support for the coal transition communities. I guess, you know, it's a very significant increase in expenditures, 567 per cent. What I'm wondering about: you talked about some, I think, laudable goals with regard to retraining, assistance with relocation, that sort of thing. I'm curious to know, first of all: what is the overall Labour part of the coal transition strategy? Is that something that's publicly available? Do we have specific targets? Are there measurables? Do we know how many coal workers we're targeting or hoping to be able to assist with these funds? Or is it, as I more suspect that it is, as our former Premier Dave Hancock used to say, the NDP's strategy of "just add money and stir"?

**Ms Gray:** Thank you for that question. We know generally, through co-ordination with our colleagues both in the Department of Energy and the companies involved, like TransAlta and others,

the expected timelines for what is going to be happening with these workers. It's based on that informed knowledge that we have created this coal workforce transition program to provide supports. Now, I will say that it's early days for this program, but we're seeing a lower uptake than we expected. This may be something that we need to continue to monitor. My first concern when I saw the lower uptake was that workers weren't aware of the program. But after digging into it, it's clear that workers are finding other opportunities and are not needing the program, which I think is a positive outcome.

Has that addressed your question?

**Dr. Starke:** Well, exactly. I understand that you're working in a little bit of a void. We've never had a radical policy change that's thrown hundreds of workers out of work before, so this is sort of uncharted territory.

I'm going to move on to line 2.8 on page 208. That's the fairly dramatic increase in the skills and training support budget. It's 34 per cent higher than last year's budget. It's an 11.6 per cent increase over last year's forecast for the actuals. You know, fundamentally, having additional funding for workforce training is great. I agree with it.

But then when I page through to page 111 of your business plan, under performance measures, and I look at 3(a), sort of at the top of the page, one of the performance measures is: "Percentage of training for work clients reporting they are either employed or in further education or training after leaving a skills training program." The last actual, for 2016, is 62 per cent, and the targets for the three years going out are at only 70 per cent. I guess that, first of all, I would consider 62 per cent to be a really poor result, and I'm just wondering what's being done to try to improve that. Obviously, you are trying to improve that because you've set a target that is marginally higher but is only at 70 per cent for the next three years going out. I wonder if you'd comment both on the relatively poor performance or the poor actual number and on why the targets aren't higher.

**Ms Gray:** Thank you for those questions. I'll likely ask my deputy minister to weigh in on this. A lot of the training for work programs were brought over from Community and Social Services. Over the past two years, with the realignment of programs, how that money has been allocated, the types of programs that we are funding have been evolving, as contracts expire and new contracts are awarded, to provide service to unemployed Albertans. Essentially, 70 per cent of the Albertans accessing these programs were recently unemployed, and we are working to improve the skills and training within the labour climate that we have, which does have higher unemployment at the moment.

I'll ask my deputy minister what he would like to add to that.

**Mr. Parr:** Mr. Chair, a couple of things. With the transfer of the programs over to Labour, we started targeting a different population group. Initially, what we received was that, essentially, they were targeting people who weren't necessarily people who had recently been unemployed, if I could characterize it that way. So we're specifically targeting people who are eligible for employment insurance or, you know, have in the last five years been laid off. We're trying to get those people back into the labour force so that they don't end up on the unemployment and income support rolls.

**Dr. Starke:** Of course. No. That's right.

**Mr. Parr:** It reflects a bit of a shift because initially it was more globally delivered. So we've been targeting our results, and I think that explains a bit of the 62 per cent.

As the minister said, the rest of it has a lot to do with just the health of the economy. When Alberta's economy is really hot, then, you know, people will get trained and find employment fairly quickly. So part of it reflects just the state of the labour market at this particular time. I think that when we hit our 70 per cent, we'll certainly look at adjusting these things going forward, but we just have to recognize that we don't directly control whether they get employed or not . . .

**Dr. Starke:** No. You're right. You're preparing them for the eventuality and, you know, hopefully, giving them the skills that they need. Hopefully, that results in them getting gainful employment. I share your hope that we hit a lot higher than 70 per cent going forward, and I understand some of the restrictions going forward.

