

Labour

Business Plan 1997-98 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Murray Smith
Minister of Labour
April 12, 1997

Mission and Mandate

The mission of Alberta Labour is to work in partnership with Albertans to promote safe and healthy workplaces, a quality working life, and comprehensive safety systems — key components of the Alberta Advantage.

As a result of previous business plans the department has moved from direct services delivery to issues and public policy management, from intervention to facilitation in the workplace. The restructuring of the department through the use of 3rd option alternatives has resulted in significant enhancements in access to services with a renewed emphasis on customer service and satisfaction.

To focus our activities and resources on our future business the department has identified its six “Core Businesses”. These core businesses will focus departmental resources and effort on client needs with the goal of increased customer service and client satisfaction. The following six core businesses form the base on which our business plan for 1997-2000 has been developed:

- ◆ Promotion of Alberta as a good workplace for business and labour.
- ◆ Long term workplace planning and issues management.
- ◆ Encouragement of cooperative approaches in the workplace.
- ◆ Promotion of appropriate workplace, safety and professional standards.
- ◆ Effective adjudication of workplace and safety issues.
- ◆ Establishment of health and safety systems.

These core businesses reflect the functions and activities that the department will focus on in the future to ensure that our mission and mandate are successfully achieved.

Major Goals and Strategies 1997-2000

The goals of Alberta Labour during the next plan period are to:

- ◆ Assist the province’s economic development and the Alberta Advantage by promoting high standards in the workplace in terms of organization, operation, safety systems and health and safety.
- ◆ Develop and maintain a strong customer focus with an emphasis on service.
- ◆ Establish the core business of the department centred on determining strategic issues and how we can address them, and on program and policy audit.
- ◆ Develop strategic public policy and audit processes in conjunction with and in support of client needs.
- ◆ Complete the move from intervention to facilitation and partnership in current areas of service delivery.
- ◆ Provide effective administration of the Freedom of Information and Protection of Privacy legislation.

In furthering the objective of making Alberta Labour an effective leader in workplace issues such as labour relations and workplace organization, health and safety policy the following major strategies will be used during the plan period:

- ◆ Our primary strategy focuses on the provincial government’s themes of jobs and the economy and on supporting individuals, families and communities to deal with change. The strategy will continue to utilize what we have previously defined as the 3rd option in restructuring government. The first two options involve either eliminating services or privatization. The third option is primarily concerned

with three things: reducing resource requirements by developing partnerships outside government; maintaining current levels of service and standards; and at the same time creating employment opportunities outside of government for which existing staff can compete. This option forms the framework for the strategic direction we have established for the department to 2000. This option has, to date, created twice as many jobs in the private sector as have been abolished in the department.

We will pursue the development of Delegated Administrative Organizations (DAOs) where appropriate. DAOs are industry-funded and operated administrative bodies accountable to the Minister. In addition other 3rd option initiatives such as the development and utilization of accredited agencies will be encouraged.

There will also be privatization, where appropriate, of certain services and functions that will create viable business opportunities in the private sector. Examples of this are mediation services; educational functions related to safety; employment standards and occupational health and safety, and the former Occupational Health and Safety Laboratory.

- ◆ Other strategies that relate to the theme of "jobs and the economy" include the elimination of those services for which there is little or no demand or for which no clear regulatory need exists and the simplification of legislation, regulation, policy and service.
- ◆ Other strategies that support "individuals, families and communities to deal with change" include an emphasis on self reliance in all program activities, a concern for public safety and high standards, and a continued client focus through the use of client surveys and consultation.
- ◆ Strategies that address the need for "strong financial management" include discussions with other departments on the co-ordination or consolidation of services, a focus on restructuring that delegates or devolves activities not consistent with the basic policy/audit role of the department, an ongoing emphasis on cost reduction, the continuation of results-based budgeting, the use of program specific business plans (e.g., Occupation Health and Safety, Safety Services, and Employment Standards) and the continuation of innovative management and personnel practices.
- ◆ Implement Freedom of Information and Protection of Privacy (FOIP) legislation for local public bodies by establishing policy and guidelines, implementing a training program, establishing a directory of records and providing policy advice and guidelines.
- ◆ Facilitate the review of the FOIP Act. Enhance communications and increase the awareness of the legislation and policies. Develop a business plan for the program.

Annual Action Plans

In order to implement the strategies outlined above detailed action plans have been developed. These plans highlight those significant initiatives that are to be undertaken during the life of this plan. Many of these initiatives require significant stakeholder consultation and require a multi-year phased approach to implementation to ensure a smooth transition and coordinated completion schedule.

