

GOVERNMENT OF ALBERTA

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# Annual Report

## Labour and Immigration

### 2020-2021

Ministry of Labour and Immigration, Government of Alberta | Labour and Immigration 2020–2021  
Annual Report

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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and a comparison of actual performance results to desired results set out in the government's strategic plan, previously published in one volume entitled Measuring Up report.

**This annual report of the Ministry of Labour and Immigration contains the minister's accountability statement, the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:**

- the financial statements of the Workers' Compensation Board – Alberta (WCB), which is a separate entity that is accountable to the Minister of Labour and Immigration. WCB has its own budget and reporting processes; and
- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.

## Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2021, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at **June 1, 2021** with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

*Honourable Jason Copping*

*Minister of Labour and Immigration*

## Message from the Minister



I'm pleased to report on the activities and financial results for the Ministry of Labour and Immigration in 2020-21. This past year has been exceptionally challenging, as our province had to quickly change course to battle the COVID-19 pandemic and economic recession. With the 2020-23 business plan, we set our priorities before we knew we would be dealing with a pandemic. However, in addition to supporting the pandemic response, Labour and Immigration also continued to deliver on the priorities as part of the department's regular business.

Albertans have done an incredible job over the last many months to follow the public health measures and be flexible with changing restrictions. Throughout this difficult time, Labour and Immigration has continued to support workers and help keep them safe on the job, while also helping employers stay in business during the pandemic.

Early in the pandemic, government acted quickly to protect lives and livelihoods and ensure economic recovery when the pandemic was over. The actions Alberta's government took to support Albertans included launching the Emergency Isolation Support program. The one-time payment provided much needed financial support to 94,214 Albertans who needed to self-isolate prior to the federal programming becoming available. Employees also needed reassurance they would not lose their jobs if they had to take time off work to self-isolate or care for a loved one, so we introduced two COVID-19 specific job-protected leaves. To support private sector employers, government allowed them to defer their 2020 WCB premiums to 2021, and covered the cost of 2020 WCB premiums for small and medium-sized private sector employers. These actions all occurred in the early days of the pandemic and helped thousands of Albertans and businesses when they needed it most.

In addition, this past year, Alberta's government provided a one-time \$1,200 payment through the Critical Worker Benefit to recognize the hard work of hundreds of thousands of Albertans who continue to deliver critical services during the pandemic. While the COVID-19 pandemic has been unpredictable, we continue to take steps to limit the spread of transmission, including conducting proactive occupational health and safety inspections at workplaces and responding to complaints.

Labour and Immigration also continues to deliver on the priorities outlined in our Strategic Plan which include getting Albertans back to work, improving safety outcomes, reducing red tape and decreasing costs to employers. Key actions taken are introducing two major pieces of legislation that offer more flexible rules, while maintaining and protecting employee rights and safety: *The Restoring Balance in Alberta's Workplaces Act* and the *Ensuring Safety and Cutting Red Tape Act*. Other actions include supporting unemployed Albertans by expanding training eligibility for the Canada-Alberta Job Grant, providing supports for recently laid-off Albertans, and working with third-party training providers to ensure the continuity of services. We recognize that the actions we take today, ultimately affect our economic recovery and growth.

With Alberta's vaccine roll-out well underway, there is reason to hope better days are ahead. Alberta's government will continue to support job creators and workers so we can emerge from this pandemic stronger than ever.

[Original signed by]

*Honourable Jason Copping*  
*Minister of Labour and Immigration*

## Management's Responsibility for Reporting

The Ministry of Labour and Immigration includes:

- The Department of Labour and Immigration;
- Workers' Compensation Board – Alberta;
- Alberta Labour Relations Board;
- Appeals Commission for Alberta Workers' Compensation;
- Medical Panels Office; and
- Fair Practices Office.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Labour and Immigration. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the 2020-23 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's *Budget 2020*.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;



- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Labour and Immigration the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Deputy Minister Shawn McLeod  
Deputy Minister of Labour and Immigration  
June 1, 2021

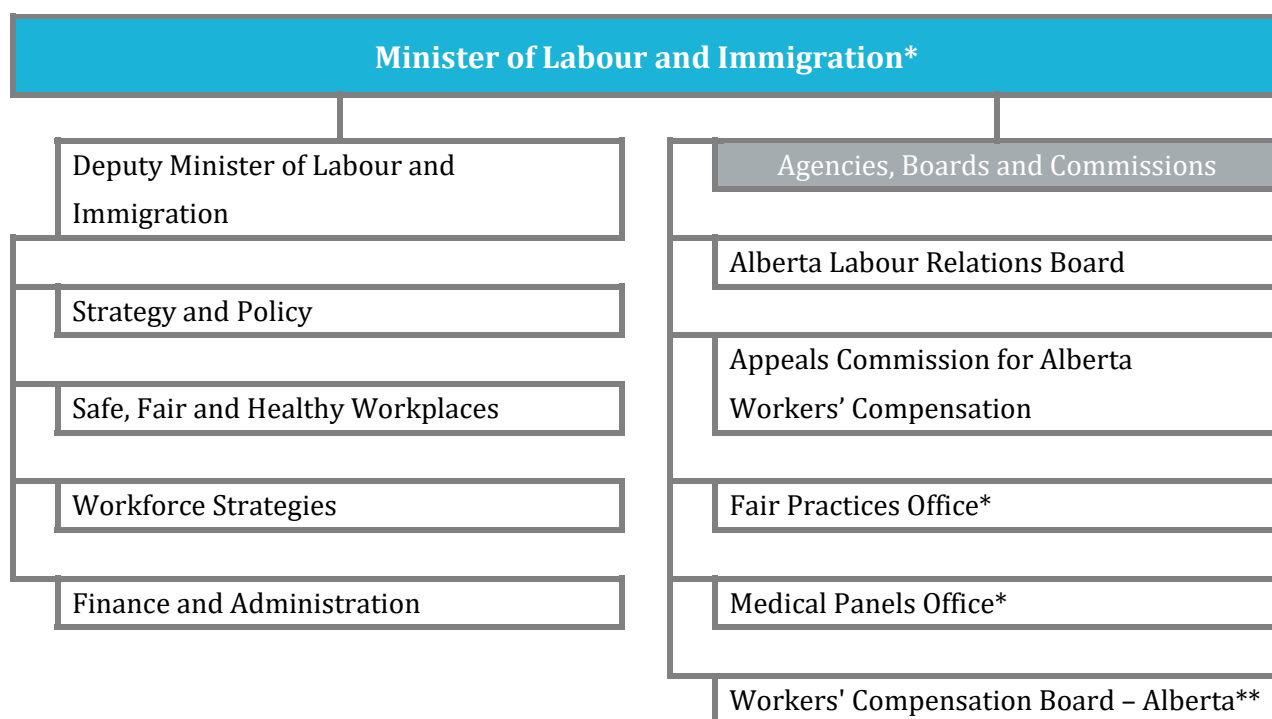
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## Ministry Overview

### Organizational Chart

The Ministry of Labour and Immigration supports a strong and diversified economy by working with job creators to develop a strong and resilient workforce, promoting safe, fair and healthy workplaces and attracting skilled workers and entrepreneurs from across Canada and the world to Alberta.



\* As at March 31, 2021. The Fair Practices Office and Medical Panels Office closed effective April 1, 2021. Other existing organizations are delivering the remaining services to reduce duplication and save money.

\*\* The Workers' Compensation Board – Alberta (WCB) is a separate entity that is accountable to the Minister of Labour and Immigration. WCB has its own budget and reporting processes.

## **Department of Labour and Immigration**

The Department of Labour and Immigration consists of the areas described below:

### *Deputy Minister's Office*

The Deputy Minister's Office leads the department, provides advice and support to the minister, and is the link to the Minister's Office to ensure the work of the department meets the goals and objectives outlined in the business plan and the priorities provided to the minister by the Premier. The deputy minister supports the Deputy Minister of Executive Council by contributing to policy development, planning and implementing cross ministry initiatives and advocating for new ways to achieve government-wide goals.

### *Strategy and Policy*

The Strategy and Policy division works with various stakeholders to shape Alberta's labour, workplace and immigration policy. The division develops policies and strategies to align labour supply and demand, and ensures Alberta's workplaces are safe and healthy and operate within a legislative framework that supports Alberta's economy. The division also leads federal-provincial relations work, provides unions and employers with mediators and arbitrators to assist in resolving disputes and provides the ministry's legislative services, governance processes and public accountability functions. The division also administers the Employee Labour Relations Support program; this program supports employees who are unionized or may soon become unionized with information about their rights and access to legal supports.

### *Safe, Fair and Healthy Workplaces*

The Safe, Fair and Healthy Workplaces division enables safe, fair and healthy workplaces by using evidence to inform prevention, education and enforcement activities. The department collaborates with employers, workers, industry associations and labour groups to promote an informed and knowledgeable workforce regarding shared workplace rights and responsibilities. This division is also responsible for monitoring compliance with employment standards and occupational health and safety legislation using risk-based approaches, responding to complaints, incidents and injuries and establishing a prevention framework to align health and safety system resources leading to a reduction of injuries and illnesses within Alberta workplaces.

### *Workforce Strategies*

The Workforce Strategies division delivers programs focused on connecting Albertans to the jobs of today and preparing them for the jobs of tomorrow. The division works with other ministries, industry and the Government of Canada to implement policies, strategies and programs designed to match labour supply and demand. It also supports employers and industry in attracting, developing and retaining qualified workers or dealing with workforce adjustments. The division administers Labour Market Transfer Agreements and delivers workforce programming for Indigenous peoples. The division works to reduce barriers to labour mobility across Canada and improve qualification recognition, selects and nominates newcomers to respond to Alberta's economic needs, and works with regulatory bodies to improve licensure. Through work with federal, municipal and community partners, the division helps newcomers settle successfully in the province.

### *Finance and Administration*

The Finance and Administration branch leads the development of the ministry's budget and provides financial advice and support related to planning and forecasting. It oversees the preparation and implementation of ministry financial statements, financial compliance and accountability, contract and grant management policy, and financial processes and policies. The division also provides corporate services for facilities and administration, emergency management and business continuity, and leads strategic information management initiatives.

### **Agencies, Boards and Commissions**

The Ministry of Labour and Immigration includes the following agencies, boards and commissions:

#### *Alberta Labour Relations Board*

The Alberta Labour Relations Board is an independent and impartial tribunal responsible for the day-to-day application and interpretation of Alberta's collective bargaining laws. The Board administers the Labour Relations Code, the Public Service Employee Relations Act, the Police Officers Collective Bargaining Act and certain matters under the Public Education Collective Bargaining Act. The Alberta Labour Relations Board also hears appeals under the Occupational Health and Safety (OHS) Act and Employment Standards Code and adjudicates remedies for reprisals under the Public Interest Disclosure (Whistleblower Protection) Act. The Board processes applications and conducts hearings on matters arising from both private and public sectors.

#### *Appeals Commission for Alberta Workers' Compensation*

The Appeals Commission for Alberta Workers' Compensation is an independent and impartial tribunal that hears worker and employer appeals arising from WCB review bodies. The mission of the Appeals Commission for Alberta Workers' Compensation is to provide a timely, fair and efficient appeal process that is client-focused, and consistent with legislation, policy and the principles of natural justice.

#### *Fair Practices Office*

The Fair Practices Office (FPO) performed an ombudsman-type role for the workers' compensation system with a focus on reviewing complaints of administrative fairness in the decision-making process and interactions with WCB. The FPO supported injured workers and employers to help them navigate the workers' compensation system as well as provided appropriate referrals to community services and government programs. Additionally, the office provided advocacy services for injured workers and employers during a review or appeal of Workers' Compensation Board – Alberta decisions. The mandate of the FPO included the legislative capacity to provide assurance reports to the minister concerning the operations of the workers compensation system. The Fair Practices Office closed effective April 1, 2021. Other organizations, including the Workers' Compensation Board and the Appeals Commission for Alberta Workers' Compensation, will deliver remaining services to reduce duplication and save money.

### *Medical Panels Office*

The Medical Panels Office (MPO) served injured workers and system partners by coordinating medical panels of experienced physicians. These panels provided unbiased decisions on questions that had been posed by the Workers' Compensation Board – Alberta or the Appeals Commission for Alberta Workers' Compensation (AC) regarding complex medical issues or differences of medical opinion on an injured worker's file. The MPO also had the responsibility for establishing and managing a roster of physicians for independent medical examinations and for performing quality assurance activities to enhance the workers' compensation medical system. The Medical Panels Office closed effective April 1, 2021, however, medical panels will continue with administrative supports from the Appeals Commission to reduce duplication and save money.

### *Workers' Compensation Board – Alberta (WCB)*

WCB is an employer-funded, non-profit organization legislated to administer the workers' compensation system for the province's employers. WCB is independently funded and operates as an insurance enterprise. In Canada, workers' compensation is a no-fault disability insurance system that protects both employers and workers against the economic impact of work-related injuries and occupational disease.

## Key Highlights in the Past Year

### COVID-19 Pandemic Response:

Labour and Immigration devoted significant resources to respond to the COVID-19 pandemic. These efforts supported Albertans and job creators and Alberta's economic recovery. Throughout this extraordinary time, the ministry also delivered on its core work in health and safety. Highlights of the ministry's COVID-19 response include:

- Provided a risk-based response to complaints related to COVID-19, by directing all proactive capacity to industries where there was a higher risk of COVID-19 transmission and conducted more than 11,000 inspections and re-inspections and 100 reportable investigations related to COVID-19 in the workplace, including:
  - Expediting responses to occupational health and safety complaints related to COVID-19. As part of the department's initial response to the COVID-19 pandemic, proactive inspections focused on essential services that remained open during the pandemic. OHS officers continued to respond to work site complaints and focused on monitoring to ensure effective controls were in place to mitigate the spread of COVID-19 and meet the requirements in OHS legislation to protect the health and safety of workers in Alberta.
  - Supporting Alberta's relaunch strategy by continuing to focus on essential services and adding additional work sites and sectors through the relaunch phases based on their risk of COVID-19 transmission.
  - Providing employers and workers with COVID-19 related OHS information resources and materials.
- Provided immediate financial support to all private sector employers during the COVID-19 pandemic by deferring premiums until 2021 and paying half of the 2020 premiums for small and medium private sector employers with WCB coverage.
- Introduced a number of employment standards changes to help workers and employers weather the changes brought about by COVID-19, including:
  - Introducing job protected leave for the purposes of employees needing to self-isolate or when needing to provide care for family members. These job-protected leaves were aligned with federal and provincial benefits to ensure employees who needed to stay home were able to do so.
  - Extending the maximum allowable period of a temporary layoff due to COVID-19 to ensure employees could remain attached to their jobs longer.
  - Amending the *Employment Standards Code* and *Labour Relations Code* to support a single-site employer restriction for the continuing care sector, implemented by the Chief Medical Officer of Health.
  - Introducing temporary changes to increase scheduling flexibility (e.g. less notice was required to change work schedules) in recognition that public health measures may result in employees needing to self-isolate on short notice and employers potentially needing to schedule others to address those gaps.
- Helped to shape the federal response to COVID-19 by ensuring that federal contingency planning for immigration levels reflected Alberta's goal of linking economic immigration to job creation and economic growth. During the COVID-19 pandemic, the ministry extended and expanded the refusal to process list, limiting Temporary Foreign Workers into Alberta, to reflect existing economic conditions and to make jobs available to unemployed Albertans.