I want to page to another area of the budget that probably doesn't get a whole lot of attention, and that's in the fiscal plan document on page 119, in a section that is entitled Economic Outlook. Now, this is sort of the boring stuff that nerdy economists look at, but I'm looking at the tables on 119, and I'm wondering why the forecasts, especially in the two out-years for both employment and unemployment, are so optimistic, in my view, overly optimistic. You know, to give you an example, in the employment benchmark for the first two years the government of Alberta forecast is sort of close to the high end of the range and certainly above the average. The same thing for the second year, 2019. And then in the third and fourth years – granted, there are fewer forecasts to draw on; the banks all quit forecasting that far out – our government of Alberta forecast is the same as the highest forecast for that metric.

Then when we drop to the bottom of the page, to unemployment rate benchmarks, again in the first two years, and I think the government is exercising some prudence in terms of choosing a number that is sort of somewhere close to the average although in 2019 a little lower than the average. But then all of a sudden in 2020 and 2021 – wow – we get real optimistic. In fact, our projection is at or even much lower than the lowest projection for unemployment come 2021. Now, don't get me wrong. I hope we hit those marks. I hope we exceed all of those marks. Don't ever say that I'm cheering against Alberta, because I'm not.

I guess my question is: first of all, are those optimistic estimates or optimistic forecasts going into the out-years realistic? Do you have data that supports why you're being so optimistic? What is the impact on the budget if we don't meet those benchmarks? I guess that's my bigger concern, because I really think that the out-years of this budget are built on a lot of assumptions that are extremely optimistic, that just everything has to happen perfectly, a perfect storm of a lot of things happening that right now are very much still in doubt.

When I drill down deeper and see these pieces of data that indicate not only things like getting a pipeline built and getting product flowing and higher oil prices and lower differentials and all the other things that would have to happen to reach balance, we also have very optimistic forecasts for both employment growth and reductions in unemployment. So my question is: what's the basis for these optimistic forecasts, and what impact will it have if we don't meet the benchmarks?

11:50

**Ms Gray:** Thank you for that. I'm afraid I actually don't have that page because I brought only Labour stuff with me. But what I can surmise is that when it comes to unemployment information, when it comes to the labour market, the work that our ministry does informs a lot of what government has. As an example, we've recently created our occupational supply and demand outlook

forecasts. That actually forecasts a labour shortage of 55,000 workers in the next 10 years.

**Dr. Starke:** That's a real good report. That's very helpful. Thank you.

**Ms Gray:** It identifies the kind of areas where that would be. So I would imagine that the labour market information that we produce in this ministry was part of that forecasting process, looking forward to what may be needed.

**Dr. Starke:** What will the impact be if we don't hit the targets, though? I guess that's my question.

**Ms Gray:** When we see increasing unemployment, the need for the skills and training services we provide . . .

**The Chair:** I hate to interrupt, but the time for other parties has concluded.

The final eight minutes will be for the government caucus. Would you like to share your time with the minister?

**Mrs. Littlewood:** Yes. Thank you.

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

**Mrs. Littlewood:** Thank you very much, Minister. Being that we have, I think, nine minutes, I'm going to try to get through five questions, so hopefully we can do that together. On page 111 you talk in key strategies 3.5 and 3.6 about ensuring newcomers to our province have the supports that they need. Of course, this is a really important part of our employment base. I'm just wondering if you can be more specific about these supports to ensure that newcomers that are workers are being supported and where else I can find this information.

**Ms Gray:** Absolutely. Talking about labour mobility and recognition of qualifications, our programs that support that primarily include the IQAS program, which we've had the chance to talk about, and foreign qualification recognition. The funding for these items is on line 2.5, labour qualifications and mobility. IQAS helps people get recognition for education and training they received outside of Canada. IQAS issues certificates that compare educational and training credentials from other countries to educational standards in Canada. We also provide IQAS information, resources, workshops, and provide IQAS international education guides, which explain how the international education credentials compare to Alberta education credentials and standards.

The other piece, that foreign qualification recognition process, ensures we fairly and accurately recognize the qualifications and competencies of immigrants. People from around the world come to Alberta to work and live. They bring a wealth of knowledge, skills, and experience. They contribute to our workforce and add to the cultural diversity in our province. We work with a wide range of partners, including professional regulatory organizations, employers, immigrant-serving organizations, educational institutions, to support internationally trained Albertans as they integrate into Alberta's workforce. We have a number of online tools, information, and these are available to newcomers and employers as well.

We also provide supports to newcomers and refugees. That's another part of my ministry where, I have to say, the public servants do a fabulous job, but it doesn't get a lot of attention. That includes settlement integration services like newcomer workplace integration, community integration, language grants, ESL drop-in

centres, temporary foreign worker support services, just to name a few.