1997/98:

Many of the initiatives that will be undertaken in the 1997/98 fiscal year are centred on the consolidation of units and the streamlining of processes. These initiatives will focus on client need and the achievement of a high level of customer satisfaction. Service delivery will be provided primarily

through alternate service delivery mechanisms. Savings will be offset by funding for a new contaminated tank site remediation program and the provision of Employment Pension services and the Alberta Fire Training School as dedicated revenue initiatives. The target reflects additional FTE reductions of 54, due primarily to the early achievement of 1998/99 targets. By 1997/98 there will be a need to accommodate increased demands for service. During this time it is anticipated that revenues will continue to fall as a result of moving from a role of direct delivery to managing and auditing the delivery of services by the private sector and others. Total revenue reductions for the 1997/98 fiscal year of \$2.8 million are anticipated. This is an additional reduction of \$0.2 million over that originally forecast for 1997/98.

Specific initiatives planned for 1997/98 include:

- ◆ Strengthening of our audit capability and initial devolution of some program audit functions to the Safety Codes Council.
- ◆ Consideration of alternate delivery mechanisms for certain non-regulatory OH&S services.
- ◆ Continued refocusing on enhancing the Occupation Health and Safety Partnerships program with an emphasis on stakeholder needs.
- ◆ Further restructuring as a result of the continuing implementation of the safety services business plan.
- ◆ Initiation of discussions related to consolidation of professional and labour legislation in the department.
- ◆ Rationalization of the department's regional service delivery capability to reflect the move away from service delivery to a role of policy development and audit.
- ◆ Initiation of public consultation aimed at re-focusing the department around a new vision to carry the department into the future.
- ◆ Reduction in administrative cost as a percentage of costs to 12.71%.
- ◆ Continued downsizing of Finance and Administration.
- ◆ Privatization of the Systems Branch.
- ◆ Continuation of discussions regarding the transfer of the Alberta Fire Training School to Advanced Education and Career Development (Lakeland College).
- ◆ Initiation of employment standards partnerships as a preventive strategy.
- ◆ Review of the operations of the International Qualifications Assessment Service to determine appropriate resourcing levels and maximum self-funding potential.
- ◆ Re-examination of the role and resourcing level of the Professions and Occupations Service.
- ◆ Adjustment of revenue projections to reflect continued devolution of responsibilities.
- ◆ Establish Employment Pensions as a dedicated revenue service funded entirely through self-generated revenue.
- ◆ Establishing, in partnership with Alberta Environmental Protection and the Petroleum Tank Management Association of Alberta, a customer-focused one-window approach to dealing with the remediation of contaminated tank sites.

1998/99:

The 1998/99 fiscal year will see Alberta Labour continue to emphasize customer service while entering a period of relative organizational stability. The department will have achieved a transformation to a role focused on issues and public policy management, except possibly in Occupational Health and Safety, and Employment Standards where a legislative need for compliance monitoring and investigation is still appropriate and necessary.

Through a continued emphasis on the 3rd option, direct service delivery for the most part will be provided by entities outside of the department. The new role for the department will be one of: public policy management; management of relationships to ensure the availability of appropriate services and service levels; the auditing of service delivery to ensure compliance with policy; and ensuring high standards in the workplace.

Initiatives for 1998/99 will focus on improving customer service through reduced waiting periods and shorter processing times. Specific actions planned for the 1998/99 fiscal year will result in savings totalling \$1.8 million. Reductions will be offset by a planned enhancement to the contaminated tank site remediation program. This will leave the department with resources totalling \$34.8 million and 399.0 FTEs. Revenues are expected to continue to decrease with additional reductions of \$2.6 million from 1997/98, representing a decrease of \$2.1 million more than originally anticipated.

Initiatives include:

- ◆ Continued enhancement and refinement of OH&S Partnership Program based on stakeholder input.
- ◆ Continued restructuring of Employment Standards with the goal of proactive prevention of complaints through partnerships and education.
- ◆ Continued restructuring resulting from further implementation of the safety services business plan.
- ◆ Continued restructuring of Personnel to reflect restructuring and downsizing occurring in the department.
- ◆ Further devolution of program audit functions to the Safety Codes Council.
- ◆ In depth examination and review of the privatization of Mediation Services to determine the extent to which the original objectives have been fulfilled.
- ◆ In depth examination and review of the former OH&S Laboratory to determine extent to which the original objectives of this privatization have been achieved.
- ◆ Administrative cost savings resulting in an administrative cost percentage of 10.06%, with a final goal of 10%.
- ◆ A downward adjustment of revenue projections to reflect continued devolution of responsibilities.
- ◆ Enhancement of the contaminated tanks site remediation program.