- Responded to workers' and job creators' changing needs by adapting programming, including:
  - Distributing more than \$122 million to eligible private sector workers through the Critical Worker Benefit program to recognize their hard work to provide Albertans with the care and critical services needed during the second wave of the COVID-19 pandemic. (A total of \$465 million was distributed through all ministries.)
  - Expanding eligibility for the Canada-Alberta Job Grant in 2021 to provide more support and relief to employers to allow a broader range of Albertans to benefit from training supports and support Alberta's economic recovery.
  - Working with training providers and job creators to adapt programming to respond to the impact of the COVID-19 pandemic to ensure continuity of services for Albertans.
  - Developing the Alberta Jobs Now program (introduced in May 2021), the largest job training program in Alberta's history, to support Alberta's economic recovery, help businesses re-open or grow their workforce, and give Albertans an opportunity to gain the skills they need in today's job market and get back to work. The program allows employers to apply for funding to offset the cost of hiring and training unemployed or underemployed Albertans in new or vacant positions.
- Reduced the number of Alberta Immigrant Nominee Program Certificates issued (from 6,000 to 4,000) and limited applications to only individuals living and working in Alberta to enable more job opportunities for unemployed Albertans and in response to difficulties newcomers may have to economically establish during the pandemic. Eligible applicants were also provided with flexibility regarding timelines to submit necessary documentation to account for possible disruptions.
- Amended International Qualifications Assessment Service processes in response to the significant impacts the COVID-19 pandemic had on operations around the world and in Alberta, including implementing a fully electronic application process and expediting applications for those with a job offer that depended on the assessment.
- Provided flexibility and supported immigrant serving agencies in making adjustments to the activities and services provided to newcomers.
- Leveraged technology to help ensure the continuity of services, particularly for hearings and appeals conducted by the Alberta Labour Relations Board and the Appeals Commission for Alberta Workers' Compensation.



## Business Plan Outcomes:

In addition to responding to supporting Albertans and job creators through the COVID-19 pandemic, in 2020-21, the ministry supported the achievement of the following outcomes in its 2020-23 Business Plan which was developed prior to the COVID-19 pandemic:

1. Alberta's labour legislation and programs support job creators, a thriving economy and safe, fair and healthy workplaces
2. Albertans have the skills demanded by Alberta's labour market now and in the future
3. Alberta is able to attract, retain and unleash the entrepreneurial drive of newcomers resulting in a skilled, resilient and productive workforce that meets the needs of job creators and addresses labour shortages
4. Alberta has safe, fair and healthy workplaces
5. Labour and Immigration's programs, services and processes effectively and efficiently support the government's priorities, meet the needs of job creators to support a thriving economy and ensure newcomers can fully participate
6. Employers and workers have access to timely, fair and independent adjudication and dispute resolution services

## Key Highlights and Results:

- Introduced and passed the *Restoring Balance in Alberta's Workplaces Act* to support economic recovery, restore balance in the workplace and get Albertans back to work.
- Introduced and passed the *Ensuring Safety and Cutting Red Tape Act, 2020* to amend the *Occupational Health and Safety Act* and *Workers' Compensation Act* to simplify language and remove unnecessary barriers for job creators without reducing workers' rights and protections.
- Established a \$1.5 million per year Heroes' Fund to recognize the sacrifices of first responders who die as a result of performing their duties.
- Supported more than 9,700 recently laid off Albertans in connecting with programs and services to help them gain new employment through the Targeting, Referral and Feedback service.
- Launched two new Alberta Immigrant Nominee Program streams to attract job creating international graduates: the International Graduate Entrepreneur Immigration Stream and Foreign Graduate Start-Up Visa Stream.
- Significantly improved service standards and reduced processing times for both domestic and international assessments conducted by the International Qualifications Assessment Service.
- Launched the Supporting Psychological Health in First Responders Grant Program to provide grants to improve services for first responders living with or at risk of developing post-traumatic stress injuries (PTSI), including early intervention and resilience-building.

- Reduced 2,418 regulatory requirements (1,383 within the department and 1,035 within the ministry's agencies, boards and commissions) through reviews of legislation, regulation, forms and policies and achieved a nine per cent cumulative ministry reduction.

### **Red Tape Reduction:**

The Ministry of Labour and Immigration is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to reducing red tape to make life easier for hard-working Albertans and job creators by reducing regulatory requirements by one-third by 2023, and eliminating administrative burden through more efficient processes. This work will improve service delivery for Albertans; foster economic growth, innovation and competitiveness; create a strong and attractive investment climate; and make Alberta one of the freest and fastest moving economies in the North America.

Specific information on the ministry's red tape reduction efforts in 2020-21 can be found under key objective 5.2 and performance measure 5.a. of this annual report.

### **Financial Highlights:**

In 2020-21, ministry consolidated expense was \$625.3 million, \$315.5 million higher than 2019-20 and \$415.9 million higher than budgeted.

- \$99.8 million for Workforce Strategies, including \$14.4 million for the Canada-Alberta Job Grant resulting in more than 6,900 Albertans approved for training; \$24.9 million for Training for Work which served almost 3,800 Albertans, and \$9.4 million for settlement and language programs.
- \$46.3 million for the occupational health and safety program. More than 14,500 inspections and almost 3,200 re-inspections were conducted and almost 7,900 OHS orders issued.
- 12.8 million for the employment standards program. More than 91 per cent of the approximately 4,100 complaints were completed within 180 days.
- \$10.9 million for the Appeals Commission for Alberta Workers' Compensation. More than 450 appeals were received and the average number of days from the hearing to the decision issued date was 28.
- \$3.5 million for the Alberta Labour Relations Board. The Board received more than 700 applications and conducted more than 700 hearings during the year.
- \$245.8 million for the 2020 WCB Premium Support. These measures provided immediate financial support to all private sector employers during the COVID-19 pandemic by deferring premiums until 2021 and paying half of the 2020 premiums for small and medium private sector employers with WCB coverage.
- \$122.4 million for the Critical Worker Benefit. The benefit was provided to Albertans working in the health-care, social services, education and private sectors. The one-time payment of \$1,200 recognized the hard work of these Albertans to provide care and critical services needed during the second wave of the COVID-19 pandemic.

In 2020-21, ministry revenue was \$125.8 million, \$0.6 million lower than 2019-20 and \$17.6 million lower than budgeted.

Further details related to the results of the ministry in 2020-21 can be found in the analysis below.

## Discussion and Analysis of Results

### Outcome One: Alberta's labour legislation and programs support job creators, a thriving economy and safe, fair and healthy workplaces

A balanced approach to labour legislation and regulation enables job creators to find and develop a skilled workforce while protecting the health, safety and rights of workers. The ministry is accountable for legislation and regulation related to occupational health and safety, employment standards, labour relations and governance and licensing of self-regulating professions, as well as the workers' compensation system. The ministry also works with the federal and provincial/territorial governments to advance Alberta's interests for flexible labour and immigration policies and address issues related to inter-provincial mobility.

Key results and highlights during 2020-21 include:

- Introduced and passed the *Restoring Balance in Alberta's Workplaces Act* to support economic recovery, restore balance in the workplace and get Albertans back to work.
- Introduced and passed the *Ensuring Safety and Cutting Red Tape Act, 2020* to amend the *Occupational Health and Safety Act* and *Workers' Compensation Act* to simplify language and remove unnecessary barriers for job creators without reducing workers' rights and protections.
- Established a \$1.5 million per year Heroes' Fund to recognize the sacrifices of first responders who die as a result of performing their duties.
- Advocated for Alberta's unique needs to ensure that federal contingency planning for immigration levels reflects Alberta's goal of linking economic immigration to job creation and economic growth and to ensure that Labour Market Transfer Agreements recognize Alberta's unique labour market needs.

### Actions that Support the Priorities of the Government of Alberta Strategic Plan

**Key Priority 1:**  
Supporting job creation

**Objective 2:**  
Making Alberta open for business

- Introduced new labour legislation and regulations to enable a thriving economy while protecting worker rights.
- Advocated for changes to federal labour and immigration programs to address the unique challenges and needs in Alberta.

## Key Objectives

### **1.1 Finalize the findings of the minimum wage expert panel to restore fairness to Alberta's current minimum wage policies.**

#### **Minimum Wage Expert Panel**

On August 15, 2019, the minister appointed a nine-member minimum wage expert panel to assess the province's minimum wage. Part of the panel's mandate was to review the available provincial economic data on the labour market impacts of minimum wage changes in Alberta in recent years, including issues related to the income and hours of work for minimum wage workers. The expert panel also examined the effect of the minimum wage on industries where gratuities – or tips – are normally paid, and assessed whether hospitality industry workers would generate a higher net income (i.e. by working more hours) with a wage differential similar to those that exist in other provinces. Government is reviewing the findings of the panel in light of the current economic situation brought on by the COVID-19 pandemic.

### **1.2 Review and amend labour legislation and regulation to ensure it supports the needs of job creators and enables a thriving economy while protecting worker rights.**

#### ***Restoring Balance in Alberta's Workplaces Act***

The *Restoring Balance in Alberta's Workplaces Act* was passed in July 2020, to support economic recovery, restore balance in the workplace and get Albertans back to work. The act amended the *Employment Standards Code* and *Labour Relations Code* to promote flexibility, remove administrative burden, attract investment, and update the rules for collective bargaining, while protecting workers.

Changes to the *Labour Relations Code* focused on restoring balance between employers and unions, promoting investment in the province to support economic growth and increasing employee choice. New rules that support employee choice will ensure employees are not forced to fund political activities and causes without explicit opt-in approval. These rules will come into force upon the development of the regulation. Additional changes to labour relations rules for the construction sector, including the rules for major construction projects, also reduce red tape and help attract investment to get Albertans back to work.

Changes to the *Employment Standards Code* focused on reducing red tape, employer costs and time-consuming processes to stimulate employment, business growth and investment, while protecting workers. The policies created more flexible and transparent rules by: reducing barriers for employees and employers; supporting young employees entering the workforce; helping employees stay attached to their jobs longer when on a temporary layoff; and removing administrative burden in relation to variance applications and the use of averaging agreements. All supporting amendments to the *Employment Standards Code* came into effect in November 2020.

### ***Ensuring Safety and Cutting Red Tape Act, 2020***

The *Ensuring Safety and Cutting Red Tape Act, 2020* was passed in December 2020 and made changes to the *Occupational Health and Safety Act* and *Workers' Compensation Act*. The changes will simplify language and remove unnecessary barriers for job creators without reducing workers' rights and protections. Changes to the *Occupational Health and Safety Act* focused on increasing flexibility to help improve health and safety outcomes, while reducing red tape. This included removing duplication and redundancy throughout the act, removing specific technical OHS requirements from legislation, adding flexibility for health and safety committees and representatives for work sites with multiple employers (e.g. construction sites), streamlining complaint and appeal processes, and incorporating the *Radiation Protection Act* into the *Occupational Health and Safety Act*. Changes to the *Workers' Compensation Act* will ensure the system is sustainable, affordable and efficient. This included benefit changes (e.g. reinstating the maximum insurable earnings cap, etc.), changes to the way cost of living adjustments are determined, and maintaining presumptive psychological injuries for first responders only. Other types of workers continue to have coverage for work-related psychological injuries through the normal WCB claims process. The act also moved services provided by the Fair Practices Office and Medical Panels Office to other existing organizations to reduce duplication and costs.

### **Heroes' Fund**

The *Ensuring Safety and Cutting Red Tape Act, 2020* also established a \$1.5 million per year Heroes' Fund to recognize the sacrifices of first responders who die as a result of performing their duties. A one-time, tax-free payment of \$100,000 is provided to eligible families of first responders, including families of police officers, firefighters, paramedics, sheriffs, and provincial correctional officers who die as a result of performing their duties. Payments administered from the Heroes' Fund are separate from regular workers' compensation fatality benefits. The Heroes' Fund supported 19 families between April 1, 2020 and March 31, 2021. The fund initially allowed for up to 15 awards annually, but was increased for 2020-21 for an additional \$1 million to allow all eligible families to receive the funding. The budget for 2021-22 will return to \$1.5 million.

### ***Labour Relations Code Changes***

Changes to the *Labour Relations Code* created new rules to restore balance and economic stability. This included updating rules for collective bargaining and first contract arbitration that encourage employers and employees to work together to reach agreements. Changes also updated rules for the construction industry to attract major projects and investment, including allowing existing construction industry collective agreements to remain in place if employees choose a new union before it expires.

The new rules protect employees by preventing unions from disciplining members if they take a significantly different job with a different employer and allow the Labour Relations Board to prohibit picketing when it obstructs or impedes a person that wishes to cross a picket line. The new rules also protect employees from having their union dues used to support political activities or other social causes without explicit opt-in approval. Changes in relation to union dues and union financial transparency have not yet been proclaimed.

*Labour Relations Code* changes also provide flexibility to the Labour Relations Board to expedite processes during an emergency, remove strict timelines for union certification and revocation applications, and enable the Labour Relations Board to serve employers, employees and unions more efficiently by reducing administrative burdens, costs and unnecessary hearings.

Amendments to the *Labour Relations Code* also ensured that Nurse Practitioners are able to join a union and engage in collective bargaining should they wish to do so.

### **Employment Standards and Labour Relations changes to support the COVID-19 response**

Helping workers and employers weather the changes brought about by COVID-19 was central to Labour and Immigration's pandemic response. Several amendments were made to support public health efforts, most notably, the creation of job protected leave for the purposes of employees needing to self-isolate or when needing to provide care for family members. These job-protected leaves were aligned with federal and provincial benefits to ensure employees who needed to stay home were able to do so. In addition, the maximum allowable period of a temporary layoff due to COVID-19 was extended to ensure employees could remain attached to their jobs longer. Labour and Immigration also prepared amendments to the *Employment Standards Code* and *Labour Relations Code* to support a single-site employer restriction implemented by the Chief Medical Officer of Health by making it clear that the restrictions were compliant with labour laws and did not represent a breach of existing collective agreements. Other temporary changes allowed for increased scheduling flexibility (e.g. less notice required to change work schedules) in recognition that public health measures may result in employees needing to self-isolate on short notice and employers potentially needing to schedule others to address those gaps. Some measures were extended through amendments included in the *COVID-19 Pandemic Response Statutes Amendment Act*.

### **1.3 Advocate for changes to federal labour and immigration programs to get a fair deal that recognizes the unique challenges and needs in Alberta.**

Work continues on Labour Market Transfer Agreements to ensure that the new agreements recognize the provinces' unique labour market needs, including advocating for agreements that better meet provincial employment and training needs including increased funding, increased flexibility and the allocation of funding based on a fair and transparent funding formula.

