

[Chairman: Mr. Martin]

[10:04 a.m.]

MR. CHAIRMAN: Since we have a quorum, I will call the meeting to order. The first item of business is approval of the minutes of April 24, 1985. I believe those were circulated to you. Are there any errors or omissions? I see none. All those in favour?

MR. ALGER: I move they be adopted as circulated.

MR. CHAIRMAN: Agreed. We have Mr. Diachuk; I'll introduce him and his staff in a minute. But before that item, I'll ask Mr. Rogers to update us on the Auditor's report in this area.

MR. ROGERS: Thank you, Mr. Chairman. With regard to the Workers' Compensation Board, the references are section 2.3.14 on page 28, which deals with a compliance matter that has now been rectified through the amending of legislation, and 2.4.17 on pages 46 through 47, dealing with the results of the annual audit.

Thank you, Mr. Chairman.

MR. CHAIRMAN: First I'd like to welcome Mr. Diachuk, taking time out from a busy schedule. Mr. Diachuk, if you have any initial remarks, please feel free to make them and, at the same, if you wouldn't mind introducing the people with you.

MR. DIACHUK: Mr. Chairman, I want to introduce the staff of the occupational health and safety division. I apologize that I didn't bring anybody from the Workers' Compensation Board because of the nature of the board's activities. All the board members were committed to some other commitment today, so I will be responding on behalf of the board on any questions you have.

From the occupational health and safety division, Chris Powell on my far left, to keep our group in what I would say "proper decorum". Chris is from the administration department; Brian Thomas, from the administration branch of occupational health and safety; Bill Rozel, the executive director of worksite services. On my right is Keith Smith, who is known to some of you who have served on the select committee. Keith is executive

director of research and education. Dave Gibson is from the hygiene branch but is acting executive director of the occupational health services.

Mr. Chairman, I want to share that the year ending March 31, 1984, was an active year for my office and for the division, because we had the select committee hearings. We had the involvement and participation in the Lodgepole enquiry of the ERCB. At the same time, we had the preparation of the legislation, Bill 75, The Workers' Compensation Act, and amendments to the Occupational Health and Safety Act in the spring of '84. So it was an active year, and I welcome any questions to me and my staff from any members of the committee.

MR. R. MOORE: Mr. Chairman, Mr. Rogers referred to page 28 in the report, and I'd like to direct my first question to that page. The Auditor General's report notes a problem with noncompliance with the Workers' Compensation Board Act in calculating pensions. The report also notes that the Act was amended effective January 1, 1985, to permit regulation to be passed to solve this problem. Have these regulations been put in place, Mr. Minister?

MR. DIACHUK: The regulations have not, but the policy has been upgraded to reflect the requirement of Bill 75, which provided for the recommended changes the Provincial Auditor asked for.

MR. R. MOORE: A supplementary. Another area of the Auditor General's report, Mr. Chairman, notes that the Workers' Compensation Board lacks a formal policy regarding the recovery of class deficits and that the Workers' Compensation Board was to undertake a complete review of the financial policies and practices by the end of 1984. Can the minister outline for the committee the major results of this review?

MR. DIACHUK: Mr. Chairman, the recommendations that Mr. Moore refers to in the report are still ongoing. One of the reasons they haven't been finalized -- the Board has addressed the deficit question, but to overcome the long-range planning, the Board has been reviewing the total assessment structure to

better reflect today's needs. I've been working quite closely with the Board on this. I understand they plan to release to the employers and industry representatives, and I will have it available for any citizen, a proposal of a new assessment structure for January 1, 1986, which would also address how to better recover these deficits that certain classes have. The Auditor's report indicates very well that some of the classes have larger deficits than is acceptable. It has not been finalized — I apologize — but it should be by the end of this year.

MR. R. MOORE: I'm glad it's progressing. Mr. Chairman, can I have my second supplementary?

MR. CHAIRMAN: Yes.

MR. R. MOORE: Mr. Minister, how far have we gone towards addressing or implementing the recommendations of the select committee on workers' compensation and occupational health and safety?

MR. DIACHUK: Mr. Chairman, Bill 75, which received royal assent in the fall of '84, came into force January 1, 1985, and most of the recommendations of the select committee were there with respect to workers' compensation. With respect to occupational health and safety, most of the recommendations required changes in procedure and practice but not legislative changes. Am I right on that, Bill? Bill, can you help us out on occupational health and safety?

MR. ROZEL: Keith, you were involved in that particular area.

MR. SMITH: Yes, Mr. Chairman. As the minister explained, most of them required different ways of looking at problems that were identified by the committee. Very few of them required significant changes in legislation, through either the Act or regulations.

The most significant and perhaps the key recommendation that required a change in legislation was that relating to the Workers' Compensation Act allowing for assessments to be made against employers that would then be provided to employer associations in order to develop educational programs in accident prevention. In fact, that was passed and came

into effect on January 1 of this year. Steps are being taken with several industry associations to develop those specific recommendations that were addressed to the committee.

MR. HARLE: Mr. Chairman, my question has three parts to it, and it relates, Mr. Minister, to the Lodgepole blowout. The first aspect I'd like to have some information on, if you have it available, is the actual cost to the department of the Lodgepole blowout from the perspective of your ministry.

The second part relates to your thoughts about the co-ordination that occurred following the Lodgepole blowout, particularly the co-ordination with the RCMP, Environment, the health unit, the ERCB, and the company, particularly as it relates to the workers' safety in a situation of a blowout. I think the ERCB report certainly indicates that blowouts can be expected. They're going to occur again. They can be minimized by certain practices that the companies should be following. Nevertheless, I don't think they can be eliminated. Therefore, if there is another blowout, as we believe can occur, has the experience of the co-ordination that resulted in the Lodgepole situation been improved as a result of the various inquiries that occurred at that time?