1999/2000:

The 1999/2000 fiscal year will see the department focus its attention on formalizing and strengthening relationships with industry partners and clients. Attention will be directed towards streamlining functions and activities in an effort to consolidate service delivery in DAOs and other 3rd option alternatives outside the department. This consolidation of services will focus on maintaining a high degree of customer service and satisfaction. As a result resources — with the exception of those associated with the contaminated tanks sites remediation program — will remain constant in comparison with 1998/99. Any savings will be reinvested in activities identified by clients and partners. It is anticipated that revenue will continue to fall with reductions totalling approximately \$0.9 million as a result of the impact of the last of the devolution of service responsibilities to the private sector planned for 1998/99. Expenditures will increase by \$5 million as a result of continued support for the contaminated tanks sites remediation fund. The 1999/2000 resourcing level of \$39.8 million and 399.0 FTEs represents a decrease of \$21.9 million (42%) from the 1992/93 actual expenditure (excluding \$10 million related to the tanks site remediation fund). Reductions in funding of this magnitude have resulted in the abolishment of 311.0 FTEs, 44% of the total number of FTEs in the department since 1992/93.

Specific initiatives planned for 1999/2000 include:

- ◆ Fine tuning the organization to ensure the department remains responsive to the needs of clients and partners.
- ◆ In depth examination and review of the Alberta Boilers Safety Association to determine the extent to which the original objectives have been achieved.
- ◆ In depth examination and review of the Safety Codes Council to determine the extent to which the original objectives have been fulfilled.
- ◆ In depth examination and review of Employment Standards to determine the extent to which the objectives of increased customer focus and service have been achieved.
- ◆ Continued review of administrative functions with the intent of reducing overall percent of resources committed to these activities.
- ◆ Final devolution of program audit responsibilities to the Safety Codes Council, leaving only policy audit functions to the department.
- ◆ Evaluation of the success of the transfer of the Alberta Fire Training School to Lakeland College to ensure that objectives of continued high customer satisfaction and national accreditation have been fully achieved and maintained.
- ◆ Continued enhancement of the contaminated tanks site remediation program.

Labour Relations Board

The Labour Relations Board is responsible for administration of the *Labour Relations Code*, the *Public Service Employee Relations Act*, and the *Police Officer's Collective Bargaining Act*.

The goals and responsibilities of the Labour Relations Board are to:

- ◆ provide fair, impartial and efficient resolution to matters that come before it,
- ◆ encourage dispute resolution and settlement,
- ◆ provide clear, consistent and timely adjudication,
- ◆ act, and be seen to act, independently and impartially, and
- ◆ continually upgrade the skills and abilities of its members and staff

The Labour Relations Board, recognizing the need to carry out its functions in a manner consistent with the fiscal policies of the Government of Alberta, will implement cost reduction strategies in 1997/98 that reflect the directions outlined in the Alberta Labour business plan for 1997-2000.

Performance Measures and Results

The department has developed the following performance measures and indicators that provide a more concise assessment of results being achieved. These measures and indicators, for the most part, provide an assessment of the department's contribution to the Alberta Advantage by making Alberta a desirable and prosperous place for both business and labour. In the summary table, performance measures have been assigned a success factor ("score") based on the results achieved as portrayed by the performance indicators. This table also provides a link back to core businesses to portray the relative degree of success that the department is achieving in delivering customer focused services.

Core Business	Performance Measure	Success Factor^{2,3}	Indicator Score	Description - Performance Indicator
Promotion of Alberta as a good workplace for business and labour	Economic Development	83%	1.00 1.00 1.00 1.00 0.00 1.00	Number of issues identified and addressed Number of person days lost as a result of labour disputes which involve work stoppages Number of workplace days lost to injury/illness Private sector employment resulting from 3rd Option alternatives and from contracting out of service delivery Private sector employment resulting from contracting out of service delivery The number of collective bargaining agreements annually which require mediation or arbitration to settle
Long-term workforce planning and issues management	Innovation Model	83%	0.67 1.00	Number of 3rd Option alternatives in place (annual and cumulative year-to-date) Number of clients who implement workplace innovation initiatives annually
Encouragement of cooperative approaches in workplace	Partnerships Facilitation	98% 67%	0.97 1.00 NA* 0.71 1.00 0.00 0.00 1.00 1.00 1.00	Average scores on the General Client Survey Number of partners in Health and Safety at the end of the year Overall satisfaction of clients with DAOs and other 3rd Option alternatives for service delivery Number of appeals of decisions made under relevant legislation Number of clients who implement workplace innovation initiatives annually Number of complaints registered with Employment Standards annually Number of repeat offenders under employment standards legislation Number of issues identified and addressed Number of person days lost as a result of labour disputes which involve work stoppages The number of collective bargaining agreements annually which require mediation or arbitration to settle
Promotion of appropriate workplace safety and professional standards	Public Policy Policy/Audit	100% 75%	1.00 1.00 0.10 0.67 1.00 1.00 NA*	Number of national and provincial policies which have been influenced by Alberta Labour % audits which result in the entity retaining accreditation or certification (Safety Services) % of entities which are audited annually (safety services, other) Number of 3rd option alternatives in place (annual and cumulative year-to-date) Number of services which have been devolved to the private sector Ratio of successful audits to all audits (policy; program) The number of new participants in the safety system