Alberta has also been an active participant in shaping the federal response to COVID-19. Alberta's feedback focused on ensuring that federal contingency planning for immigration levels reflects our goal of linking economic immigration to job creation and economic growth. The refusal to process list, limiting the entry of Temporary Foreign Workers into Alberta, was extended until April 30, 2021. The list was expanded in November 2020 to reflect the existing economic conditions and to make jobs available to unemployed Albertans.

### **1.4 Review and amend legislation to further reduce any unnecessary barriers for professional workers ability to practice their occupation in Alberta.**

The *Fair Registration Practices Act* covers 72 Professional Regulatory Organizations (PROs) that represent over 170 registration practices for the regulated professions, designated occupations and trades. In Winter 2020, the Fairness for Newcomers Office (FNO) consulted with all 72 PROs to assess their ability to meet their obligations under the *Fair Registration Practices Act*.

From the consultations, the FNO identified that many PROs are looking to make positive improvements to their registration practices. Drawing on feedback from the consultations, the FNO is exploring opportunities to support PROs in achieving the objectives and requirements set out in the *Fair Registration Practices Act*.

As part of the *Red Tape Reduction Implementation Act (No.2)*, changes to the *Professional and Occupational Associations Registration Act* (POARA) came into force January 1, 2021. The changes to the act are intended to reduce unnecessary government oversight and amend the minimum criteria for the registration of a PRO to require the "protection of public safety" in addition to the protection of public interest as a criterion.



### **1.5 Review Alberta's occupational health and safety program with a view to improve safety and provide job creators with the tools needed to support healthy and safe workplaces.**

As part of the *Ensuring Safety and Cutting Red Tape Act, 2020*, changes were made to the *Occupational Health and Safety Act* to enhance safety, remove duplication and redundancy and to make it easier to understand and follow for job creators and workers. The changes will increase flexibility to meet health and safety outcomes, improve consistency and simplify language which in turn will help improve clarity and ensure the health and safety of workers. Specific technical OHS requirements were removed from legislation and flexibility was added for health and safety committees and representatives on work sites with multiple employers (e.g. construction sites). Additionally, complaint and appeal processes were streamlined and the *Radiation Protection Act* was incorporated into the *Occupational Health and Safety Act*. For more information see key objective 1.2 of this annual report.

The Occupational Health and Safety Code three-year review plan was published in September 2020. Both a health and safety lens and red tape reduction lens are being applied to the Code review. A health and safety lens will help improve flexibility to maintain or improve health and safety outcomes. A red tape reduction lens will help identify opportunities to reduce regulatory burden. In the first year, 13 priority parts of the Code will be reviewed. Proposed changes to the Code are based on evidence, historical stakeholder consultations, advice from technical working groups, elimination of redundancy and, where possible, movement towards outcome-based requirements. Public and stakeholder consultation on the first year Code changes began in March 2021.



**Performance Indicator 1.a:  
Employment Growth**

Prior Years' Results				2020
2016	2017	2018	2019	
-2.3%	1.1%	1.9%	0.7%	-6.6%

Employment growth serves as the first point in assessing whether Alberta's economy is growing or contracting, as the population grows and industries expand.

Employment growth is calculated as the percentage change in employment from one year to the next. When positive, this indicator reflects a growth in the total number of jobs in the economy. When negative, this indicator reflects a decrease in the total number of jobs.

In 2020, average total employment fell by 6.6 per cent from 2019. This drop was primarily due to low periods of employment in Alberta between February and April 2020, where 337,000 jobs were lost due to the COVID-19 pandemic. Historically, Alberta has not faced drops in average total employment to this extent. Monitoring this indicator will allow for a stronger understanding of how Alberta's economy is recovering and expanding from the impacts of COVID-19.

In response to these challenges, Labour and Immigration introduced several supports for job creators and workers. Alberta's government enabled adjustments to training programs to meet labour market needs and ensure Albertans could gain the skills to get back to work. Programming dollars were aligned with the need to support Albertans through the pandemic and early recovery phase and the Canada-Alberta Job Grant launched changes to reduce red tape and assist with economic recovery. Further information on training programs is available in outcome two of this annual report.

The Alberta Immigrant Nominee Program also reduced the number of nominations certificates issued for 2020 from 6,000 to 4,000 certificates and temporarily modified eligibility rules so only individuals living and working in Alberta were considered for a nomination in 2020, thereby increasing opportunities for Albertans while retaining Temporary Foreign Workers working in essential roles.

## Outcome Two: Albertans have the skills demanded by Alberta's labour market now and in the future

The ministry provides training and re-training programs that help unemployed or under employed Albertans obtain the skills needed to find a job, keep a job and succeed now and into the future. The ministry works to provide training across the province and expand training beyond the classroom to ensure participants can gain the skills and experience needed to maintain stable employment. Decisions on the type of services required across the province are determined based on local labour market needs and priorities. The ministry reviews all services annually to ensure programs are relevant and meet the needs of the community. The ministry also collaborates with Advanced Education, Community and Social Services, and Indigenous Relations to deliver career supports and training programs.

Key results and highlights during 2020-21 include:

- Distributed more than \$122 million to eligible private sector workers through the Critical Worker Benefit program to recognize their hard work to provide Albertans with the care and critical services needed during the second wave of the COVID-19 pandemic. (A total of \$465 million was distributed through all ministries.)
- Expanded eligibility for the Canada-Alberta Job Grant in 2021 to provide more support and relief to employers to allow a broader range of Albertans to benefit from training supports and support Alberta's economic recovery.
- Worked with training providers and job creators to adapt programming to respond to the impact of the COVID-19 pandemic and ensure continuity of services for Albertans.
- Supported more than 9,700 recently laid off Albertans in connecting with programs and services to help them gain new employment through the Targeting, Referral and Feedback service.

### Actions that Support the Priorities of the Government of Alberta Strategic Plan

**Key Priority 1:**  
Supporting job creation

**Objective 6:**  
Making Alberta more dynamic, innovative and sustainable

- Continued to provide labour market information to support informed decision-making by Albertans, government, communities, training providers and employers.

## Key Objectives

### **2.1 Develop and administer fiscally responsible training and employment programs that are informed by and responsive to changing labour market needs to connect Albertans to jobs and get Albertans back to work.**

#### **Critical Worker Benefit**

The COVID-19 pandemic required the ministry to respond to workers' changing needs and adapt to changing Federal programming. In February 2021, the Critical Worker Benefit was launched to provide a one-time payment of \$1,200 to eligible Albertans in recognition of their hard work to provide Albertans with the care and critical services needed during the second wave of the COVID-19 pandemic. The Government of Alberta allocated \$465 million in funding for the benefit program and \$122 million was allocated to Labour and Immigration for distribution to private sector workers. Additional funds were distributed through other ministries, including Health, Children's Services, Community and Social Services and Seniors and Housing. The benefit was distributed to approximately 380,000 workers in health-care, social services, education and the private sector who delivered critical basic services to Albertans or that supported food and medical supply chains.

#### **Labour Market Transfer Agreements**

Labour Market Transfer Agreements (LMTA) between Alberta and the federal government provide funding for the delivery of skills training and employment programs that include work placement and career planning services. There are currently two LMTAs in place: the Canada-Alberta Labour Market Development Agreement (LMDA) and the Canada-Alberta Workforce Development Agreement (WDA). The agreements provide flexibility related to eligible clients and focus on stable employment as the primary outcome.

Skills and training opportunities are critical to getting Albertans back to work. Alberta utilizes federal funding to help connect Albertans to jobs and to develop labour market information to support industry and communities with workforce planning.

LMDA and WDA funding supports programs and services delivered by the ministries of Advanced Education, Community and Social Services, Indigenous Relations and Labour and Immigration. Labour and Immigration LMDA and WDA funded programs include, but are not limited to, funding for the Canada-Alberta Job Grant, Integrated Training or Transition to Employment Services, and Alberta Settlement and Integration Programming. In 2020-21, LMTA funding also supported programming in the ministries of Agriculture and Forestry and Transportation.

## **Changes to respond to the impact of the COVID-19 pandemic**

In 2020-21, the ministry worked with training providers and job creators to adapt programming to respond to the impact of the COVID-19 pandemic and ensure continuity of services for Albertans while respecting public health restrictions. Early on in the pandemic, staff worked with training providers to support the transition of programming to online delivery. As well, additional funding provided through the Workforce Development Agreement was used to develop new programming for the coming year to support Albertans and job creators during the recovery period.

A review of training providers' contingency plans resulted in a flexible approach to program delivery allowing for the continuation of services for unemployed Albertans online, including pausing online services when not feasible. Contract extensions were granted to ensure program elements were delivered in spite of program pauses.

Training providers were also supported with on-line policy and training to ensure continued access to Ministry-specific training and business tools, which is required under the LMTA agreements. In Fall 2020, staff also worked with training providers to help them navigate the resources available, including helping them to resume face-to-face business and connecting them to newly-announced job supports.

Learner Benefits and active Employment Insurance benefit extensions for eligible clients were put in place to provide a bridging income for those experiencing pauses in their programs and to avoid the need to re-apply for these benefits once programming resumed, when it was safe to do so.

On February 18, 2021, the Canada-Alberta Job Grant launched temporary program policy changes to support economic recovery. The changes are in effect until February 28, 2022 and include allowing employed family members to be eligible for funding, making business owners with four or fewer employees eligible trainees, and not requiring training to be incremental. These changes have increased access to training (e.g. Mandatory Entry Level Training (MELT) for Class 1 and Class 2 commercial driver's licenses) for self-employed individuals and farmers.

## Training for Work Programs for Unemployed or Underemployed Albertans

Training for Work programs provide training opportunities targeted to a diverse range of occupations to help Albertans gain skills in order to find work, improve their employment situation and increase their ability to cope with changing labour market conditions. There are five streams under this program, including: Workplace Training, Immigrant Bridging, Self-Employment, Transition to Employment Services, and Integrated Training. These programs focus on career transition and transferrable skills, helping to connect Albertans to available jobs. While most of these services supported all eligible unemployed Albertans, some programs are targeted to youth (age 18-24), older workers (age 40+), newcomers, women and skilled professionals.

Training for Work programs invested \$24.9 million in over 50 urban and rural communities across Alberta in 2020-21. While the budget and number of communities supported remained consistent with 2019-20, opportunities for both rural and urban residents to access programming increased due to programming being moved online, due to the COVID-19 pandemic.

In 2020-21, 3,765 unemployed or underemployed Albertans accessed training for work programs compared to approximately 4,500 the previous year. The reduction in training participants is due to the time required to transition to online service delivery in response to the COVID-19 pandemic. Training providers either paused or transitioned programming to online delivery which created a delay in intake start dates. Over 67 per cent of participants were employed or in further training or education 90 days after training, compared to 75 per cent in the previous year. While this measure has decreased in this fiscal year, the percentage of participants that were employed or in further training or education 90 days after training remains higher than historical results (60 per cent in 2016-17).

New programs were also introduced to respond to high unemployment for youth including Transition to Employment Services and Workplace Training (training on-the-job) for youth age 18-24. These programs will serve approximately 250 youth per year in Edmonton and Calgary.

Transition to Employment Services and Workplace Training programs were expanded province-wide to help unemployed Albertans retrain on the job as well as receive one-on-one employment supports, including access to short term training funds to pivot to a new job. There were 26 new programs set up serving 35 communities for unemployed or under-employed Albertans. Select programs are targeted to newcomers, youth, older workers (40+) as well as unemployed oil and gas workers and skilled professionals such as unemployed Engineers, Geologists and more. Some programs replaced existing services that had reached full contract term.

In continuing to support the training needs of Albertans for in-demand occupational training, Supply Chain Integrated Training now offers programs in Calgary, Edmonton, Red Deer, Lethbridge, Fort McMurray and Grande Prairie. Additionally, seven Information and Communication Technology (ICT) integrated programs continued to operate in 2020-21. These programs include: Cybersecurity and ICT generalist targeted to newcomers as well as a Transition to Employment and Workplace Training hybrid program supporting a variety of ICT occupations. Other programs introduced include home care and childcare worker programs.

## Canada-Alberta Job Grant

The Canada-Alberta Job Grant (CAJG) is a federal-provincial partnership through which employers and government share the cost of training employees to increase their knowledge and skills to meet the needs of job creators and Alberta's economy.

Approximately \$14.4 million in funding was committed to more than 5,000 Canada-Alberta Job Grant applications, resulting in nearly 6,900 Albertans being approved for training courses.

The grant includes employers in all areas of the province and across all industries such as oil and gas, construction, manufacturing and technical services.

Canada-Alberta Job Grant	
	2020-21
Applications received	6,404
Applications approved	5,031
Albertans approved for training <sup>1</sup>	6,902
Funds committed	\$14.4M
Unique employers	2,023
<sup>1</sup> An individual Albertan may have participated in more than one training course.	

In 2020-21, the Canada-Alberta Job Grant program implemented operational changes to reduce red tape. The Canada-Alberta Job Grant program shortened application processing times by reducing internal and external steps in the file closure process, processing and closing remaining past paper files, and enhancing batch processing of multiple employer applications. This resulted in a reduction in grant payment times from 120 days in July 2020 to 20 days in November 2020 – meaning employers received their funds faster to continue supporting their workforce and business.

The Canada-Alberta Job Grant also introduced temporary program eligibility changes that include:

- allowing individual training to proceed once the application is received for processing by the department,
- allowing employers to pay for training at any time,
- making customized training eligible,
- revising the list of ineligible costs, and
- no longer requiring training course information to be posted on the training provider's website.

## Labour Market Information

The ministry is responsible for providing timely and reliable labour market information to understand current labour market conditions, forecasting future labour market conditions and providing workforce information across departments to support the development of policy and programs. This information was used to support the development of COVID-19 support programs, such as new training programs, the Critical Worker Benefit, and adjustments to the Refusal to Process List for Temporary Foreign Workers.

Labour and Immigration also regularly updates the Sector Intelligence Models for Heavy Construction and Forestry Sectors to support employers and industry in further understanding the labour market in Alberta. Due to the impact of COVID-19, the Short-Term Employment Forecast was put on hold. Work has begun on the Occupational Demand and Supply Outlook and the Alberta Wage and Salary Survey with final reports to be published in early 2022.

The Short-Term Employment Forecast provides a three-year overview of occupations expected to be in demand and is used by a variety of industry and training organizations, governments, businesses and the general public to learn about occupations where there are expected to be more jobs available. The Short-Term Employment Forecast complements the government's 10-year long-term labour forecast: Alberta's Occupational Demand and Supply Outlook, 2015-2025.

The Occupational Demand and Supply Outlook contains information on forecasted labour shortages and surpluses for occupations in Alberta for the next 10 years and assesses future or expected job openings and how they compare to job seekers in the province. The outlook is used by a variety of educational institutions, industry and non-profit organizations, governments, businesses and the general public to learn about occupational imbalances and to inform workforce planning.

The Alberta Wage and Salary Survey provides information on wages and salaries for full-time and part-time employees by occupation, region and industry. The survey is intended to help Albertans make career choices; help career counsellors support trainees; help students considering post secondary education or other training; and help organizations determine pay scales. The survey results also provide valuable wage and salary information to employers, labour organizations and government.