The last question relates to the matter of flaring of gas. As I understand it, the ERCB has recommended, or at least probably been more amenable, to flaring and letting it burn rather than see the accumulation of the poisonous gas. I think the rationale was that if you do flare, obviously there is an additional burden upon the workers, who then have to try to fight fire as well as try to stop the well. I think there was some fear that it was easier to cap it if it was not burning. In fact, they were able to stop it and cap it while burning. Obviously, there is an additional danger present. I'm wondering if you have any comments on the development of that flaring policy.

MR. DIACHUK: Mr. Chairman, because most of that responsibility other than the costs — may I just indicate that the costs up to the end of March of 1984 were only in the area that the Work Site Services was involved in with respect to the incident. It's a fair question, and I'll see if Brian Thomas has some idea of the kinds of costs encountered during that portion of time.

I'd like Bill Rozel to address the co-

ordination and the question of the flaring of gas. Before we get into that, Brian, do we have a figure on what kinds of cost? I know that we had staff, oil specialists, over at Lodgepole on a continuous basis throughout that whole exercise. But what about the costs? Can we . . .

MR. THOMAS: We don't have an accumulation of costs for staff and expenses specifically relating to the Lodgepole inquiry. The only costs our division incurred were in relation to staff salaries and travel expenses.

MR. DIACHUK: Actually, the cost would have been absorbed, Mr. Harle, by all employers in that class, because that would then be charged back to Workers' Compensation. Dave, because of the hygiene area, medical . . .

MR. GIBSON: Yes, Mr. Minister. I think it's important to note the variety of expertise that the division was able to supply at the site at the time, including petrochemical specialists, engineering expertise, and also experts in occupational health, including physicians and occupational hygienists.

I think it's also interesting to note that although it doesn't come during the fiscal period we're really addressing our attention to today, there was a substantial additional cost in terms of staff time, travel expenses, and that sort of thing associated with the ERCB inquiry and with various interdepartmental committees, including some working under the Provincial Board of Health, that were dealing with issues related to public impact, the setting of standards related to evacuation of the public, and this sort of thing. In fact, if you examine the total cost over the several fiscal years, and in fact there are still some residual costs now as we're continuing interdepartmental activities, I believe that a fair estimate of the cost over the several years, which is primarily staff time and travelling expenses, would exceed \$100,000 from this department.

MR. DIACHUK: Bill Rozel, would you address the co-ordination and the flaring questions?

MR. ROZEL: Mr. Chairman, perhaps just a bit on the costs of the investigation, which was in my particular area. Essentially, it was just part of our job. The investigation portion was into

the deaths of the two individuals who died there. That's a normal part of our activity. Our involvement in the inquiry itself went beyond the norm, and we did have a good many people involved in that. So that's just a word on the costs.

On the co-ordination, a great deal of effort went in by several agencies. Alberta Disaster Services developed an emergency response plan following the Lodgepole incident, which involved all the government departments and the ERCB. I might mention that the occupational health and safety division has had an emergency response plan for quite some time before the Lodgepole incident, but we certainly reviewed that plan and made some changes in it as a result of the incident.

It was decided by all involved in the review of this type of incident, that is a sour gas blowout, that the Energy Resources Conservation Board has the prime responsibility in this area. The occupational health and safety division is essentially a backup to the main activity and an insurance that those workers who are involved in the activities surrounding the blowout do so in a safe manner.

So we are very much involved. We're involved on the site because the plan involves a command post at the site in which occupational health and safety is involved, and it also involves a larger headquarters activity, in which we also have a part. But essentially, the Energy Resources Conservation Board has the prime responsibility for a blowout.

Did you wish me to talk about flaring as well, Mr. Minister? Whether or not a sour gas blowout should be flared immediately is still a controversial area. I think there is a movement towards quicker flaring than there was at that time. There had been very little experience in capping out-of-control wells that were on fire. The general method of doing it was to blow out the fire and then work after you'd eliminated the fire.

There's also the problem of the loss of equipment involved, because you normally have a rig sitting over the well itself. But because of the damage done to a rig by the sour gas and the condensate itself, that isn't a significant factor, really. You salvage very little from a rig that has been exposed to condensate for any length of time.

There are hazards involved in firing a well that has been blowing for any length of time.

You have a lot of condensate around, you have a lot of gas around, and the hazard involved in firing it itself can be extensive. However, I do believe that the main impact of the enquiry so far has been to earlier firing of the well, certainly in any situation where it is close to a community. Probably the major factor is the effect on nearby occupations, and that calls for early firing if you have residents involved.

MR. CHAIRMAN: Even though you got three in the first time, I'll allow you another one.

MR. HARLE: A supplementary. On the question of prevention of the blowout, my understanding is that the ERCB report spent a great deal of time on blowout prevention techniques, which obviously involved workers at the site and their protection for themselves in being able to anticipate a blowout. Are there any comments that you or your staff have, Mr. Minister, with regard to the recommendations in the ERCB report and techniques to ensure the safety of workers who are drilling the well in high-risk formations, where there is a possibility of a kick and, therefore, being able to anticipate the potential occurrence? I gather there is some time, if you work and know what you're doing, to be able to take preventive measures.

MR. DIACHUK: Mr. Chairman, I'm going to ask Bill Rozel to answer initially and then Dave Gibson to supplement it, because there are areas . . . I can only assure members of the committee that the call from ERCB, and the co-operation of the two agencies, is first class. They do work together and share and even alert the respective staffs if there are areas which could be of concern to the particular authority. Bill, would you . . .

MR. ROZEL: Mr. Chairman, out of the Lodgepole enquiry came a good many recommendations, but the major activity went on, and is going on, in the blowout prevention committee that was formed at that time. That committee formed several subcommittees involved in such things as inspection, training of the people involved in the drilling, the blowout prevention equipment itself, the detection of sour gas, and the inspection of these wells. The occupational health and safety division has been involved in three of those subcommittees, those

on inspection, training, and detection and also -- as a matter of fact, it's ongoing. I received a call this morning asking us to be involved in a new subcommittee involving winter drilling of sour wells, which is just getting under way. So there has been a great deal of work going on there.