Core Business	Performance Measure	Success Factor ^{2,3}	Indicator Score	Description - Performance Indicator
Effective adjudication of workplace and safety issues	Client Satisfaction	84%	0.97 NA*	Average scores on the General Client Survey Overall satisfaction of clients with DAOs and other 3rd Option alternatives for service delivery
	One Window	67%	0.71 0.67	Number of appeals of decisions made under relevant legislation Degree to which a one-window approach to service has been developed
Establishment of health and safety systems	Overall Safety	94%	0.87	Municipal and private sector participation rate in Safety Codes Act administration
			1.00 NA*	Ratio of successful audits to all audits (policy; program)
			NA*	The number of accidents or incidents involving regulated activities The number of new participants in the safety system

Selected Performance Indicators

Selected Performance Indicators	Score ⁴	Target/Goal	Result
◆ Number of person days lost as a result of labour disputes	1.00	◆ 0	◆ Person days lost due to work stoppages in 1995 were 0.72/10,000 days worked (18% decrease from 1994-95)
◆ Number of workplace days lost to occupational injury/illness	1.00	◆ 0	◆ There were 830,924 persons days lost due to occupational injury/illness in 1995 (4% decrease over 1994-95)
◆ Reduction of FTEs and overall administrative costs due to the implementation of regulatory reform initiatives	1.00	◆ 95-96 Target FTE total of 596; Administrative costs target 18.5% of total budget	◆ Achieved both targets with the final FTE count of 603 (94-95 = 636) and administrative cost ratio of 14.98% (94-95 = 19.0%)
◆ Private sector employment resulting from 3rd Option alternatives and from contracting out of service delivery	1.00	◆ 2.5 times the total positions abolished within the department	◆ Over 550 jobs have been created to date by the department devolving activities to the private sector (94-95 cumulative total was 300)
◆ Number of issues identified and successfully addressed.	1.00	◆ No target (dependent on factors beyond our control)	◆ Five issues were identified and addressed.
◆ Number of planned initiatives achieved	1.00	◆ 95%	◆ All planned initiatives either complete or on schedule for completion with exception of a Delegated Administrative Organization for Professions and Occupations. This has been deferred

* Indicator under development - data not yet available.

¹ This is an abbreviated description. For a full description, contact the department.

² The success Factor is the average of success scores for each of the measure's indicators. Indicator scores represent the proportion of targets achieved for those indicators.

³ Indicators for which no success score is available are excluded from the Success Factor calculation.

⁴ The Indicator Score reflects the proportion of targets for the given indicator that were achieved, either wholly (1.00), partially (0.01 - 0.99) or not at all (0.00). If there are multiple targets, the score is averaged over the number of targets. Targets for which data are not available do not count toward a score.