## **2.2 Work with job creators, unions and related parties to prepare Albertans for workforce, industry and career transitions.**

### **Targeting, Referral and Feedback Service**

The Targeting, Referral and Feedback service supports recently laid off Albertans in connecting with programs and services to help them gain new employment. This service allows Alberta service providers to contact Employment Insurance applicants based on relevant education and skills, and invite them to participate in programs and services that will help them quickly return to work. In 2020-21, the service saw a significant increase in eligible unemployed Albertans due to the COVID 19 pandemic. To respond to the surge, Labour and Immigration increased the number and types of contractors using the service. In 2020-21, the program was used by 28 service providers (19 in 2019-20) serving Albertans in 275 municipalities.

In 2020-21, 9,736 clients interacted with the program, which represents a 94 per cent increase from the 5,025 client interactions in 2019-20. Of the total client interactions, 2,075 clients, or approximately 21 per cent (1,817 or 37 per cent in 2019-20), indicated that they were interested in further services, which may include employment services, referral to employment programs and individual meetings, among other services. Of the total client interactions, 7,661 clients, or approximately 79 per cent (3,208 or 63 per cent in 2019-20), indicated they were not interested in further services, primarily because they had found another job or returned to previous employment.



## **Workforce Adjustment Service**

The Workforce Adjustment Service helps employers and labour groups respond to the effects of changes in the workplace including business closures, downsizing, job losses and layoffs. The service works with employers, unions, the federal government and other stakeholders through the establishment of Workforce Adjustment Committees to help affected workers find and retrain for alternate employment, transition to retirement, and learn about starting a business. These Workforce Adjustment Committees develop a plan of action and strategies tailored to the unique needs of the impacted workers. In 2020-21, there were five active Workforce Adjustment Committees (four in 2019-20) that represented approximately 1,306 workers, organized information sharing for impacted workers, and facilitated two online resource fairs and one-on-one calls when needed due to the COVID-19 pandemic.

## **Coal Workforce Transition Program**

The Coal Workforce Transition Program provides financial supports to workers in the coal industry who are impacted by the phase-out of coal-fired electricity. The program has multiple streams of support for workers, including:

- the Bridge to Re-employment relief grant, which provides financial assistance to workers searching for new jobs;
- the Bridge to Retirement relief grant, which provides financial assistance to coal workers who are close to retirement when laid off; and
- Relocation Assistance, which provides financial support for those who have moved at least 40 kilometers to start a new job.

In 2020-21, \$7.5 million was allocated for the Coal Workforce Transition Program (\$7.5 million in 2019-20) to provide financial support for employees affected by the phase-out of coal-fired electricity generation. In the past year, 76 Albertans received a Bridge to Re-employment grant (88 in 2019-20), while 63 Bridge to Retirement grants (18 in 2019-20) were issued. No relocation grants were issued.

## **2.3 Partner with Indigenous communities and organizations to support the participation of Indigenous people in the labour market.**

### **Workforce Partnership Grants**

The Workforce Partnerships program is designed to enhance workplace human resource development and labour market adjustment strategies through community partnerships. These partnerships allow for responses tailored to community and sector needs. In 2020-21, 26 Workforce Partnerships (45 in 2019-20), totaling over \$2.7 million (\$1.8 million in 2019-20) in grant funding, focused on economic recovery and supported a variety of industry and community driven initiatives.

Projects came from a variety of sectors and focused on research, workforce transition and attachment, the development of human resource tools and resources, and increasing the workforce participation of under-represented groups.



Some of the projects supported by Workforce Partnerships grants in 2020-21 included:

- The YMCA of Medicine Hat was provided a \$42,000 grant for the Drive-Thru Recruitment project to respond to the ongoing hiring needs of various sectors despite the pandemic. Traditional recruitment strategies were adapted to allow employers and jobseekers to meet face-to-face during COVID-19 in a socially distanced, non-contact environment following strict protocols. As a result, employers in construction, financial services, accommodation and food service, healthcare, law enforcement, tourism and agriculture participated in three events filling nearly 200 vacant positions in four days. Three additional events will take place before the project is complete in December 2021.
- Information and Communications Technology Council was provided with a grant of \$96,750 to investigate skills/.competencies of relevant internationally educated professional newcomers and provide an understanding of skills that match and upskilling requirements in relation to the province's most in-demand digital jobs, addressing demand for talent in the Alberta tech sector (March 2020 – November 2021).
- Trucking HR Canada was provided a grant of \$96,802 for a labour market information study to support the needs of Alberta's forest and forest products sector (February 2021 – December 2022). The project will focus on the demand and supply of truck drivers and identify key points of cooperation and collaboration with other segments of the labour market to support more stable employment opportunities for transport truck drivers.
- PetroLMI, received a grant in the amount of \$46,500 to provide a report detailing employment opportunities in well closure and reclamation in Alberta. Specifically, it will showcase opportunities across the chain of activities and the required occupations and skills. (February 2021 – October 2021).
- Indigenous Tourism Alberta was granted \$100,000 for a labour market study to determine the capacity and demand of human capital to grow and strengthen Alberta's Indigenous tourism sector post COVID-19 (February 2021 – November 2022). This information will be used to develop a province-wide strategy to strengthen and build Indigenous tourism in Alberta.
- Organic Alberta was granted \$92,944 for a project - Growing a Workforce for Farming in Alberta (February 2021 – December 2022). The project will develop a strategy and campaign to attract and support new entrants into the agriculture workforce, and as potential investors into organic farming.

With the COVID-19 pandemic restrictions (business closures, restrictions on in-person or group gatherings, etc.), many of the grants that were due to be completed last year requested extensions because stakeholders couldn't action parts of the project as planned and had to make changes or pause the work. Partnership grants do not flow to match a fiscal year return and the policy allows up to 24 months for the grant project.

## First Nations Training to Employment and Aboriginal Training to Employment

The First Nations Training to Employment (FNTEP) and Aboriginal Training to Employment (ATEP) are grant programs that fund Indigenous-led training and work experience projects helping unemployed or underemployed Indigenous peoples gain the necessary training, skills and experience to be successful in the workplace and maintain long-term employment.

Projects are developed in partnership with government, industry, and First Nations communities, Treaty councils and/or Indigenous organizations to create projects to fill identified labor force needs. Partners include Rupertsland Institute, Metis Settlements, and Indigenous Employers.

Depending on the needs of the participants, locally created training projects are able to address employee readiness, relevant skills training and certification. Some projects include improved cultural supports for participants, such as the inclusion of community Elders in programming to support the completion of training.

Labour and Immigration partnered with Indigenous stakeholders providing funding for 18 FNTEP and two ATEP projects. To ensure success of projects, in 2020-21, grant recipients collaborated with 119 partners, such as industry associations, government, employers, training institutions and other Indigenous communities.

A total of 410 First Nation members were provided opportunities to gain employment and occupational skills through FNTEP projects. ATEP projects provided 22 Indigenous individuals with the same opportunities. Projects ending in the 2020-21 fiscal year have successfully graduated 245 out of 261 participants.

Examples of funded projects in 2020-21 are outlined below.

- **For ATEP:** In partnership with Athabasca Tribal Council (who represent First Nations in Wood Buffalo) and Rupertsland Institute (representing Wood Buffalo Metis), the Greater Regional Indigenous Partnership (GRIP) project trains 12-24 trainees. These participants receive four weeks of training in employability skills such as time and work stress management, shiftwork preparation, work site culture, diversity/inclusion & Indigenous cultural activities, then move-on to the work sites for continued on-site on-boarding training. In addition to providing all safety certification required, the industry partners Suncor and affiliate companies CEDA, Ledcor, Primoris and Centerfire, provide employer specific training such as emergency procedures, orientation, site security and incident reporting. The objectives of the project are to increase the readiness of the Wood Buffalo Indigenous Workforce and through the company-specific on-boarding experience, increase Indigenous employment participation.
- **For FNTEP:** A partnership with Alexis Nakota Sioux Nation is in place to deliver the Log Home Building Skills project. The program will provide 12 Indigenous participants with the skills needed to build four new log homes in the community. Industry partners Weyerhaeuser and West Fraser Mills have donated the logs for this project. This project links participants who complete the program to a range of post training employment opportunities in and around the community. As an added benefit, the Nation is also exploring the potential to create a new custom log home building business for the Nation.

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## **Alberta-Blackfoot Confederacy Protocol**

In September 2019, the Government of Alberta and Blackfoot Confederacy renewed an agreement that sets out a formal process for ministers, chiefs and councils to meet regularly on pre-agreed topics. Labour and Immigration is the lead ministry for the Economic Development and Employment Table. Members work together to share information and to understand needs and identify opportunities on the topics of economic development, labour market information, and employment and skills training. Meetings and other engagement opportunities support the development of an action plan with training supports and economic development opportunities.

The COVID-19 pandemic has impacted progress on the implementation of a number of Economic Development and Employment workplan priorities; however, Indigenous tourism projects supporting entrepreneur start-up and Indigenous community tourism readiness seminars were delivered.

## **Labour Market Partnership and Attraction and Retention Partnerships**

Indigenous participation in the labour force was also supported through the Labour Market Partnership (LMP) and the Attraction and Retention Partnerships (ARP) programs. LMPs support workplace human resource development and labour market adjustment strategies through government-funded partnerships. ARPs assist employers and employer associations to attract and retain workers. Funding for five LMPs and seven ARPs was provided to various projects. Examples of LMP grants include: a virtual job fair at Maskwacis and Labour Market studies for Piikani First Nation and Athabasca Chipewyan First Nation. Examples of ARP grants include: Community Futures Treaty 7's Economic Relaunch Supports for Indigenous communities, Lloydminster's Virtual Employer Connections Event and a project to advance the computer skills of existing Woodland Cree First Nation employees.

**Performance Measure 2.a:  
Outcomes for Training for Work Clients**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
60.8%	66.7%	71.9%	75.1%	70%	67.2%

The percentage of Training for Work clients who report they are either employed, self-employed or in further education or training after leaving a Training for Work program partially assesses the effectiveness of these programs in helping participants meet these goals. Success is also affected by the engagement of individuals, business and industry, training providers, communities, and other levels of government. Employment/training programs encourage attachment to the labour market.

In 2020, 67.2 per cent of clients reported they were either employed or in further education or training after leaving a Training for Work program. This result is 7.9 percentage points lower than the 2019 result and falls below the target by 2.8 percentage points. Training for Work identified early in the fiscal year that program participation would be lower as a result of the COVID-19 pandemic. As a result, \$4 million was transferred to partner ministries (Agriculture and Forestry and Transportation) in Q1 and Q2 to support emerging labour market needs. Participation in Training for Work programs decreased by 21 per cent between 2019-20 and 2020-21 due to several factors related to the COVID-19 pandemic. The ministry continues to work with contracted service delivery partners to ensure training is relevant and encourages labour force attachment for program participants.

Labour market conditions have a significant influence on this measure. Between September 2019 and August 2020, the unemployment rate increased from 6.7 per cent to 12.2 per cent and Alberta's unemployment rate continued to be above the national average. While there is a lag between labour market conditions (e.g. unemployment rate) and its impact on the ability of training for work clients to find a job, unemployment remained a key consideration in 2020-21 in whether participants could find a job or were inclined to seek additional training opportunities.

### **Outcome Three: Alberta is able to attract, retain and unleash the entrepreneurial drive of newcomers, resulting in a skilled, resilient and productive workforce that meets the needs of job creators and addresses labour shortages**

Many new Albertans bring an entrepreneurial drive to start new businesses in Alberta and skills that help employers address labour shortages. The Alberta Advantage Immigration Strategy will strengthen Alberta's immigration programming and address the needs of job creators and communities. The ministry delivers programs and services that support the successful integration of newcomers and assess credentials received outside of Canada. The ministry works and advocates for increased labour mobility and qualification recognition across Canada to allow temporary newcomers and new permanent residents to fully participate in Alberta's economy utilizing their knowledge, skills and experience.

Key results and highlights during 2020-21 include:

- Launched two new Alberta Immigrant Nominee Program streams to attract job creating international graduates: the International Graduate Entrepreneur Immigration Stream and Foreign Graduate Start-Up Visa Stream.
- Reduced red tape associated with the Alberta Immigrant Nominee Program by replacing paper applications with an online application portal for all streams (except Self-Employed Farmer Stream), providing an improved application process for candidates.
- Significantly improved service standards and reduced processing times for both domestic and international assessments conducted by the International Qualifications Assessment Service.
- Provided approximately \$4.9 million in provincial funding to support newcomer integration through settlement and language support services.

#### **Actions that Support the Priorities of the Government of Alberta Strategic Plan**

**Key Priority 1:**  
Supporting job creation

**Objective 6:**  
Making Alberta more dynamic, innovative and sustainable

- Continued to develop the Alberta Advantage Immigration Strategy to strengthen Alberta's immigration programming and address the needs of job creators and communities.

## Key Objectives

### 3.1 Support job creators in supplementing their workforce by leveraging targeted attraction and retention strategies and implementing labour mobility priorities.

#### Alberta Immigrant Nominee Program

Newcomers boost Alberta's workforce by bringing new ideas, skills, education and entrepreneurial drive that can grow Alberta's economy and create more opportunities to attract international investment.

The Alberta Immigrant Nominee Program (AINP) is an economic immigration program that supports the province's economic growth and diversification by nominating foreign workers and international students for permanent residence. Provincial nominees must fill a labour market need and economically establish themselves in Alberta.

In 2020, as a result of the COVID-19 pandemic, Alberta decided to use only 4,000 of the AINP nomination certificates

allocated to Alberta by the Government of Canada. Alberta made this change to utilizing a portion of its AINP nomination certificate allocation to enable more job opportunities for unemployed Albertans and opportunities for newcomers and in response to difficulties newcomers may have to economically establish during the pandemic, along with a reduction of applicants due to the expansion of the Refusal to Process a Labour Market Impact Assessment list. Eligible applicants were also provided with flexibility regarding the timelines to submit necessary documentation to account for possible disruptions caused by the COVID-19 pandemic.

The AINP issued all 4,000 nominee certificates resulting in 7,952 individuals (including the applicant, their spouse/common law partner, and dependent children) having the opportunity to apply to become permanent residents of Alberta. Of this allocation, the ministry issued 1,486 nomination certificates to skilled immigrants through its Express Entry Stream and 2,514 through its other streams.

In 2020, 4,345 nominees landed and a total of 7,583 individuals landed (nominees along with dependents claimed at the time of nomination) as permanent residents. Most of the individuals who landed in 2020 were nominated in previous years. The number of individuals that land in Alberta varies each year depending on federal processing times for permanent residency, the length of time it takes nominees to prepare to immigrate to Alberta, and the family size of nominees. In 2020, the COVID-19 pandemic resulted in fewer nominees arriving in Alberta.