Most of those subcommittees are in the latter stages of developing their programs. I know the inspection subcommittee, for example, has been reviewing all of the Energy Resources Conservation Board inspection processes. They've made several changes. They've discussed with us the co-operation between the two organizations. Our inspectors, of course, are on the well sites very frequently. We're looking for slightly different things. We're looking for operational kinds of problems, whereas the ERCB inspectors are looking essentially for equipment kinds of problems. We've discussed the interchange of information and keeping the other people informed of what we see. I think we're doing that very well at the moment.

The training investigative activities, as you might imagine, turned into a very major study. The indication I have is that they are about six months away from having any definitive training program for all personnel involved in sour gas drilling. That includes not only those directly involved on the site but also management people within the company itself. A great deal of work has been going on there.

MR. GIBSON: Mr. Chairman, I'd like to add something to the comments Mr. Rozel has already made in some related areas. First of all, I'll note there is better technology available now in terms of blowout prevention devices, better awareness of some of the situations which are going to give rise to this kind of problem.

Generally, the engineering proficiency associated with the drilling and the servicing is constantly improving. Similarly, the equipment used for monitoring has undergone a real revolution in the last several years, with a much better standard of electronics available now in order to do the actual monitoring of the presence of hydrogen sulphide. The availability and the cost of this equipment has very much improved over what it previously was. That should provide some level of protection to the workers.

Additionally, as part of our regulatory

improvement program and not directly as a result of Lodgepole, there have been changes made to the requirements for respiratory protective equipment to be available at these sites. That's during both exploratory drilling and servicing of a site where there is a sour gas hazard, even if the hazard isn't present at the time but is in a well that's being serviced. It used to be that the requirements were only for two pieces of self-contained breathing apparatus to be available. Now we're requiring self-contained breathing apparatus to be available for every single person who is available at the site, with two additional units -- a backup for emergency purposes; spares, if you will. The standard of respiratory protective equipment has also been improved and, again, this is partly a response to better technology. There is better breathing apparatus available now than there used to be a few years ago. What we've done is specify in the regulations that the very highest standard of respiratory protection be available at these sites and, where there is a hazard, that it be used in what is called positive pressure mode. This simply means there is a constant supply of fresh air across the face of the worker within the breathing mask and that that mask is pressurized so that any leakage that might occur is out of the mask rather than allowing any of the toxic contaminant to get into the air that is actually being breathed by the worker. This is an improvement in equipment and, in fact, is not the same equipment that was used by the two men who were fatally overcome by hydrogen sulphide during the capping operations. This is better equipment than was being used at that time.

MR. CHAIRMAN: I have eight more people.

MR. HARLE: Maybe you can put me down again.

MR. CHAIRMAN: Okay. You did slide those first three through.

MR. DROBOT: Mr. Minister, my question also relates to the Lodgepole incident. In the Elk Point area we have six major companies drilling for heavy oil now. Do you have any information on the effect of the hydrogen sulphide on the rural community, livestock, et cetera?

MR. DIACHUK: Mr. Chairman, I'll ask Dave Gibson, our hygienist, to respond to that. I can only indicate that I've been advised by medical people that the hydrogen sulphide that comes out of many of these oil pools is the same hydrogen sulphide we enjoy at the Banff sulphur pool, but the only thing is that it's not in the same quantities.

MR. ALGER: It's good for you.

MR. GIBSON: Mr. Chairman, there's not an easy or quick answer to that, and I'm afraid I don't have all the information I would like to give you a fully comprehensive response. Let me simply echo a little of what the minister has said in that small exposures to small concentrations of hydrogen sulphide give rise to only transient discomfort -- a little watering in the eyes, some discomfort in the respiratory tract -- and that's a completely temporary, completely reversible kind of effect on both humans and animals. So providing the exposures were not very large, and in this case that was fairly well controlled by removing people from the area and by doing localized monitoring and later on by flaring, then in fact the effects can be kept down. What I can't guarantee to you is that there was not some cow or pig or chicken or some farm animal that might not have been affected and might in fact have had to be destroyed as a result of this. I'm really not aware of the livestock situation.

MR. DROBOT: A quick supplementary. Is there any sour gas involved in the heavy oil sands drilling?

MR. DIACHUK: Two of my staff indicate definitely yes.

MR. GOGO: Mr. Minister, I wonder if you would comment on the following. Our information regarding alcohol and drug problems is that six in every 100 people in Alberta employed in various types of industry -- I don't know whether it's all blue collar or white collar or what it is -- seem to have an alcohol problem. This has horrendous cost to the economy of Alberta, not to mention the cost to the employer and to the people of Alberta. In many cases it leads to absenteeism, worksite accidents, and so on. Could you advise the committee, Mr. Minister, what your department

is doing with regard to, say, early intervention in alcohol problems in terms of advice to the employers of Alberta in accordance with occupational health and safety?

MR. DIACHUK: Mr. Chairman, I will quickly ask Keith Smith, the executive director of research and education. I can only indicate that as the minister I address that issue practically every time I address a group of employers or workers — that it is not acceptable. I have been made aware, Mr. Gogo, that there are employers that condone this and there are workers that seem to condone a colleague of theirs having been drinking or under the influence. They themselves must police it and raise the issue in their joint worksite committees. Keith, would you respond to Mr. Gogo's question on our participation?

MR. SMITH: Mr. Chairman, the interaction we have with respect to this matter is probably on two levels. In terms of educational activities and promotion of alcohol and drug abuse control areas, we have a number of our educational staff that interact with the educational staff of the commission. There is a sharing of concerns that does take place. In fact, one of my own senior staff acts as the division's liaison person with AADAC as a result of some of the initiatives that that agency has indicated to us. However, our main activities in that area are not specifically in the educational area. That, we believe, is very well handled by the commission. We would provide assistance if we were requested in examining some of the types of programs and activities that may occur.