**Mrs. Littlewood:** Thank you so much, Minister.

Of course, it's important to be looking through a gender-based lens to ensure that women are participating fully in the workplace, looking at how workplaces are family friendly and ensuring that women really are at the forefront of all decisions. I'm just wondering what you've been able to allocate to the Women Building Futures program as that is a group that does really incredible work to make sure that women are participating in all areas of the workplace that may not have been traditional strongholds for them before.

**Ms Gray:** Absolutely. Labour as well as some of our partner ministries such as Advanced Education and Community and Social Services has funded and is funding projects and initiatives with Women Building Futures. They also receive funding from the government of Canada and other sponsors. We awarded an attraction and retention labour market partnership program grant to WBF for \$2.3 million, \$2 million from Labour and \$300,000 from Advanced Education, over a two-year period. The key elements of the program include making sure that there's increased awareness of positions in construction and maintenance as a first-choice career and lifestyle for women, information sessions and in-person and online career exploration and individualized learning plans, a contact centre model for enhanced customer service for women enrolled in the program, a number of different things here. We've previously done supports for them as well. I can go into a lot more detail, but I know you have a couple of other questions.

**Mrs. Littlewood:** Thank you so much, Minister.

On page 110 you talk about implementing recommendations outlined in the Truth and Reconciliation Commission. I'm just wondering: what exactly is your department doing to support indigenous peoples within Alberta?

**Ms Gray:** Thank you very much. When it comes to implementation of the Truth and Reconciliation Commission's recommendations, we know that for too long indigenous people were ignored by previous governments and that communities were left without the programs and supports that other Albertans were able to access. I'm very happy to say that our government is delivering on our promise to ensure that they're getting better. One of the first things we did after coming into office – and this work continues – was to commit to implementing the principles of UNDRIP. For Labour, that means investing in supports for specific projects and organizations that provide employment and training services for indigenous people across the province.

Our government and my ministry are committed to working with indigenous people and communities to ensure that that support is best able to meet their needs. We do that through partnerships. Our two programs, the First Nations training to employment and the aboriginal training to employment, really start from a strong

relationship with the people in Labour who are helping to co-ordinate. It creates partnerships between a First Nations band, tribal council, or treaty organization and Labour as a partner but also an industry partner – an employer, an association, a union – so that those who participate in these partnerships have that community connection already, that employer connection. Every partnership is unique. Like, this is one of those programs where no two are alike. One might be training people for truck driving. One might be training people for information technology careers or solar panel installations. It depends on the unique needs of that community and the business partners. I'm very proud of the work that they do.

**Mrs. Littlewood:** Thank you so much, Minister.

Looking at your business plan also, on page 108 you are talking about looking forward to October, when we see a \$15-an-hour minimum wage fully implemented. Of course, I do hear often about unfair characterizations of who that includes. Could you just give a profile for us of who all that includes and also give us some feedback on what you've been hearing from these individuals that it is having the most impact on?

**Ms Gray:** Thank you for that. We know who is benefiting from the minimum wage increases, and they are not who some people would expect. They are mostly women. They include single parents, they include full-time permanent positions, and we know that the vast majority are not students. I've heard too many stories over the last three years of people working multiple minimum wage jobs who are still struggling to make ends meet. This modest increase is making life more affordable for a lot of these minimum wage earners, and I know that I've heard directly from minimum wage earners as I talk to people in Mill Woods in my role as MLA and as I travel the province in my role as Minister of Labour. The very real impact that those extra few dollars in someone's pocket have makes a difference, whether it's somebody who's buying school supplies for kids or somebody who's sending money home to parents who might be in another country or somebody who just is able to give up that second job because a single job is now going to help them make ends meet.

The other thing I like to reflect on is the fact that a lot of these minimum wage positions are really important positions. These are caring for children and caring for seniors and some of our vulnerable populations. These are often minimum wage jobs, but they're critically important, and we value the people who do them.

**The Chair:** I hesitate to interrupt, but I must advise the committee that the time allotted for this item of business has concluded.

I would like to remind committee members that we are scheduled to meet next on Wednesday, April 11, 2018, at 3:30 p.m. to consider the estimates for the Ministry of Economic Development and Trade.

Thank you all very much. This meeting now stands adjourned.

[The committee adjourned at 12 p.m.]