#### Alberta Immigrant Nominee Program

	2018	2019	2020
Number of applications received <sup>1</sup>	4,713	7,557	5,675
Number of applications assessed <sup>2</sup>	7,285	7,517	5,155
Number of certificates issued <sup>3</sup>	5,600	6,002	4,000
Number of individuals	9,941	11,206	7,952
Number of nominees landed <sup>4</sup>	5,776	6,423	4,345
Number of individuals landed <sup>4</sup>	10,190	10,973	7,583

<sup>1</sup> The number of applications received and assessed in a given year varies due to several factors including: the number of temporary foreign workers working in the province, changes to federal immigration programs which affect their decision on whether and when to apply to the AINP and the quality of applications.

<sup>2</sup> Applications are not always assessed in the same year they are received.

<sup>3</sup> Includes certificates that were re-used and re-allocated to another nominee under a new certificate number.

<sup>4</sup> Nominees (and their families) do not always land in Alberta the same year the certificate was issued. Includes nominees along with their dependents claimed at the time of nomination.

In addition to reducing the number of nominations issued in 2020, the AINP made other temporary adjustments in response to the COVID-19 pandemic. In light of the high unemployment of Albertans, between April 29, 2020 and May 26, 2021, only individuals living and working in Alberta could apply to and be nominated by the AINP.

As of April 29, 2020, AINP also made temporary adjustments to its processes and policies to support clients when applying to, and qualifying for, the program. The AINP allowed individuals to qualify while working from home and for individuals to submit incomplete applications, including language testing registration, in lieu of completed test results, which may have been delayed by the pandemic. With the launch of the new AINP online portal on October 1, 2020, the AINP discontinued acceptance of incomplete applications.

The AINP also provided additional time (60 days) for existing candidates to meet employment criteria where employment hours were reduced, or employment had been terminated. As of October 1, 2020 this grace period was extended to up to 6 months. Nominees were also provided with time to meet employment requirements to enable them to continue to be eligible for permanent residence.

As of November 1, 2020, individuals working in Alberta in an occupation on the Refusal to Process (RTP) were eligible to apply to the AINP, so long as they meet other AINP criteria. Prior to November 1, 2020, these individuals were not eligible to apply to the AINP.

## **Labour Mobility**

An annual labour mobility survey of 72 Alberta professional regulatory organizations was completed to collect information about labour mobility in 2019. Seventy-one professional regulatory organizations responded. The survey results found that in 2019, 11,549 (21 per cent) of new domestic applications for regulated occupations in Alberta were from out-of-province certified individuals. In comparison to the previous year, 2019 saw a 26 per cent increase in the number of out-of-province certified workers applying for certification. Similar to previous years, three regulated occupations reporting the highest number of out-of-province applicants to Alberta in 2019 are general insurance agents, dealing representatives and life insurance agents.

Alberta worked with other provinces and territories to identify remaining barriers to labour mobility and actions to remove those barriers. Recommendations were developed for provincial and territorial governments to consider for implementation.

Alberta consulted with stakeholders related to developing a labour mobility act to further reduce barriers for Canadian-certified workers to receive faster certification to work in Alberta. This work is ongoing.



## International Qualification Assessment Service

International Qualification Assessment Service (IQAS) assessments support the recognition of international credentials, helping those with international education access Alberta's job market and register for education programs, or with professional regulatory organizations. In 2020-21, IQAS issued 19,068 assessment certificates. This includes over 4,742 assessments for newcomers in Alberta seeking jobs, professional certification or further education, representing a seven per cent increase from the 4,437 certificates issued to Albertans in 2019-20.

During the year, the program significantly improved service standards by reducing processing times and back-logged inventory. Processing times were reduced for both Albertan applicants (from 23 weeks to six weeks) and prospective immigrant applicants (from 24 weeks to 14 weeks). Applications from Albertans for whom a job offer depends on an assessment's outcome are now expedited and processed in five business days or less. In support of the implementation of the *Fair Registration Practices Act*, applications from those who need an assessment to apply for professional licensure are now processed in 15 days or less (regular processing time for Albertans is 6 weeks). In addition, IQAS implemented a fully electronic application process removing the need to mail any documents to the IQAS office. The program also expanded options for clients to provide electronic applicants with secure digital transcripts.

### **3.2 Collaborate with other ministries to develop and implement an Alberta Advantage Immigration Strategy that places a renewed focus on attracting and supporting talented newcomers and job creating entrepreneurs to communities across Alberta.**

#### **Alberta Advantage Immigration Strategy**

The Alberta Advantage Immigration Strategy, is designed to help grow businesses and reignite local economies by encouraging international entrepreneurs and skilled professionals to immigrate to Alberta. The strategy focuses on economic immigration and covers the entire immigration continuum (from pre-arrival to settlement). The strategy will guide immigration-related policy and programs for Alberta. The strategy aims to speed up processing times as Alberta Advantage Immigration Strategy applications will be prioritized within the Alberta Immigrant Nominee Program. Development of the strategy, which began in 2019-20, was informed by consultations with stakeholders: newcomers, employers, municipalities, and economic development organizations, settlement agencies, industry associations and organized labour, post-secondary institutions, and policy experts. Work on the strategy continues in light of the ongoing pandemic. In the future, the strategy will also serve as to inform Alberta's intergovernmental work on the Forum of Ministers Responsible for Immigration by setting Alberta's advocacy priorities (e.g. focusing on increasing economic immigration levels and support for attracting and retaining job creators).

#### **Alberta Immigrant Nominee Program – New Streams**

On October 26, 2020, the International Graduate Entrepreneur Stream launched to encourage international post-secondary students currently living in Alberta to start businesses here after they graduate as a path to permanent residency. During the first six months of the stream being offered, the ministry received 47 inquiries about the stream and three expressions of interest. Low application numbers were expected due to the nature of the program and the impact of COVID-19 and the global recession on Alberta's economy. On January 27, 2021, the Foreign Graduate Start-up Visa Stream was launched to encourage foreign international students to move to Alberta to start businesses as a path to permanent residency. Labour and Immigration staff, in collaboration with other ministries such as Advanced Education, Jobs, Economy and Innovation and external stakeholders, are working to raise awareness of these new streams.



### **3.3 Implement the *Fair Registration Practices Act* and work via the Fair Registration Practices Office to reduce the red tape associated with the assessment of qualifications for applicants by ensuring that registration practices to regulated occupations and trades are transparent, objective, impartial and fair.**

#### ***Fair Registration Practices Act***

The *Fair Registration Practices Act* applies to 72 professional regulatory organizations (PROs) that oversee the licensing and certification of more than 170 professions, occupations and trades in Alberta. The Act aims to ensure practices are transparent, objective, impartial and fair, while maintaining Alberta's high professional standards for PROs. The Act requires PROs to be more transparent on required documentation to obtain registration; specifies timelines to assess applications and communicate interim registration assessment decisions; and requires organizations to communicate within reasonable timeframes for final registration decisions. PROs are also required to submit reports regarding fair registration practices to the Minister, by way of the Fairness for Newcomers Office.

#### **Fairness for Newcomers Office**

In support of the Fairness for Newcomers Action Plan, the *Fair Registration Practices Act* provides the authority for the creation of a Fairness for Newcomers Office (formerly known as the Fair Registration Practices Office), to help ensure that qualified individuals entering regulated professions and designated occupations or trades do not face unfair processes or barriers to accreditation and credential recognition.

The Fairness for Newcomers Office works with professional regulatory organizations to streamline, simplify and accelerate the assessment of qualifications by eliminating barriers to registration that newcomers may experience. The office aids professional regulatory organizations, other government departments, and external stakeholders in the review of registration and assessment practices, and makes recommendations to improve these practices, while promoting compliance and understanding of the *Fair Registration Practices Act*. The Fairness for Newcomers Office does not work with individual applicants or participate in registration decisions that a regulatory body has made about an application.

## Foreign Qualification Recognition

The ministry collaborates with professional regulatory organizations, immigrant serving organizations, employers and post-secondary institutions to improve the assessment and recognition of internationally trained individuals' education, skills and experiences.

The \$1 million three year (2019-22), Alberta – Employment and Social Development Canada (ESDC) Foreign Qualification Recognition (FQR) Contribution Agreement, focuses on connecting internationally-trained individuals to meaningful employment. In 2020-21, the ministry continued to implement initiatives under this contribution agreement in two specific priority areas:

- Mentorship Connections: creation of an online repository of training modules, tools and resources related to mentorship models that can be used in small urban and rural centres across Alberta to help internationally-trained individuals connect to employment; and
- Alternative Career Pathways: creation and piloting of effective alternative career resources for internationally-trained physicians and teachers. These two occupations have comparatively high numbers of internationally-trained individuals who are historically unsuccessful in obtaining licensure. Alternative Career Pathways helps to facilitate internationally-trained individuals to work in occupations commensurate with their skills and knowledge.

### **3.4 Support newcomers by providing programming such as pre-arrival settlement services, offering skills upgrading to underemployed foreign professionals and expanding access to bridge financing for certification exams.**

#### **Immigration Supports and Pre-Arrival Services**

To help newcomers transition to life in Alberta, Labour and Immigration provides information on living and working in Alberta and options to apply for and obtain permanent residency. This service is delivered through the Immigrate to Alberta Information Service via email and telephone, and virtual or in-person presentations in cooperation with our partners. 2020-21 was the last full year of operation for the Immigrate to Alberta Information Service.

With recent changes to department services, immigration and newcomer clients are now able to access resources and information through a variety of self-assisted channels, such as internet, portals and application services. In 2020-21, the Immigrate to Alberta Information Service had a total of 40,030 client interactions (down from 54,779 in the prior year). Of these interactions, 18,344 were phone calls received, 21,357 were emails received and 329 were departmental correspondence. Approximately 67 per cent of the interactions were IQAS-related, 22 per cent were AINP-related, and the rest (close to 11 per cent) were other immigration-related enquiries.

The department also provides pre-arrival services and immigration outreach to prospective and newly landed newcomers that complements the supports provided by the federal government. In 2020-21, the foreign qualifications recognition webpage was updated to make it easier to navigate to ensure clarity of step-by-step processes on obtaining licensure and working in regulated occupations. The foreign qualifications recognition webpage is also linked to the national Pre Arrival Partners' Portal allowing settlement organizations across Canada to direct their newcomer clients to the portal for accurate, updated and relevant information on obtaining recognition of their credentials. In addition, the new Opportunity Alberta immigration website was launched in October 2020. This new site provides coordinated, streamlined and easy-to-find information for newcomers and prospective immigrants about living and working in Alberta.

In October 2020, the Entrepreneur Support Service (ESS) was launched to provide prompt and tailored services to prospective applicants enquiring about and/or applying for the new AINP entrepreneur immigration streams. The ESS is also responsible for coordinating targeted outreach activities to promote these new streams. In 2020-21, a total of 10 outreach sessions were conducted reaching 322 interested clients.

### **Settlement, Integration and Language Initiatives**

The Alberta Settlement and Integration Program supports Alberta's newcomers by providing grants to support settlement, integration and language services and initiatives that are complementary to federal government services and responding to emerging issues and unmet newcomer needs and system gaps. Funding supports government priorities and is based on several factors including input from ongoing stakeholder engagement, connections with other orders of government and other ministries, and client statistics. These factors further inform where funding is allocated to meet needs and gaps in the settlement system across Alberta.

In 2020-21, approximately \$4.9 million (\$4.5 million in 2019-20) in provincial funding was utilized on supporting newcomer integration through settlement and language support services, including the strengthening of settlement services in French provided to Francophone newcomers under the Government of Alberta's French Policy Action Plan. Approximately 12,000 newcomers were targeted to benefit from these services in 2020-21. The ministry delivers settlement and language support services under three streams:

- Settlement and Community Supports: activities for naturalized Canadian citizens and refugee claimants and temporary residents who hold a work permit. These services include needs assessments; orientations and information; referrals; translation and interpretation; outreach.
- Language Assessment and Referral Services: provides English language assessments, educational counselling and information, and referrals to appropriate provincial training programs for permanent residents and naturalized Canadian citizens.
- ESL Drop-in Centres: provide flexible English language training options for permanent residents and naturalized Canadian citizens.

In addition, approximately \$3 million in federal funding was utilized to help newcomers create social networks, obtain Canadian job experience, and understand Canadian work culture to improve their labour market attachment to find jobs.

In 2020-21, approximately \$1.1 million in provincial funding was utilized to support community capacity building to assist smaller centres in improving their ability to meet newcomers' needs and to respond to COVID-19 emerging issues. For example, the ministry provided approximately \$235,000 to fund the Alberta Association of Immigrant Serving Agencies to build capacity, mobilize best practices and strengthen the network of service providers to respond to newcomer needs emerging from the COVID-19 pandemic.

## **Bridge Financing to Support Newcomer Professionals**

A key priority to support newcomers to succeed and thrive in Alberta is to expand access to low-interest loans for newcomer professionals. The ministry works with non-profit organizations to provide low-interest loans to newcomer professionals who need bridge financing to upgrade their skills and pay for certification exams. A micro loan pilot project was launched in November 2020 to provide low-interest micro loans of up to \$15,000 to Albertan newcomers. Under the pilot, Bredin Centre for Career Advancement assesses applications for referral to Servus Credit Union who approves and issues the micro loans. Both Bredin and Servus are undertaking several initiatives to improve client uptake. In 2020-21, over 40 applications were screened and assessed by Bredin and a total of eight applicants were approved by Servus for micro loans.

## **COVID-19 Supports to Newcomers**

The ministry has worked with immigrant serving agencies to ensure continuity of services for newcomers during the COVID-19 pandemic. Furthermore, the ministry provided flexibility in addressing issues and challenges faced by these agencies by supporting them in making adjustments to the activities and services provided to newcomers. The ministry also regularly shared information on measures taken by the federal government and the ministry with immigrant serving agencies, discussed the impact of COVID-19 on newcomers and explored different ways to address those impacts.

In 2020-21, IQAS adjusted many processes in response to various impacts the COVID-19 pandemic had on operations around the world and in Alberta. International mail delivery disruptions and the closure of many educational institutions affected clients' ability to mail documents to IQAS. In response, IQAS implemented a new application process that allows applicants to apply with electronic transcripts and developed processes of connecting with educational institutions around the world to authenticate credentials.

The ministry also launched a Call for Proposals to support activities that enhance the capacity of service providing organizations to encourage communities to act together to address the impact of the pandemic on newcomers and newcomer service providing organizations. In 2020-21, approximately \$1.1 million in provincial funding was utilized to support community capacity building to assist smaller centres in improving their ability to meet newcomers' needs and respond to COVID-19 emerging issues.

Under the first Call for Proposals, 12 immigrant-serving agencies were funded in October 2020 to provide language assessments, English as a Second Language (ESL) drop in and settlement services to support newcomer integration while they live and work in Alberta. Also under the first Call for Proposals, eight agencies were funded in February and March 2021 to support the economic integration of newcomers into Alberta's labour market to help address critical and emerging workforce shortages and skills gaps through training programs such as Supply Chain Management for Newcomers and Immigrant Coding Online for Development in Employment (iCODE). Through partnership with Supply Chain Canada, the Supply Chain Management for Newcomers training will provide newcomers with recognized Diploma in Supply Management Training. The iCODE program, through industry partnerships, will prepare technically educated newcomers for a career in programming and software coding through an IT workplace training with coding language curriculum followed by a work placement.