The main area of intervention we have in relation to alcohol and drug abuse is through what are called employee assistance programs, medical preventive types of programs, that are currently and normally undertaken by the health staff at various companies. Certainly, our medical services branch does undertake a number of programs in the employee assistance field. I may, Mr. Chairman, ask one of my colleagues if he would expand on the employee assistance program that is undertaken by the medical services branch of the division.

MR. GIBSON: On staff we have five occupational health nurses who act in a consultant capacity to worksites throughout the province. Additionally, we have three

physicians, two of whom operate in a consultant capacity also. These people spend a reasonable amount of their time giving advice to employers, to occupational health professionals, to unions, to workers, to joint worksite committees, and to others at worksites, with respect to the kind of health programming that there should be available for workers as a part of their employment with whatever industry. Much of that is targeted to the particular hazards that are prevalent in an industry. However, in the area of alcohol and drug abuse, there is no real targeted group, because it's not something that is peculiar to truckers or to the petrochemical industry or to meat packing; it's a problem that occurs throughout industry. So this is one of the areas where our consultant staff encourage all worksites where they have contact to develop programs that would enable workers who are experiencing drug- or alcohol-related problems to be recognized and be referred to some agency or program that could help them combat that particular problem. I think we're all aware that alcoholism in particular is very difficult to confront unless one has considerable leverage to exert over the individual, unless you have some way of getting that person's attention and keeping it. Employment is in fact one way of providing that leverage, so what we're doing is encouraging companies to take a very strong stand on alcohol abuse but to protect the workers' employment if they are willing to undertake some form of active treatment and thus resolve the problem. The option, of course, is to release the employee because of poor performance.

Our people work very closely with AADAC on this. As you would undoubtedly be aware, AADAC does have a program that relates particularly to alcoholism as it impacts worksites, so we are involved in those kinds of ways. We've also been substantially involved in teaching occupational health nursing at Grant MacEwan Community College. A part of the one-year curriculum there includes medical surveillance and health programs for industry. One of those programs is on alcohol- and drug-related difficulties. So indirectly, through helping to establish that program at Grant MacEwan for teaching the nurses, through helping to develop the curriculum, and then through doing some of the teaching, we're getting the message out to several hundred

additional nurses who are practising occupational health at the worksite.

MR. GOGO: Thank you very much. Two quick supplementaries, Mr. Chairman. In the annual report of the office of the Chief Medical Examiner, he reports on one in every three deaths in Alberta; that is 4,500. I see that fully 15 percent, about 600-odd people, are either suicides or unclassified deaths which are primarily alcohol- or drug-related. Minister, does your department report in an annual report on occupational health and safety relative to incidents involving alcohol and/or drugs in the workplace?

MR. DIACHUK: I'll ask Keith Smith or Dave to respond.

MR. SMITH: Mr. Chairman, I think all three of us could put in some comment in relation to that. It is virtually standard practice for us in the division, in the investigation of serious incidents or fatal occurrences, to request the Medical Examiner to conduct toxicological tests on the victims. Included in those tests will be screening for alcohol and various forms of drugs. I was trying to very quickly put some sort of number, if I could, to the cases where perhaps alcohol or drug abuse has been a factor associated with fatal occurrences in industry. Perhaps my colleagues can help me out; I can't really put a figure on it. Certainly, we are concerned about the possibility of alcohol and/or drug abuse being a contributing factor in the serious incidents that occur, even to the extent, as I mentioned, that we now request the Medical Examiner to conduct such tests as a standard practice.

MR. GOGO: Mr. Chairman, I don't want to hold up the committee. My question was, do they publish that information? As a member of this committee, I would be happy if the minister would provide that, if indeed they do publish it, rather than hold up the committee. My final comment . . .

MR. DIACHUK: We don't provide it as our own information. It comes through the report you've referred from the Medical Examiner's office, because they're the ones that carry out the tests. They give us the information, Mr. Gogo, but it's on the condition that we don't release

it. It's privileged information.

MR. GOGO: The cemetery is obviously full of privileged information, because we're talking about people who really can no longer be embarrassed.

My final question, Mr. Chairman, to the minister: in the area of alcohol and drugs, is there anything that your department feels either the government or AADAC specifically should be doing to help you carry out your function?

MR. DIACHUK: Yes, I personally believe that we still have a lot of work to do, as Keith Smith indicated. Our participation with AADAC — in the last few years, I have become aware that at certain times of the year it seems a more serious situation at the workplace with respect to even newfound material. I couldn't believe that we have some very strong mushrooms growing in this province that some workers take with them to the worksite. Those are hard to detect when they're in the lunch bucket. That, too, provides a serious educational challenge for us. Alcohol, as we all know, can be identified quicker than any of the others.

Yes, I welcome any assistance from AADAC and other agencies, public health and so forth, and that's why we're looking for the continuing co-operation that Keith Smith indicated.

I'll have Mr. Rozel from the Work Site Services supplement my answer.

MR. ROZEL: Only in a relatively small percentage of the fatal accidents that we investigate is there actually evidence that the victim was under the influence of drugs or alcohol. It would be possible for us to publish those numbers, but I don't think they would tell any kind of true story, because what we can't do is determine whether someone else was under the influence and that that contributed to the accident.

MR. LEE: Mr. Chairman, when one looks at the matter of workers' compensation, one has to consider this whole question of worksite safety and worksite committees. There seems to be a trend, although not consistent, toward mandatory legislated worksite committees as opposed to voluntary. If I recall, the Gale commission recommended that there ought to be mandatory worksite committees. The select

committee has recommended against it. One has to take into account the whole issue of which is more effective: joint worksite committees where people want to participate, or where people are required to participate. Perhaps the minister could comment.