Selected Performance Indicators	Score ⁴	Target/Goal	Result
<ul style="list-style-type: none"> ◆ Achievement of financial targets ◆ Number of services which have been delegated to the private sector ◆ Number of 3rd Option alternatives in place ◆ Policy audits of targeted 3rd Option alternatives which meet specified criteria ◆ Participation rate in Safety Codes Act administration ◆ Percent of entities which are audited annually in Safety ◆ Percent of audits which result in the Safety Services entity retaining accreditation 	<p>0.74</p> <p>1.00</p> <p>0.67</p> <p>1.00</p> <p>0.87</p> <p>0.10</p> <p>1.00</p>	<ul style="list-style-type: none"> ◆ 100% as specified in the department business plan. ◆ 3 major services and 9 minor services ◆ 9 services ◆ 100% ◆ 100% Ultimately Alberta Labour will not have responsibility for providing services under the Safety Codes Act in any municipalities) ◆ 10% annual increase in the number of agencies accredited by discipline ◆ 10% annual increase in the number of corporations accredited by discipline ◆ 25% ◆ 100% 	<ul style="list-style-type: none"> ◆ Achieved a self-funding ratio of 42.9% (target = 49.8%); an administrative cost ratio of 14.98% (target = 18.5%); actual expenditures of \$34.8 million (estimate = \$38.9 million); and revenues of \$14.6 million (target = \$18.9 million); with a net draw on the GRF of \$20.2 million (target = \$19.9 million) ◆ 10 minor services and 6 major services delegated ◆ 6 out of 9 3rd Option alternatives are in place ◆ Target achieved ◆ Building: Alberta Labour has responsibility for 38% of municipalities ◆ Fire: Alberta Labour has responsibility for 20% of municipalities ◆ Electrical, Gas, Plumbing: Alberta Labour has responsibility for 56% of municipalities ◆ The increase in the number of accredited agencies by discipline has exceeded targets in most cases, with an overall increase of 860%. ◆ The increase in the number of accredited corporations by discipline has exceeded targets in all cases, with an overall increase of 513%. ◆ 5% of entities were audited in the Authorized Contractors Program. ◆ Target achieved. All audits conducted to date have resulted in retention of accreditation
<ul style="list-style-type: none"> ◆ Overall average score on the General Client Survey ◆ Overall satisfaction of clients with Delegated Administrative Organizations and other 3rd Option alternatives for service delivery 	<p>1.00</p> <p>N/A</p>	<ul style="list-style-type: none"> ◆ Decrease in number of dissatisfied clients based on a satisfaction score of 6.1 out of 7.0 ◆ At a minimum 6.1 out of 7.0 	<ul style="list-style-type: none"> ◆ Not available this fiscal year. Next survey in April, 1997. However, in 1995 the the department attained an overall satisfaction score of 5.9 out of 7.0 ◆ This is a new measure. No surveys have been conducted to date

Selected Performance Indicators	Score ⁴	Target/Goal	Result
<ul style="list-style-type: none"> ◆ Degree to which a one-window approach to service has been developed ◆ Consolidation of legislation 	0.67 0.83	<ul style="list-style-type: none"> ◆ 100% ◆ 100% for Employment Standards ◆ OH&S ◆ Safety Services 	<ul style="list-style-type: none"> ◆ OH&S - under review ◆ Safety Services - complete ◆ Review and redraft of Code complete. Changes to simplify completed Spring 1996 session. Review of regulations ongoing ◆ Review complete - 2 Acts and 5 regulations ongoing ◆ 50% complete
<ul style="list-style-type: none"> ◆ The number of new participants in the safety system ◆ Decrease in the number of incidents involving regulated activities 	N/A N/A	<ul style="list-style-type: none"> ◆ 10% annually ◆ annual decrease 	<ul style="list-style-type: none"> ◆ indicator not yet developed ◆ indicator no yet developed
<ul style="list-style-type: none"> ◆ Number of complaints registered with Employment Standards annually ◆ Number of repeat offenders under employment standards legislation ◆ The number of collective bargaining agreements annually which require mediation or arbitration to settle ◆ Number of partners in Health and Safety at the end of the year 	0.00 0.00 1.00 1.00	<ul style="list-style-type: none"> ◆ 10% decrease ◆ 56% decrease ◆ annual decrease ◆ 185 cumulative 	<ul style="list-style-type: none"> ◆ There were 5,555 complaints registered for investigation (5% increase 1994-95) ◆ There were 535 employers with more than one claim registered (and established) against them (25% increase from 1994-95) ◆ There were 73 collective bargaining agreements which required mediation or arbitration to settle (54% decrease from 1994-95) ◆ There were 64 partners in Health and Safety at the end of 1995-96 (OHS Business Plan was 60)

Labour Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	15,858	18,935	21,381	14,618	9,835	10,118	7,493	6,593
Workers' Compensation Board*	31,597	299,209	356,954	-	-	-	-	-
Consolidation Adjustments	(6,297)	1,506	(76,954)	-	-	-	-	-
Consolidated Revenue	41,158	319,650	301,381	14,618	9,835	10,118	7,493	6,593
EXPENSE								
Program								
<i>Voted</i>								
Department	51,709	44,731	39,521	34,840	29,527	32,967	34,809	39,809
Consolidation Adjustments	-	-	-	-	-	-	-	-
Consolidated Expense	51,709	44,731	39,521	34,840	29,527	32,967	34,809	39,809
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	(10,551)	274,919	261,860	(20,222)	(19,692)	(22,849)	(27,316)	(33,216)

* This entity is a commercial enterprise or a Crown-controlled corporation that is reported in revenue on a net profit or loss basis (revenue less expense). Thus, it does not appear in the expense portion of the income statement.