Under the second Call for Proposals on community capacity building four projects were funded in March 2021 to support community capacity building for communities interested in rural renewal through activities such as coordinating intercultural competency workshops and support initiatives that enhance the capacity of organizations to respond to the pandemic.

**Performance Indicator 3.a:**  
**Alberta Immigrant Nominee Program (AINP) retention**

*To ensure activities were focused on supporting Albertans during the COVID-19 pandemic, a government-wide pause on surveys and data collection activities was announced in March 2020. As a result, no new results are available for 2018. Data collection 2019 will resume in early 2021-22. Included below is the analysis of results presented in the 2018-19 annual report.*

Prior Years' Results				2019
2015	2016	2017	2018	
85.8%	86.3%	85.7%	Not available	Not available

The number of Alberta Immigrant Nominee Program (AINP) nominees who are still residing and working in Alberta one year after obtaining permanent residency is one indicator of Alberta's ability to retain a skilled, resilient and productive workforce. It demonstrates the program's success in retaining work-ready people in Alberta to help meet the province's unique labour market needs.

Each year, the ministry conducts a one-year post-landing survey of AINP nominees. AINP nominees that landed (obtained permanent residency) in 2016 were surveyed in 2018, and those that landed in 2017 were surveyed in 2019 to allow one year to have passed from the date the nominee obtained permanent residency and to allow time for the survey to be conducted. The 2017 result of 85.7 per cent is a slight decline from 2016 but consistent with the results in previous years.

The number of individuals who land in Alberta is not the same as the number of AINP certificates issued as not every nominee completes the immigration process for a variety of reasons including, the applicant decides not to immigrate to Canada, their immigration application is denied by the federal government or they apply to immigrate to Canada through an alternate immigration stream.

Nominees who have remained working in Alberta at least one year after landing are more likely to be economically and socially established in Alberta, be integrated into their communities, and become long-term contributors to the economy. The results from the post-landing survey are used to inform programming decisions for the AINP to ensure it contributes to the development of a skilled, resilient and productive labour force that supports a diversified economy for Alberta. For example, the data is used to update AINP nomination streams and to confirm that the individuals nominated address Alberta's labour force requirements.

	2015	2016	2017	2018	2019
Total Number of Nominees Landed	4,691	3,253	3,447	5,775	6,422

**Performance Measure 3.b:**  
**Satisfaction of International Qualifications Assessment Service (IQAS) applicants**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
N/A	91%	N/A	88%	85%	N/A

The ministry's International Qualifications Assessment Service (IQAS) provides services for Albertans and prospective immigrants to help with the recognition of their international educational credentials by comparing them to educational standards in Canada. In 2020-21, IQAS issued a total of 19,068 assessment certificates. This included over 4,472 assessments for newcomers in Alberta seeking jobs, professional certification or further education, representing a seven per cent increase from the 4,337 certificates issued to Albertans in 2019-20.

	2018-19	2019-20	2020-21
Assessment Certificates Issued	16,660	22,516	19,068

A survey of Albertans who obtained international education and applied for IQAS assessments is conducted every two years. The survey is completed to assess satisfaction with IQAS and how the assessment of international education credentials supported applicants' employment, educational and professional goals. The latest survey was conducted in 2019-20. Results from the 2019-20 survey indicate that 88 per cent of surveyed applicants reported satisfaction with IQAS services. This result is above the 2019-20 target of 85 per cent. Beyond overall satisfaction, 83 per cent of survey respondents indicated that IQAS application fees were reasonable and 90 per cent stated that the service was easy to access.

IQAS has experienced a significant increase in demand for services. In 2019-20 between April and November there was a 70 per cent increase in demand compared to the same period in 2018-19. This resulted in longer processing times and may have contributed to the slight decline in overall satisfaction between 2017-18 and 2019-20. In 2020-21, the program significantly improved service standards by reducing processing times and back-logged inventory. Processing times for both Albertan applicants (from 23 weeks to six weeks) and prospective immigrant applicants (from 24 weeks to 14 weeks) have been significantly reduced.

## Outcome Four: Alberta has safe, fair and healthy workplaces

Safe, fair and healthy workplaces protect Alberta workers and help Alberta to be a more attractive and competitive place to work and do business. The ministry collaborates with job creators, workers, health and safety associations, industry associations, and labour groups to promote an informed and knowledgeable workforce regarding both rights and responsibilities. A balanced approach to compliance supports capital investment, job creation in Alberta and, most importantly, workplaces that are safe, fair and healthy.

Key results and highlights during 2020-21 include:

- Provided a risk-based response to complaints related to COVID-19, directed all proactive capacity to industries where there was a higher risk of COVID-19 transmission and conducted more than 11,000 inspections and re-inspections and 110 reportable investigations related to COVID-19 in the workplace.
- Eliminated the backlog of employment standards complaints that had existed since 2015-16.
- Launched the Supporting Psychological Health in First Responders Grant Program to provide grants to improve services for first responders living with or at risk of developing post-traumatic stress injuries (PTSI), including early intervention and resilience-building.

## Key Objectives

### 4.1 Work with employers and workers to promote compliance with employment standards and engage in timely complaint resolution and effective enforcement.

The *Employment Standards Code* establishes minimum standards for employment relationships in Alberta or working in federally regulated industries. Standards include minimum wage, overtime pay, vacation pay, general holiday pay, termination pay and various protected leaves that apply to the majority of employers and employees in the province. Employees are encouraged to resolve employment standards concerns at their workplace and, if they are unable to resolve the issue with their employer, they may file a complaint or anonymous tip. When an employment standards complaint is received, it is either resolved through an early resolution process, a complaint resolution process or an investigation.



## Employment Standards Complaint Resolution

The ministry received 3,310 employment standards complaints and completed 4,129 complaints in 2020-21 (complaints are not always resolved in the same fiscal year they are received). In 2019-20, 4,882 employment standards complaints were received and 5,020 complaints were completed. The completion of more complaints than were received means that employment standards officers were able to resolve complaints that had been waiting in the queue. In 2015-16,

the ministry had a backlog of approximately 2,000 employment standards complaints awaiting processing. As of March 31, 2021, the backlog of employment standards complaints was eliminated.

A complaint is considered complete when the investigation phase is no longer under the control of an officer. An investigation is complete when the officer has collected money on behalf of the complainant or has exhausted all available options for resolving the complaint, whether through voluntary resolution or issuing an order or decision. Employment standards staff work to resolve complaints in a timely manner, focusing on voluntary resolution, while ensuring quality investigations that are administratively fair. The average days to begin an investigation was 26 in 2020-21 (down from 45 in 2019-20). The average time for complaints to be resolved was 78 days in 2020-21 (down from 100 days in 2019-20). In 2020-21, the ministry concluded 150 complaint-related inspections compared to 128 in 2019-20.

### Employment Standards Complaints

	2018-19	2019-20	2020-21
Complaints received	5,065	4,882	3,310
Complaints completed	6,098	5,020	4,129
Employment standards queue	588	496	18
Average days to begin investigation	90	45	26
Average days to resolve	155	100	78
Per cent resolved within 180 days	62%	90%	91%
Per cent resolved within 150 days	30%	85%	90%

## Employment Standards Contact Centre

The Employment Standards Contact Centre makes information and education readily accessible for Albertans. In 2020-21, the contact centre received a total of 84,299 inquiries (telephone and email) from employees and employers seeking information and guidance, reflecting a decrease of 36 per cent from 2019-20 when 131,189 inquiries were addressed. Many inquiries were related to COVID-19. Generally, when there is an economic downturn there are lower volumes of enquiries. Conversely, changes to legislation tend to increase the number of enquiries.

### Employment Standards Contact Centre

	2019-20	2020-21
Telephone inquiries	116,047	70,116
Email inquiries	15,142	14,183
Total inquiries	131,189	84,299



## **4.2 Focus on complaints of repeat violations of employment standards and suspected human trafficking issues.**

The ministry increased investigation activities surrounding suspected cases of human trafficking and employers who repeatedly fail to follow employment standards rules, to protect Albertans and reduce burdens on job creators.

### **Suspected Human Trafficking**

In 2020-21, the ministry investigated 95 human trafficking related situations compared to 58 in 2019-20. In addition to responding to inquiries, the Temporary Foreign Worker Advisory Office provides wraparound supports to victims of human trafficking, and assists victims in applying for Temporary Residency Permits and Open Work Permits under the federal Temporary Foreign Worker program. The office also provides referrals to appropriate enforcement agencies as well as various community-based groups. The Temporary Foreign Worker Advisory Office supported 78 foreign workers with permit applications in 2020-21. Approximately 15 employment standards staff are trained to identify incidences of human trafficking and to provide victim support. These employment standards staff investigate potential non-compliance with employment standards legislation where indicators of human trafficking exist and coordinate response with the Temporary Foreign Worker Advisory Office and other enforcement agencies, as appropriate. Additionally, the ministry has an information sharing agreement with Employment and Social Development Canada to enable exchange of temporary foreign worker related information which helps to strengthen protections for victims of human trafficking. The information sharing agreements enable provincial and federal agencies to identify issues and communicate on specific matters which facilitates enforcement of legislation under the respective jurisdictions.

### **Employment Standards Administrative Penalties**

Administrative penalties encourage compliance with employment standards legislation and may be issued to employers for failing to comply with an enforcement action or repeated non-compliance. Standard penalty amounts range from \$500 to \$6,000 and are issued in a progressive manner for repeated contraventions. Administrative penalties can also be issued for economic benefits derived from non-compliance. In 2020-21, employment standards issued an administrative penalty of \$73,437.51 to an employer for economic benefit, which is the largest penalty issued to date.

### **Chronic Non-Compliance**

Employment standards officers identify chronic non-compliance during the triage of all employment standards complaints. Initially, inspections are conducted to provide one-on-one education, assess willingness of employers to comply, and conduct an audit of payroll practices. If additional complaints or tips are received, advanced enforcement options, including Orders of Officer, administrative penalties and prosecution, may be utilized where employers refuse to comply. In 2020-21, 12 inspections of chronically non-compliant employers were completed, the same as in 2019-20.

## Employment Standards Anonymous Tips and Inspections

The ministry received 887 anonymous tips in 2020-21, compared to 1,347 in 2019-20. Anonymous tips are triaged by employment standards staff and, where vulnerable workers or chronic non-compliance are identified, tagged in-person inspection.

### Employment Standards Anonymous Tips and Inspections

	2018-19	2019-20	2020-21
Anonymous tips received	811	1,347	887
Anonymous tips completed	546	1,347	887
Inspections conducted	432	609	663

The ministry conducted 663 inspections in 2020-21 compared to 609 in 2019-20. The employment standards inspection process identifies areas of non-compliance and requires employers to carry out self-audits to remedy violations for all affected employees.

### 4.3 Improve workplace health and safety by monitoring for compliance with the *Occupational Health and Safety Act, Regulation and Code* at Alberta work sites through education and responding to complaints and reportable incidents.

Occupational health and safety legislation sets out the minimum health and safety standards for Alberta's workplaces. Effective health and safety management systems support workers being able to return home safely at the end of their shift and help to reduce employer costs related to worker injury and illness. The ministry works with job creators, workers, health and safety associations, industry associations, and labour groups to promote a workforce that is informed and knowledgeable on workplace rights and responsibilities. Education and enforcement activities are complementary and both tools help work site parties achieve compliance with the legislation.

In 2020-21, the ministry conducted 14,502 inspections and 3,175 re-inspections, compared to 9,624 inspections and 2,921 re-inspections in 2019-20. The increase in inspections occurred in response to the COVID-19 pandemic; over 69 per cent of OHS inspections addressed COVID-19 related concerns. The increase in re-inspections is attributed to monitoring of work sites related COVID-19 outbreaks. These inspections are both reactive and proactive evidence-based work with employers or industries that have higher injury and incident rates to support improved OHS systems. Reactive work is in response to an injury, illness, complaint, fatality or work refusal. In 2020-21, 48 per cent of OHS inspections were proactive and 52 per cent were reactive.

### Occupational Health and Safety

	2018-19	2019-20	2020-21
Inspections conducted	10,365	9,624	14,502
Re-inspections conducted	4,045	2,921	3,175
OHS orders written	16,680	14,564	7,868
Unique work sites visited	8,948	8,152	12,622
New businesses visited for the first time <sup>1</sup>	n/a	302	1,297
Online resources viewed	1,006,214	1,383,166	1,162,500

<sup>1</sup> Visits to new businesses began in 2019-20.

In 2020-21, 69 per cent of orders had a report on compliance. Reports on compliance allow employers to submit written reports on the measures taken by the work site party to remedy an infraction and facilitate compliance of low risk orders without an officer returning to site, which saves public and employer resources.

OHS officers issued 7,868 orders in 2020-21, compared to 14,564 in 2019-20. OHS officers use a risk-based approach to compliance focusing on issues with the highest risk of worker injury to monitor compliance by work site parties. At the onset of the pandemic, OHS used an educational approach to support employers and workers to adapt processes and procedures for pandemic management and compliance was generally high. Employers receive OHS orders when there is evidence of non-compliance with OHS legislation. OHS orders include compliance orders, stop work orders and stop use orders.

### Occupational Health and Safety Contact Centre

The OHS Contact Centre helps provide Albertans with information related to OHS legislation. The contact centre also receives complaints and incident notifications through telephone calls and emails. In 2020-21, the OHS Contact Centre received 22,331 telephone inquiries (25,211 in 2019-20) and 6,001 email inquiries (7,001 in 2019-20) from both workers and employers seeking additional information and guidance.

Occupational Health and Safety Contact Centre		
	2019-20	2020-21
Telephone inquiries	25,211	22,331
Email inquiries	7,001	6,001
Total inquiries	32,212	28,332

### Tickets

Labour and Immigration's OHS officers can issue tickets to employers and workers for observed non-compliance with specific sections of OHS legislation and for non-compliance with masking requirements in indoor workplaces under the *Public Health Act* (PHA). Examples include when an employer fails to ensure that workers are using or wearing required equipment or when an employee fails to have a valid entry permit when entering a confined space. In 2020-21, 55 tickets were issued totaling \$22,410, with 21 tickets issued to employers, 2 tickets issued to supervisors and 32 tickets issued to workers. The largest ticket issued to an employer was \$575. The largest ticket issued to a worker was \$1,200 under the PHA.

### OHS Administrative Penalties

Administrative penalties may be issued to either employers or workers for serious or repeat non-compliance with OHS legislation. The purpose of administrative penalties is to improve workplace health and safety and compliance. In 2020-21, 18 administrative penalties totaling \$62,500 were issued to employers with individual fines ranging from \$1,000 to \$13,000. Penalty amounts are based on the severity and duration of the non-compliance.