MR. DIACHUK: Mr. Chairman, that could take the rest of the time allotted for this committee, and I welcome it. One of the challenges we have -- and this is what I believe that the select committee really indicated in the report. I don't believe the select committee, and Mr. Moore and Mr. Martin were members of that -- I don't think we were opposed to mandatory committees; we only recommended that the emphasis on worksite committees be addressed. We know the value of mandatory, but we also see the lack of participation by both parties under mandatory. It seems that in other jurisdictions I have visited and reflect on, Mr. Lee, we found that they weren't much more successful with their mandatory committee legislation, other than creating a flow of paper. Somebody was continuously turning in reports and somebody had to read those reports, and those reports weren't bringing their accident ratio down at all.

We've also got some good evidence of the fact that the success story wasn't there for the mandatory committees that were established in the province after the occupational health and safety division was established in 1977 or so. They seemed to be compelled to do something, and both workers and management weren't as willing. Therefore, I have felt very strongly about it, and so have my officials. I'll ask Bill Rozel to respond to it briefly, to assist me on this answer -- that we would really work, and that's part of our codes of practice and codes of procedures. We have co-operated with the two parties, worker and management, to bring about a more successful worksite committee attitude.

MR. ROZEL: Mr. Chairman, there is no question that the division prefers voluntary committees, because we believe very strongly that voluntary committees, where the people have a commitment to those programs, are more effective. We've done an awful lot of work in the province to promote voluntary committees, particularly in two areas where, I believe, across the country there hasn't been

real success in establishing effective committees; that is, in construction, where you have a very volatile work force moving in and out -- the site is changing constantly -- and in the drilling industry, where you have large turnovers in staff, a worksite that is constantly on the move. We've worked with both of those industries to develop a system of volunteer committees that would work in their particular situation. With your permission, Mr. Minister, I would like to turn it over to Keith, because Keith's organization is really responsible for this program, so I'm probably talking out of line.

MR. DIACHUK: Go ahead Keith.

MR. SMITH: I was enjoying it, actually. If I can follow through initially on the comments relating to the areas of drilling and construction, because all jurisdictions have wrestled with those two particular areas. We feel we have had considerable success, certainly in the drilling industry, in instituting a program which allows full participation of the drilling crews and also is on a formalized program flexible enough for it to accommodate the special needs of the drilling industry. In fact, a report received from the drilling industry just last week indicated that virtually all production rigs had instituted the program and that a large number of the service rigs were moving into the program as well. That, we feel, has been a major success in terms of establishing the principles of joint committee participation in that particular area.

In terms of construction, everyone has had a difficult process of instituting joint worksite committees on those transient types of operations. In fact, several of the jurisdictions exempt construction from their joint worksite health and safety committee programs simply because of the difficulties involved in establishing too rigid or too formal a program.

Several groups, including the minister's occupational health and safety council, including the industry itself, attempted to tackle the problem with respect to a conventional program applied to construction sites prior to about 1982. What happened in 1982 was that a commitment from the division to develop or have developed a program that would place on construction sites, certainly the major construction sites in the province, a process of joint participation that would be

flexible enough to accommodate the special needs of the construction industry was made, in conjunction with the representatives of organized labour and the representatives of the two major construction groups, the Alberta Construction Association and the Industrial Construction Association -- not under our guidance but more under a sort of watching brief that we had with respect to their activities. The industry itself developed a set of guidelines for adoption by the industry, which have been placed into operation. I feel reasonably confident in indicating that for the major construction activities in the province, a committee or a joint participative process does exist.

The strange thing about leaving it up to the participants to develop the sorts of programs that would be most appropriate for their circumstances is that they came up with some criteria for the establishment of committees that we would not have even attempted to suggest to them. For example, they require through their particular procedures that a committee be established where there is considerable work over water, irrespective of the number of persons employed on that site. They also require a committee where there is substantial work at height, irrespective of the number of employees or workers on site, as well as some of the standard types of criteria, as in Manitoba for instance, where it's either by dollar value of the project or by square footage of the project or by actual number of employees on the project. So they were considerably innovative in the way in which they developed their guidelines, which we are very pleased to see used.

In terms of the program generally, if I can move from those two specific areas which were somewhat challenging to us -- we feel we have succeeded more in that particular area than any other jurisdiction attacking that type of project. If we turn to the whole area of joint worksite committees, particularly in the manufacturing and service areas, there has been very considerable growth over the past five years or so in the voluntary process of establishing committees. Certainly in the public service area, committees are standard practice, whether they were developed jointly at the initiative of workers and employers or through negotiated agreements. That's also applied very much so in the manufacturing

industry.

In short, although we don't have mandatory committees as exist in many other provinces, it doesn't mean to say that we don't have an active joint worksite committee program in this province. Generally speaking, the success of any committee process here can be matched very well with the success of any other committee process in Canada.

Thank you.

MR. MARTIN: If I can just give a commercial here. We've gone through four people. I have eight more. We have half an hour left, so I hope questions and answers could be brief so all members could get a chance to participate.

MR. DIACHUK: Mr. Chairman, I apologize for our enthusiasm in reporting.

MR. LEE: A supplementary, Mr. Chairman. Thank you for that excellent response. What percentage of worksites today in Alberta do not benefit from joint worksite committees, and how many employees would we be dealing with?

MR. DIACHUK: Because we don't have them mandatory, we'd be guessing. It would be a guesstimate.

MR. SMITH: I wish I had the privilege, Mr. Chairman, of saying, "Could I take that under advisement?" We are currently trying to attempt through our normal inspection process to put a definitive handle on that. Off the top of my head I would suggest that we have approximately 800 committees in existence in the province. The public sector is virtually completely covered through a committee process.

I don't know; I would be guessing. There are 60,000 worksites, but if you were to take those only in terms of the number over a given number of employees where the committee process would come into place, there would be approximately 3,500 to 4,000 worksites for which a committee might be constituted. So we are running roughly at 25 or 30 percent.

MR. DIACHUK: Mr. Chairman, if I may just assist. The jurisdiction that I'm thinking of -- without putting them in any hot water. Because of the mandatory legislation throughout Canada, wherever they have it, they have a

base figure whereby if you have either 10 or 20 workers -- that is what some jurisdictions use. For instance, in one jurisdiction, by the mandatory requirement they have exempted over 90 percent of their worksites from the requirement to have a committee, because of the fact that in that jurisdiction every worksite with less than 20 workers did not have to have a committee. Our approach, and that is what Keith Smith partially answered, which we started in this last year, is that all inspections, all occupational health and safety officers -- be they from medical services, research and education on the worksite -- as they're doing their work at the worksite with the employer, the question of the committee is raised: have you got one? Maybe in due course we will have some statistics that you're asking for, Mr. Lee.

MR. R. MOORE: Mr. Chairman, I'll make one quick question, and I'll wrap my supplementaries in it.

Mr. Minister, over the years the private sector demanded, pleaded for a policy manual, and what have we? The Workers' Compensation Board. Over the years the Workers' Compensation Board had the pat answer: it's in the process; a few months. This goes back I don't know how many years. Have we in fact a policy manual in place now to meet this requirement or need of the private sector?

The supplementary to follow up: if it is in place, is it just a bureaucratic document? Is it a practical thing that is of use to the private sector in seeing that all policies are applied equally across the province?

MR. DIACHUK: Mr. Chairman, I could answer yes to the first part of Mr. Moore's question and no to the second part, but that wouldn't be fair. The policy manuals were out in June '84. The Legislature Library has two copies. Some of the members have asked for some. They are available to employers at, I believe, a cost of \$125. I think it's \$125, but Keith tells me it's \$75; maybe it has come down. But it is available. All libraries in the province have them, and the Workers' Compensation Board submits the updated review of any policy on a very regular basis.

Yes, some of it could be considered as bureaucratic policy, but I think it serves the staff of the Workers' Compensation Board and the public for the purpose it was intended. Both

the assessment policy manual and the claims policy manual are there now.

MR. NELSON: I question whether they're available or not. I've ordered the manuals for the last three months, and I still haven't seen them.

Mr. Chairman, I'd like to get into the Auditor General's report. Considering the fact that we're not dealing with government money in the main; we're dealing with private-sector dollars that have to be managed in accordance with practices that are acceptable to the private sector and, in many cases in looking through the Auditor General's report, more efficiently maybe than what governments operate their own accounting practices.

There seem to be a number of areas that have been reported, pages 46 and 47, although there are only two recommendations. But I'm concerned that there are inadequate controls. I know the Member for Lacombe briefly brought this forward in his first questions when he went back to the recommendations. I'm concerned about some of these controls that have been outlined on page 46 in particular, that people may have access to computer services that may not be checked off, and various other things of this nature. I'm just wondering what is being done to ensure that quality control checks are available and that adequate controls are in fact being looked into and looked after, not three years down the road but today, so as to protect the integrity of the fund that the private sector is investing in.

MR. DIACHUK: Mr. Chairman, may I assure the committee that starting from my office, since November '82 I have worked very closely with the board and their administration on all examples that are brought to my attention by any of the members of the Legislature or the employers.

I am aware that the chairman of the board, Mr. Pals, since his appointment in January of '84, because of his own unique background, has put a lot of his time in the area that Mr. Nelson raises. I apologize that I don't have the response here, but I believe the chairman has already responded to Mr. Rogers on many of these concerns and has even met with Mr. Rogers on the concerns raised in the report.

One of the things we must keep urging, and I say this to employers, is that if they see an

error or a practice that is not acceptable, they question it, they raise it and bring it to our attention. Mr. Nelson, we've got a lot more co-operation from the sector that pays into the fund in the last half dozen years than we used to have. It might be because of the times. The downturn in the economy made many employers more concerned about the costs. But I want to say that at the same time that's our challenge, yours and mine, to let employers know that they should raise a concern about what may be inappropriate handling of their funds.

It's being addressed. I can assure the committee again, Mr. Chairman, that it's being addressed by the board, by their administration. Even now they have implemented more regular checks and balances to some of the concerns that the Provincial Auditor raised in the report.

MR. NELSON: Mr. Chairman, one of the purposes . . .

MR. DIACHUK: Mr. Chairman, with respect to the manual that Mr. Nelson has ordered — Mr. Nelson wanted one privately for his own constituency office -- I believe he well knows that as soon as that appropriation goes in to get paid . . . The board doesn't provide them to the 79 constituencies the same way as we would hope, because the employers would question that kind of cost to provide to the constituency offices.

MR. NELSON: Mr. Chairman, I've already indicated the willingness of payment of that book many months ago, and I would certainly not like to think the employers are thinking I'm going to get a freebie on them. I'm one of those employers, Mr. Chairman.

The purpose of this committee is to make some effort to have some assurance that the controls that should be in place are in fact there. It's well and good for the minister to discuss these issues with the Auditor General. The purpose of my questioning is to have the same or similar discussion here that might occur with the Auditor General, so that we may in fact have our hunger for information and to ensure that these policies and practices are in place at the committee level rather than just with the Auditor General.

So, Mr. Chairman, quite frankly I would like to have some assurance that the concerns that

are being raised by the Auditor General -- and remembering that the individual businesspeople in the community are not in that accounting office every day; they're probably never in there. Of course we have to rely on the efficiencies, or otherwise, of the board to ensure that the private-sector moneys are protected. If you read the book *Burning Dollars* and if we want to talk about inefficiencies in government, certainly we could do that also. But this is not supposedly a government agency; it is an agency that is using private-sector dollars. I just want some assurance that we're not going to continue to see recommendations year after year that relate to the same area, that there are inadequate controls and what have you that create weaknesses in the system, that the private-sector money is going to be wasted or not used properly.

Another comment I'd like to relate to is the unfunded liabilities and the fact that it appears we're still in a loss position in 1983 with a deficit of some \$56 million. I'm just wondering if that's going to continue into 1985.

MR. DIACHUK: Mr. Chairman, I thought I answered Mr. Nelson that most of these concerns the Provincial Auditor raised in the report have been addressed. Many of them have been in place to correct what may have been a concern to the Provincial Auditor.