## Serious Incident Investigations

In 2020-21, charges were laid on 17 cases against employers in violation of the *Occupational Health and Safety Act*, Regulations and Code, representing the most serious OHS infractions, compared to 18 in 2019-20. Convictions in the year resulted in monetary fines totaling \$1,921,000 (compared to \$5,253,334 in 2019-20). The decrease in monetary fines is due to a decreased number of convictions in 2020-21. These fines ranged from \$45,000 to \$320,000. The number of charges laid depends on several factors, including the number of serious incidents that occur. The fine amounts depend on the specific facts of each case including instances of employer non-compliance and whether it can be proven that it was reasonable for the employer to address the unsafe work conditions leading to the incident. OHS recommends charges when it is believed that there are reasonable and probable grounds for the offences that have been identified as a result of the investigation.

A serious incident is defined, under Section 40 of the *OHS Act*, as:

- an injury or accident that results in death;
- an injury or accident that results in a worker being admitted to a hospital;
- an unplanned or uncontrolled explosion, fire or flood that causes a serious injury or that has the potential of causing a serious injury;
- the collapse or upset of a crane, derrick or hoist; or
- the collapse or failure of any component of a building or structure necessary for the structural integrity of the building or structure.

## Creative Sentencing/Corporate Probation

The *Occupational Health and Safety Act* has provisions for the Courts to consider when sentencing corporations. Having regard to the nature of the offense, the Courts may impose a creative sentence where the funds are directed towards projects, programs, research or education that will further the goal of achieving healthy and safe work sites. In some instances, corporations are also placed on probation with conditions that require public acknowledgement of the offense, specific health and safety training courses and enhanced regulatory supervision.

Creative sentencing was used eight times in 2020-21. From these sentences, a total of \$1,281,850 (included in the \$1.9 million in fines referenced above) was ordered to be paid to not-for-profit organizations, educational institutions and to health and safety associations to further the goal of achieving healthy and safe works sites. In 2020-21, eight companies were placed on corporate probation and required to comply with specific conditions (e.g. publicly acknowledge the offense, undertake specific health and safety training courses, or are subject to enhanced regulatory supervision).

## Occupational Health and Safety – Discriminatory Action Complaint

The *Occupational Health and Safety Act* includes provisions to protect workers by prohibiting any person from taking discriminatory action against them for exercising their rights or duties under the legislation. The onus is on the employer to show that discriminatory action was taken against a worker for a reason other than fulfilling an OHS duty or responsibility. In 2020-21, 157 discriminatory action complaints were received, which resulted in 23 having a decision letter issued during the year. A decision letter is only issued when the complaint meets the discriminatory action complaint criteria and is investigated. In total, 73 files were closed and 84 are still under investigation. As part of changes introduced under the *Ensuring Safety and Cutting Red Tape Act, 2020*, discriminatory action complaints will be renamed disciplinary action complaints upon proclamation.

## Response to the COVID-19 Pandemic

Beginning in Spring 2020, the ministry began providing an expedited response to complaints related to COVID-19, all proactive capacity was directed to prioritize managing COVID-19 in workplaces and officers were provided with additional training on biological hazards.

As part of the department's initial response to the COVID-19 pandemic, proactive inspections focused on essential services that remained open during the pandemic including: grocery stores, health care and continuing care services, fuel and convenience stores, meatpacking and food processing facilities and correctional facilities.

OHS officers continued to respond to work site complaints including work refusals and discriminatory action complaints, reportable incidents, fatalities and immediate danger conditions. The officers focused on monitoring to ensure effective controls were in place to mitigate the spread of COVID-19 and meet requirements in OHS legislation. The department collaborated with other agencies where possible and conducted joint inspections with other regulators including Alberta Health Services, Children's Services, and the Canadian Food Inspection Agency. The collaboration of resources provided a unified inspection response to Alberta workplaces.

In support of Alberta's relaunch strategy, department OHS staff continued to focus on essential services and added additional work sites and sectors through the relaunch phases, based on their risk of COVID-19 transmission. During stage zero of the relaunch, support continued to focus on essential services. During stage one of the relaunch, OHS activities expanded to the following sectors: safety training agencies, non-essential retail (malls and other large facilities), mining, greenhouses, restaurants, daycares and hair styling. During stage two of the relaunch strategy, additional inspections were conducted in allied health services, libraries, movie theatres and theatres, personal services, wellness services, municipal recreation centres, pools and gyms. OHS also carried out proactive health and safety inspections in K-12 schools to support their re-opening to in-person learning in fall of 2020.

Throughout the COVID-19 pandemic, the ministry supported employers and workers with COVID-19 related OHS information resources and materials, including guidance publications and webinars. In collaboration with Alberta Health, the ministry created and updated 14 resources. In addition, the ministry kept Albertans informed by issuing 12 special edition e-newsletters, providing information on the latest developments in Occupational Health and Safety and Employment Standards.

In March 2020, in response to the COVID-19 pandemic, the Certificate of Recognition (COR) program implemented interim measures to COR auditing. COR audits continued, but were focused on the remote review of documentation. In-person interviews and on-site observations were suspended, to comply with public health directives, including physical distancing. Documentation-only certification audits were limited to a one year COR term to balance this loss of content, and with the agreement of all Certifying Partners. In certain circumstances, employers who had to recertify in both 2020 and 2021 because of their audit cycle were allowed to receive a three year COR, if they met other specific eligibility criteria. In 2021, the use of remote interviews will supplement the review of documentation, allowing employers to choose between a one-year COR (documentation only audit) or three-year COR (documentation and interview audit).

### **OHS information resources**

The ministry develops and maintains information resources to engage and support internal and external stakeholders. Resources, including bulletins, templates, toolkits and webinars, are designed to support understanding of and compliance with Alberta's OHS legislation. In 2020-21, the ministry published 60 new resources and retired 15 resources. Resources, posted on an online portal, received over 1.16 million views. Examples of resources published/updated include: Hazard Assessment and Control: a Handbook for Employers and Workers; Emergency Response Planning: an Occupational Health and Safety Tool Kit for the Hospitality Industry; and a Working from Home During a Pandemic Bulletin. The ministry also maintains an e-newsletter, OHS eNews, with approximately 17,000 subscribers who received nine monthly and 12 special edition e-newsletters in 2020-21.

#### **4.4 Focus evidence-based, proactive occupational health and safety programs on job creators and industries that require assistance in implementing effective health and safety programs that benefit all workplace parties.**

While Alberta's workplaces may have effective health and safety management systems, the ministry conducts a number of industry and employer specific programs and initiatives to support specific industry and employer health and safety practices. Targeted programs not only contribute to safe and healthy workplaces but also support Alberta's competitive advantage in attracting investment to the province. OHS officers take a risk-based approach to regulatory compliance and enforcement, starting with an education based approach. Focusing on employers that need the most support is the most effective use of OHS resources and the best opportunity to affect change that makes workplaces safer. Over the long term, this approach can save that employer and others in their WCB rate group on premium costs if there are fewer claims.

## OHS Proactive Inspection Program

The Proactive Inspections Program provides support to high-risk sectors or employers. The initiative consists of selected industries, selected employers and emerging trends.

OHS chooses employers and sectors with relatively high injury and illness rates, high frequency of incidents or complaints of persistently low rates of compliance, and looks for emerging trends.

The Proactive Inspections Program enhances employers' awareness of their responsibilities under the *Occupational Health and Safety Act*, Code and Regulation. The program aims to protect the health and safety of their workers by identifying and controlling hazards; enhancing awareness among employers and workers with respect to their relevant rights and responsibilities; and providing knowledge to vulnerable workers regarding their rights pertaining to OHS legislation.

In 2020-21, the ministry conducted 521 proactive inspections, resulting in 773 orders being issued.

### *Selected Industries Inspection Program*

Selected industries are industry sectors with higher injury and incident rates than others in the province. The program runs through the fiscal year and across the entire province. The selected industries based on injury rates for 2020-21 were the construction sector; manufacturing, processing and packaging sector; health care, and the service sector. In total, over 395 selected industry employers were inspected resulting in 662 orders being issued.

### *OHS Selected Employer Program*

Proactive capacity was diverted away from selected employers due to COVID-19. This capacity was put into inspecting essential services as part of Alberta's Relaunch Strategy.

### *OHS Emerging Trends*

Emerging trends are selected based on incident and injury rate data analysis and trends in incidents or non-compliances observed by OHS officers. If trends are identified, these trends may lead to larger scale inspection initiatives. Emerging trend programs are shorter in duration and geographic scope. Four emerging trends were identified for 2020-21, which included residential construction – hail damage, liquor retail, vaping retail, slab handling and storage. In total 90 inspections were conducted under the emerging trend program resulting in 111 orders being issued.



## **Occupational Health and Safety – Prevention Initiative**

The OHS prevention initiative clarifies priorities of the Alberta OHS system based on evidence and consultation with all players in the OHS system. The initiative supports the use of best practices for an effective OHS system through education campaigns based in user-centered design and knowledge translation principles.

The long term goals of the initiative are:

- workplaces engage in behavior that supports preventing priority diseases in and outside of their workplace;
- to reduce incidents of slips, trips and falls, musculoskeletal disorders injuries and psychosocial disease and injuries;
- system partners increase participation in educational opportunities to prevent priority disease and injury; and
- to increase sharing and partnership of system partners' resources for coordination and alignment.

The initiative focuses on three priority injuries and diseases: musculoskeletal disorders due to repetitive use, overexertion and heavy lifting; slips, trips and falls; and psychosocial hazards, including workplace violence, harassment and mental health. It also focuses on priority workforce types, which include small businesses and vulnerable workers.

Three working groups have been developing campaign materials to support employers, supervisors and workers to raise awareness of priority areas and provide materials that provide practical solutions to take action to prevent illness and injury. Campaign materials and information resources will include web content, video tutorials and presentations, posters, postcards and bulletins. A soft-launch of the campaign occurred in Fall 2020 for slips, trips and falls winter-related information.

## **Engaging New Businesses**

Contacting newly established businesses provides an opportunity to engage proactively to educate employers on OHS and employment standards requirements and build effective programs. In 2020-21, to comply with public health guidelines, the program shifted from in-person visits to contact by telephone, e-mail and online video calls. The ministry had 1,297 contacts with new businesses for the first time in 2020-21, compared to 302 in 2019-20.

## **Supporting Psychological Health in First Responders Grant Program**

The Supporting Psychological Health in First Responders Grant Program was launched in 2020. The program provides grants to improve services for first responders who are living with or are at risk of developing post-traumatic stress injuries (PTSI), including early intervention and resilience building. The grant program has two streams: Services, which focuses on supporting not-for-profit organizations in the delivery of services to First Responders and Applied Research, which supports prevention or intervention of PTSI. The budget for the program is \$1.5 million per year for three years (2020-21 to 2023-24).

In the first year, 40 applications were received and 11 projects received funding, totaling \$1,483,694.02. The projects supported by the grant program in 2020-21 were:



## Services:

- Alberta Critical Incident Advisory Council: Delivering and Evaluating An Established Model of Peer Support for Alberta's First Responders (\$99,875.00) – Funding will support the training of up to 200 first responders to receive their "certified peer supporter" designation. Once trained, the first responders will be able to, among other things, support the in-house delivery of pre-incident resilience training, deliver individual and group crisis interventions based on the protocols of the model and educate on helping first responders access evidence-based formal mental health services when needed.
- Professional Fire Fighters of Alberta Advocacy Society: Alberta Occupational Awareness Training for Healthcare Professionals: First Responder Trauma (\$134,662.50) – Funding will support cultural competency training of dedicated healthcare professionals who seek to provide care for first responders throughout Alberta. The additional training to those that provide care should result in better treatment outcomes for post-traumatic stress injuries at all stages of the psychological health continuum.
- The City of Edmonton: Edmonton Fire Rescue Services Mental Health App (\$40,000.00) – Funding will support the development of a mobile application tailored to the requirements of the personnel of Edmonton Fire Rescue Services to enhance help seeking behaviors, increase accessibility to vetted and appropriate resources, and to increase the use of preventative strategies in an effort to reduce the likelihood of the development of a post-traumatic stress injury and/or disorder.
- Wellness Works Canada: Mental Health and Resiliency Training for First Responders (\$31,600.00) – Funding will support Mental Health and Resiliency Training for First Responders in Edmonton and Calgary. The training will teach attendees to identify, respond and support themselves and colleagues who are at risk and/or experiencing signs or symptoms of post-traumatic stress injuries (PTSI).

## Applied Research:

- Lashewicz (University of Calgary): Helping prevent moral injury among long term care workers: A mixed methods toolkit development study (\$209,525.00).
- Brémault-Phillips (University of Alberta): COVID-19 Physical Distancing, Virtual Delivery of Trauma Therapies to Trauma-Affected Populations (\$206,137.00).
- Duffett-Leger (University of Calgary): Development of Online BOS (Before Operational Stress) Programs for Public Safety Personnel (PSP) and their Families (\$201,614.00).
- Ricciardelli (Memorial University of Newfoundland): Assessing Post-Traumatic Stress Injuries (PTSI) among Correctional Workers in Alberta (\$187,966.00).
- Van Eerd (Institute for Work & Health): Evidence-informed workplace policies and practices for the prevention of PTSI work disability (\$172,820.00).
- Agyapong (University of Alberta): Text4PTSI: An E-Mental Health Solution to Prevent and Manage PTSI among First Responders in Alberta (\$150,000.00).
- Gross (University of Alberta): Identifying Risk Factors for Developing Post-Traumatic Stress Injuries Following Musculoskeletal Injury (\$49,494.52).

#### **4.5 Update the certificate of recognition program to support job creators to build effective health and safety management systems.**

Partnerships in Injury Reduction is a voluntary program where safety associations/Certifying Partners, industry, the Workers Compensation Board and government collaborate to support employers to build effective health and safety management systems. Under the program, employer participants register and receive training from one of 11 Certifying Partners, implement or improve their health and safety management systems, and then undergo an audit conducted by an auditor who is trained and certified by the certifying partner. If the employer successfully passes the audit, a Certificate of Recognition (COR) is jointly issued by Labour and Immigration and the certifying partner. By improving health and safety, the social and financial costs of workplace injury and illness are reduced.

As of March 31, 2021, there are 10,444 COR holders across Alberta covering more than 44 per cent of the total Alberta workforce reported to the WCB in 2020. Holding a COR contributes to reduced workplace injury and illness and is often a requirement to bid on jobs with larger employers and project owners in Alberta.

Government is committed to updating the COR program to support job creators in building effective health and safety management systems. The COR program was evaluated in 2018 and the ministry began to implement the recommendations in 2019-20 to update and modernize the program. In 2020-21, three industry-led working groups continued work to implement the following key recommendations: Standardized Auditor Qualifications, Training & Certification; Development of a Complexity Based Scalable Audit which will eventually replace both the COR and Small Employer Certificate of Recognition programs; and Interjurisdictional COR Harmonization and the development of COR Program Measurement. The working groups are composed of industry stakeholders, chaired by industry and supported by department staff.

Work continued on the transition of the Employer Review process from being conducted by the department to a new process to be conducted by Certifying Partners. The transition is dependent upon the development of a new employer scorecard to select employers, which is expected to be completed in 2021-22. Work also continued with Certifying Partners to replace the Small Employer Certificate of Recognition (SECOR) with a new simpler program that may include a separate program for owners/operators. Additionally, development of a new enhanced COR that denotes excellence in health and safety continued.