Let me also indicate to Mr. Nelson that there's more than the private-sector money in this, because all provincial employees are covered by the Workers' Compensation Act and therefore, either indirectly or directly, the provincial taxpayer dollars pay for that portion of the cost of compensation. Also, all pre-1974 pensions are funded out of the general revenue of the province. So I welcome Mr. Nelson's concerns. Just to assist the committee, there's a good portion of taxpayers' dollars going directly into the payment of the benefits that workers under the Workers' Compensation Act are entitled to.

I can only stress and repeat, Mr. Chairman, that with the new chairman of the board, because of his background — I hope I didn't give the inference that I met with Mr. Rogers. No, it was Mr. Ken Pals, the chairman, and his staff who have been meeting with Mr. Rogers and his staff to ensure that these recommendations are being complied with.

MR. ROGERS: Mr. Chairman, I believe the efficiencies relating to the payroll have been addressed. They resulted because there had been a recent change of computer service bureau. I cannot give absolute assurance on that, because the audit is just in the completion stages and the management letter has not yet been sent. But I would be happy to report on that to the committee later in the session, if the committee so wished.

I would point out one very worrying item that has been repeated a number of times, and that is in the last paragraph on page 46: "Not all compensation payment calculations were checked before being submitted to computer processing." If there's a very small difference in the calculation of a pension and it is submitted to computer processing, the loss to either the pension person or to the board over a period of years can be very considerable, because it's cumulative on a monthly basis. That is one that we brought up before as not being properly addressed, and it's one that I think should be addressed. It's perhaps the most important item on this series of findings. I thought I'd just make that comment, Mr. Chairman.

MR. NELSON: Mr. Chairman, just to follow it up. Maybe we could ask the minister if we could have some assurance from him that the board will in fact correct that situation in the next while so that doesn't occur again.

MR. DIACHUK: Let me, Mr. Chairman, assure Mr. Nelson and the committee that I've addressed that concern with the full board and with the administration, and part of it is already in place; the double-checking of these calculations so that it doesn't cause an overpayment. What also happens is that it irritates the recipient. Sometimes if there's an overpayment and then they reduce it, that recipient goes to his MLA and the MLA doesn't like it either. So, yes, we have several instances. It was a valid concern of the Provincial Auditor, and it's being corrected. I can't tell you this won't happen because of the thousands of files they have. But they have now implemented a double check on all their calculations.

MR. CHAIRMAN: Maybe if we could flag it, Mr. Nelson. I take it that you're nodding your

head when the Auditor General said that he could come back with some more information. So we'll flag that at some point with the Auditor General.

MR. ROGERS: Thank you, Mr. Chairman.

MR. MUSGROVE: Mr. Chairman, I have some questions about the construction industry, particularly where gravel truckers are concerned and required to supply their own workers' compensation. It was my understanding that, as of last year, contractors would not be held responsible for gravel truckers supplying workers' compensation for their employees. However, I know of several incidents that happened in the summer of 1984 where a gravel trucker assured me he wouldn't get a job unless he had proof of workers' compensation, and yet the contractor had a holdback of 10 percent of the total take that he had as a gravel trucker. In one case in particular, it was almost twice as much as his annual contribution to workers' compensation would be in one year, and that happened in three months. Two months later he still didn't have the holdback on his workers' compensation requirement.

Is there any way we could work this so that either these people would be responsible for their workers' compensation or the contractor would be responsible? Somehow or another this isn't working with the way it is now.

MR. DIACHUK: Mr. Chairman, Bill 75 provided for a change and the opportunity for the board to implement a program called the proprietor card. Very recently, about three weeks ago, I met with the Alberta Gravel Truckers Association in Red Deer. Other than one Albertan who felt that he shouldn't have to buy his own coverage because he doesn't need coverage, the majority and the association are very pleased with the practice. What we have now and the example used, Mr. Musgrove, is the gravel trucker who doesn't hire any workers -- he himself is the only lone worker -- can apply for the proprietor coverage. He has a card that gives the period of time he's covered because it is a payment in advance, prepayment of the assessment. On the card it definitely states that no holdbacks are permitted. The one or two examples that were raised at that annual meeting, the association itself wanted to know

about. John Schettler, the president, said that this is not now the practice and shouldn't be, but there may be some principal contractor some place in Alberta that still applies it.

The proprietor card seemed to be welcome. I personally hope, and we've discussed it in the select committee, that if it works well in the independent operator proprietor program, it may be a program that we may see down the road, a year or two from now, that could be used by small-business men who now are facing holdbacks unless they get their letter of clearance. But that has been corrected, and I can assure Mr. Musgrove that it's welcome.

The reason we had some difficulty with it is because no other jurisdiction has tried the proprietor card in Canada. As a matter of fact, some jurisdictions don't even provide coverage or an opportunity for an independent operator to buy his own coverage. The only other answer I have is that there still are some principals, and I am aware that Alberta Transportation covers all their contract gravel truckers as part of their contract. So not only does that cause some upset to the system. If that gravel trucker is working for Alberta Transportation, he doesn't need the coverage. But if he's working for somebody else later in the day or the following week, he needs his coverage.

MR. MUSGROVE: On the question of working for Alberta Transportation, what about a contractor that has contracted with Alberta Transportation to do some given work?

MR. DIACHUK: That principal contractor requires all subcontractor proprietor independently operated gravel truckers to have their own account. But there are some exceptions, Mr. Musgrove. There are some principal contractors that include it, and we want to let them do that.

MR. MUSGROVE: Thank you.

MR. MARTIN: I have four more people on the list. I remind members that there are approximately 11 minutes.

MR. ZIP: Mr. Chairman, I have a question to the minister regarding lump-sum payments made with drivers covered under WCB who are involved in motor vehicle accidents, where there is a considerably lower lump-sum payment

made to the driver by the board than the settlement that subsequently is made with the insurance company. What happens with this extra money? Is it kept by the board, or is it given to the claimant?

MR. DIACHUK: I would like to know that example, Mr. Chairman, because on every one I have seen, the recovery that is taken on a third-party action does not fully cover the cost. However, if there is, the policy of the board is that the excess that is collected in a third-party action is paid to the claimant, to the worker.

MR. ZIP: How soon is it paid, Mr. Minister?

MR. DIACHUK: As soon as the lawyers disburse it.

MR. ZIP: Sometimes it seems like it goes on forever.

MR. DIACHUK: I would welcome the example, Mr. Chairman, because that shouldn't happen.

MR. ZIP: A further question. There appear to be inconsistencies in the way lump-sum settlements are made with various claimants, some of whom are most unhappy when they compare notes with one another. What moves are being made to bring about a greater degree of evenhandedness in the treatment of claimants?

MR. DIACHUK: Mr. Chairman, to the members of the committee: we must bear in mind that every pension is established on the earnings of the worker at the time of the accident, the percentage of the permanent disability. That's how lump sums are arrived at. Therefore, unless the two workers had the same salary, you can't compare it. At the same time, you must recognize the percentage of the award. However, what we have corrected and the difficulty the board was encountering was that Bill 75 also provided authority for the board in 1985 to pay at the current rate of benefits. The Act until the end of '84 permitted the board to pay on the basis of the established pension. That was what was causing us difficulty. That now will be paid on the current benefits, the rate the worker is receiving monthly in 1985.

MR. ZIP: Thank you, Mr. Minister.

MR. STROMBERG: A brief explanation to my question: I believe a petroleum company has made application or is in the process of making application to the ERCB to open up a gas field in the Sundre area that's 85 percent hydrogen sulphide. A number of citizens living within the gas field and surrounding it will be objecting to that field being opened. Will occupational health and safety be making representation to the ERCB on behalf of the citizens and the risk potential?

MR. DIACHUK: Mr. Chairman, I believe what Mr. Stromberg is alluding to is the rural residents surrounding the area. I want to indicate that the agricultural sector, the farmers, are not covered under the Workers' Compensation Act, and our Occupational Health and Safety Act doesn't apply to farmers. So I believe there would be no representation made on their behalf, because farmers are exempt from our legislation.

MR. STROMBERG: I mean on the occupational health safety part of it.

MR. DIACHUK: Of workers?

MR. STROMBERG: No, of residents.

MR. ROZEL: No. Because we're not involved in the nonoccupational activities of residents, we would not be representing them.

MR. STROMBERG: So in that case you don't represent farmers. I am curious. Was the minister covered by workers' compensation when he broke his arm when he fell out of the tree?

MR. DIACHUK: No, I wasn't. I broke my ankle, not my arm.

MR. HARLE: When I put up my hand, Mr. Chairman, I wanted some comment on the joint worksite committees and producing wells, but that question has been answered. I want to follow up, though, with the question of joint worksite committees, particularly in the service industries involving tanks and enclosed spaces. It's always so tragic to hear of a fatality where someone has entered a tank. Inevitably they're followed by the second worker, who comes along to try to rescue the first, and both are in

trouble. Is there any effort made to try to solve this particular problem by joint worksite committees, or is it possible?

MR. DIACHUK: Yes, there is a lot of effort, and we have addressed that and some other areas. I'll let Keith Smith or Bill supplement. You can make up your mind, which one. Yes, Bill Rozel may be briefer. You know that, Mr. Chairman.

I want to say that at the same time, our Act has been taken more seriously by the fact that I believe we have taken more of those instances seriously enough to even commence prosecution. I'm of the opinion that we possibly have acted more positively that way in Alberta than all the other jurisdictions together. We have addressed confined space and entering into a confined space. However, Mr. Harle, your question is valid, and I think I'd like the officials to respond to it, particularly the education part.

MR. ROZEL: Mr. Chairman, the division has several highly focussed programs in such areas as trenching and overhead power lines. One very definitely high profile program is confined spaces, because we have had some very tragic accidents over the years in this area. We don't specifically look at requiring joint worksite committees in this particular area, but we do encourage them very much. We have a program where any company involved in confined space entries must develop a code of safe practice for that process. That came in in the general safety regulation which came into being in September of last year.

So that's a very active program. There is also a lot of work done in publications and this kind of thing. Keith, do you want to speak about that?

MR. SMITH: In terms of the publications or in terms of the training and other assistance programs that are provided and have been provided for many, many years, there are some key types of industries we concentrate on very specifically, because it's part and parcel of their operations to enter into confined spaces, notably municipal workers and contractors on chemical process plant turnaround type situations. Those we know are going to occur. For many years we have been providing assistance to both the industry groups and the employers, as well as conducting our own

programs, specifically with those identifying groups.

While it's much more difficult, the other forms of entry into confined spaces that occur, although it may be part of the operation that takes place, may be an incidental part of the operation. So that the cleaning of tanks in a variety of activities is one that's difficult to address where it is not a specific type of activity that the occupation calls for. Most of the situations we encounter tend to be related to those types of incidental entries, where the worker has been required to go into a confined space not as a normal part of the types of operations he is doing on a routine basis but for a specific requirement to clean that tank out. Unfortunately, it's difficult to provide comprehensive programs in those varieties of incidental entries. As I say, most of our programs have concentrated on those types of industries where there is a continual and ongoing requirement to have the appropriate training.

MR. CHAIRMAN: We've run out of time. Mrs. Koper, if you would . . .

MRS. KOPER: Most of mine have been answered. Thank you, Mr. Chairman.

MR. R. MOORE: I move that we adjourn.

MR. CHAIRMAN: You move that we adjourn. I'm sure I can get a seconder for that. I would just like to thank Mr. Diachuk and his staff for taking time out from a busy schedule. We appreciate your coming before Public Accounts. Thank you.

We will adjourn.

HON. MEMBERS: Agreed.

[The committee adjourned at 11:30 a.m.]