**Performance Indicator 4.a:**  
**Lost-time claim rate and disabling injury rate**

	Prior Years' Results				2020 Actual
	2016	2017	2018	2019	
Lost-Time Claim Rate	1.34	1.44	1.51	1.54	1.66
Disabling Injury Rate	2.46	2.68	2.76	2.68	2.61

The lost-time claim (LTC) rate is the number of lost-time claims per 100 person-years worked. The disabling injury rate, on the other hand, represents the probability or risk of a disabling injury or disease to a worker during one year of work. The rate represents the number of claims per 100 person-years worked and includes claims made for both lost-time and modified work. The fluctuations in these rates speak to the challenge of reducing and maintaining the rates at such a low level.

The disabling injury (DI) rate decreased to 2.61 in 2020 from 2.68 in 2019. The 2020 DI rate was the lowest rate in the last four years. This is an indication that overall health and safety in Alberta workplaces is improving.

The LTC rate increased by eight per cent to 1.66 in 2020 from 1.54 in 2019. The 2020 lost-time claim rate was the highest since 2011 and there appears to be an upward trend since 2016. COVID-19 had an impact on the lost-time claim rate. Approximately 20 per cent of the lost-time claims received in 2020 were COVID-19 related claims. Additionally, there were also an undetermined number of lost-time claims that were related to the COVID-19 pandemic, but not necessarily directly a result of COVID-19 (e.g., a lost-time claim for a skin condition developed due to PPE). In addition, there was a rather significant drop in the number of people participating in Alberta's workforce. All of these factors contributed to the increase of the LTC rate in 2020.

Many factors influence the LTC and DI rates. These include workers' compensation system processes, efforts by employers to implement safety programs and attitudes of employers and workers. External forces arising from the economic cycle affect injury rates as well.

Irrespective of external factors outside of the ministry's control, it has always been a priority to lower injury rates over time to ensure all Albertans can work in a safe and healthy environment. Labour and Immigration is striving to bring these rates down by working closely with all stakeholders, including employers, workers, industry associations and the WCB. The ministry has many programs that promote safe and healthy practices in the workplace and influence these results including raising awareness to promote health and safety through educational materials on how to work safely and stay healthy on the job and via the Certificate of Recognition program, which is awarded to employers that establish standardized health and safety management systems. The ministry continues to update metrics to identify employers with a high rate of injury and disease and work with them to improve their workplace health and safety practices and management systems. Programming is continuously adjusted to address emerging concerns to prevent work-related injuries, illnesses and deaths.

In 2020, 130 workers died as identified in WCB accepted fatality claims. Within these claims, 39 fatalities were the result of traumatic workplace incidents. In comparison, there were 46 traumatic fatalities in 2019.

**Performance Measure 4.b:**  
**Employment standards complaints completed within 180 days**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
49%	41%	62%	90%	70%	91%

Employment standards officers support workers and employees to resolve complaints if minimum standards are believed to have not been met. Officers work to resolve complaints in a timely manner while ensuring quality investigations that are administratively fair. In 2020-21, 91 per cent of employment standards complaints received were completed within 180 days of the date the complaint was received. This represents a one per cent increase when compared to 2019-20 and exceeds the target of 70 per cent. The average days to begin an investigation was reduced from an average of 45 days in 2019-20 to 26 days in 2020-21. Similarly, the average time for complaints to be resolved improved noticeably to an average of 78 days (compared to an average of 100 days in 2019-20).

Each complaint is unique and complex. Very complex investigations take additional time and resources. While the ministry strives for timely completion, investigators must ensure in all cases that investigations are thorough, of high quality and fair to all parties. A completed employment standards claim means that the investigation phase is complete and results in one of the following outcomes: the employee is advised there are no earnings due, the employee has received an amount satisfactory to the employee, or the employer has been ordered to pay the employee a sum of money and the claim may be forwarded to appeals or collections.

Timely service delivery continues to be priority for the ministry and the efforts of several initiatives to streamline and adopt innovative approaches to business processes resulted in job creators and Albertans receiving the services they needed sooner. These efforts included the introduction of an early resolution process, an increased focus on the mediation of employment standards complaints and training employment standards officers in mediation techniques, streamlining processes, hiring more officers, and an improved training program. The ministry also continued to reduce the backlog of employment standards complaints to 18 awaiting processing as of March 31, 2021. This is down from 496 awaiting processing as of March 31, 2020. Overall, the backlog of employment standards complaints was eliminated as of March 31, 2021.

**Performance Measure 4.c:**  
**Employment standards complaints resolved voluntarily**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
84%	82%	81%	79%	82%	81%

Employment standards strives to promote and uphold rules outlined in the *Employment Standards Code* to protect the rights of Alberta workers. Employees are protected by the standards outlined in the Code, and employers are obligated to comply with at least the minimum requirements.

If an employee believes that their employer is not fulfilling legislated responsibilities, the employer and employee are encouraged to work together to come to a fair and equitable resolution. While enforcement action by Employment Standards is possible, a process of mediation or voluntary resolution between an employer and employee is encouraged to resolve complaints. Voluntary resolution is a more efficient process and can lead to a fair arrangement that both parties agree to, with minimal third-party involvement. Each complaint is unique and not all situations lend themselves to voluntary resolution. Where a voluntary resolution cannot be achieved, the ministry takes appropriate investigation and enforcement steps.

Employment standards completed more than 4,100 complaints in 2020-21. Of those, 3,982 were eligible for voluntary resolution and 3,231, or 81 per cent, were resolved voluntarily. The 2020-21 results represented a slight increase in performance from 2019-20 and is only slightly below the ministry's target of 82 per cent.

In general, Alberta's economic conditions can influence the result for this measure as employers that owe money to employees may be less able to pay and employees who are owed earnings may be more eager to receive all to which they are entitled. Additionally, COVID-19 lessened the likelihood of voluntary resolution of complaints, beginning in March 2020 as employers had a reduced ability to pay as they try to keep their businesses open. This trend may continue in 2021-22 depending on the economic impacts of the COVID-19 pandemic.

Improvements in timely service delivery have resulted in assessing complaints sooner, from 45 days in 2019-20 to 26 days in 2020-21. As a result of this improvement, employment standards officers are able to contact parties involved an employment standards complaint sooner and discuss voluntary resolution. This enhancement in the timeliness of an officer's contact resulted in a pause on the former process of sending an Early Resolution Letter; an Officer is now able to speak with the parties sooner, offer voluntary resolution, provide appropriate information/education to support voluntary resolution and answer questions the parties may have. This creates a more efficient and effective service for workers and employers involved in an employment standards dispute. However, addressing complaints sooner may result in a decrease in voluntary resolution because employers and workers are less likely to be willing to compromise so soon after the dispute has occurred. As a result, attempts at mediation or other voluntary resolution methods may result in employment standards officers writing more orders and decisions.

	2016-17	2017-18	2018-19	2019-20	2020-21
Number of employment standards complaints eligible for voluntary resolution	4,830	4,240	5,242	4,790	3,982
Number of employment standards complaints resolved voluntarily	4,064	3,468	4,234	3,783	3,231

## **Outcome Five: Labour and Immigration's programs, services and processes effectively and efficiently support the government's priorities, meet the needs of job creators to support a thriving economy and ensure newcomers can fully participate**

Labour and Immigration works to continuously improve programs, services and processes to ensure service delivery excellence. Service delivery excellence means being agile to ensure resources are used efficiently and effectively. In responding to Alberta's current fiscal challenges and leveraging technologies, the ministry will continue to explore and implement opportunities to improve access to services. The ministry will also continue to review key pieces of legislation, regulation and program delivery in the coming years to reduce regulatory burden.

Key results and highlights during 2020-21 include:

- Reduced 2,418 regulatory requirements (1,383 within the department and 1,035 within the ministry's agencies, boards and commissions) through reviews of legislation, regulation, forms and policies and achieved a nine per cent cumulative ministry reduction.
- Continued to introduce new technology to reduce duplication in processes and provide more timely access to occupational health and safety and employment standards records.

## **Key Objectives**

### **5.1 Review and revise legislation, regulation and policy to reduce red tape and regulatory burden by at least one-third for businesses and Albertans.**

#### **Red Tape Reduction**

The ministry is committed to reducing its regulatory burden by at least one-third by 2023 to support the government-wide red tape reduction initiative. The ministry is also committed to a net-zero regulatory outcome after 2022-23. Labour and Immigration, including agencies, boards and commissions (ABCs) has reduced regulatory requirements by nine per cent net since the initiative began in May 2019.

#### **Red Tape**

The ministry's baseline count (including agencies, boards and commissions) is 31,125 regulatory requirements including 13,056 regulatory requirements under legislation and regulation and 18,069 in forms, guides and policies.

#### **Department Red Tape Reduction Activities**

The department's baseline count (excluding agencies, boards and commissions) is 24,292 regulatory requirements, including 13,056 regulatory requirements under legislation and regulation and 11,236 in forms, guides and policies. Legislation and regulations account for 54 per cent of the department's requirements, while forms and policies account for 46 per cent. Applicable Labour and Immigration ABCs completed their baseline counts in 2020-21, resulting in a baseline of 6,833 requirements.



In 2020-21, the department reduced 1,383 regulatory requirements by undertaking the following initiatives:

- Economic Growth and Job Creation
  - *Restoring Balance in Alberta's Workplaces Act, 2020*: Simplified group termination notice requirements for employers; increased flexibility for paying final earnings temporary layoffs, general holiday pay; and removed barriers for employers and bargaining agents to agree to alternate minimum standards that suit their operational needs. The act addressed 22 priority stakeholder submissions from groups such as the Canadian Payroll Association and the Canadian Association of Petroleum Producers (CAPP).
  - Employment Standards Amendment Regulation, 2020: Expanded the approved list of occupations for adolescents to remove barriers to employment; removed restrictive rules around variances and exemption applications to improve access to the permit system; and increased flexibility for employers in scheduling and operating averaging arrangements.
  - The *Restoring Balance in Alberta's Workplace Act* amended the labour relations rules related to processing timelines for union certification and revocation applications to the Alberta Labour Relations Board. By repealing the strict timelines, while ensuring applications are processed within at least six months, red tape has been reduced for employees and the Alberta Labour Relations Board. The act addressed 22 priority stakeholder submissions from groups such as the Canadian Payroll Association and the Canadian Association of Petroleum Producers (CAPP).
  - *The Ensuring Safety and Cutting Red Tape Act, 2020* amended the *Occupational Health and Safety Act*, the *Radiation Protection Act* and the *Workers' Compensation Act*. The changes provide greater flexibility in meeting worker safety outcomes. The changes are also intended to reverse costly 2018 changes to the workers' compensation system, ensure programs and services remain sustainable and affordable, simplify language and remove unnecessary barriers for job creators without making substantive changes to workers' rights and protections. Together these changes reduced 344 regulatory requirements. The act addressed over 40 priority stakeholder submissions from groups such as the Alberta Forest Products Association, BUILD Alberta, Canadian Payroll Association and the Canadian Association of Petroleum Producers (CAPP).

- Smart Regulation
  - o Streamlining Professional Legislation
    - Phase one of the Streamlining Professional Legislation project resulted in changes made to the *Professional Regulatory Organizations Registration Act* (POARA) on January 1, 2021. These changes included the need for a profession to protect both “public safety” as well as “public interest” to be considered for registration under POARA.
    - As part of the implementation of these changes, all professional regulatory organizations (PROs) already registered under POARA are being reviewed to ensure they meet the new legislative requirements.
    - It is expected that this will result in streamlining legislation, and creating efficiencies in core areas across PROs.
  - o A review of employment standards legislation in 2020-21 resulted in identification of unnecessarily prescriptive recordkeeping requirements respecting employee’s hours of work in the *Employment Standards Code*. The ministry will propose changes in 2021-22 to address redundant requirements, which will offer flexibility to employers and reduce 365 employment standards legislative and regulatory requirements.
- Improved Service Delivery
  - o The ministry’s Partnerships in Injury Reduction (PIR) branch consulted with program stakeholders to review policies and forms for the Certificate of Recognition (COR) Program. As a result of this work, 639 requirements were eliminated, enabling Certifying Partners greater flexibility for their membership participating in the Certificate of Recognition program.
  - o Settlement and Language Programs were streamlined to ensure transparency and efficiency in the solicitation process resulting in a reduction of 176 requirements. The 2020-21 Alberta Settlement and Integration Program Call for Proposals replaces the previously three programs.
  - o Canada Alberta Job Grant (CAJG) temporarily expanded eligibility to provide more opportunities for businesses to access support as part of Alberta’s Recovery Plan. Changes include funding mandatory training and allowing training for family members and business owners. In addition, the application process is more efficient including allowing training to begin before approval of the application. These changes reduce red tape for employers and improve access to training supports.
- Internal processes related to speeding up approvals:
  - o *Restoring Balance in Alberta’s Workplaces Act* amended the labour relations rules for major construction projects in Alberta. By changing the approval required from Cabinet to Ministerial, the department has decreased the wait times for investors to have a major construction project approved in Alberta.

## Agencies, Boards and Commissions Red Tape Reduction Activities

Labour and Immigration's agencies, boards and commissions reduced requirements by 1,035 from reviews of forms and policies and undertook a number of initiatives to reduce administrative burden:

- Improved Service Delivery
  - Amendments to the *Workers' Compensation Act* phased out the Medical Panels Office (MPO) and Fair Practices Office (FPO). Core services were transferred to other existing organizations in the workers' compensation system.
    - Closing the offices reduces costs and cuts red tape while maintaining core services for employers and workers, and will save approximately \$2.25 million per year.
    - This helps the workers' compensation system remain affordable, sustainable and efficient to meet the needs of injured workers and job creators, now and into the future.
  - In response to COVID-19, the Appeals Commission for Alberta Workers' Compensation and Alberta Labour Relations Board implemented processes to allow for the ability to file applications and submissions electronically and hold hearings virtually, improving access for Albertans.

## 5.2 Review and revise programs and processes to ensure the effective and efficient delivery of services.

### Departmental Reviews of Programs and Services

In 2019-20, a program review was undertaken to assess whether the department is delivering services in the most efficient and effective way. The review focused on the principles of relevance, effectiveness, efficiency, value for money and opportunities to support red tape reduction efforts and covered all internal and external programs and services delivered by the department.

Implementation of findings from the program review began in 2020-21 with a focus to strengthen frontline public services, reduce red tape, identify future savings opportunities and enable better service delivery for Albertans. Implementation of some recommendations was placed on hold due to the COVID-19 pandemic response as ministry resources were dedicated to delivering frontline services such as the development and delivery of the Critical Worker Benefit program and an increase in OHS inspections resulting from the pandemic.

In 2020-21, a review of all programs and services funded by the Labour Market Transfer Agreements (LMTAs) was conducted to ensure that LMTA programming is meeting the intent of the agreements and the needs of Albertans. The review resulted in a recommendation to strengthen governance and strategic planning and ensure that program allocations are aligned with strategic priorities.

## Operational Excellence

In 2020-21, 15 projects underwent an operational excellence review that resulted in more efficient program delivery processes and procedures. Operational excellence principles were utilized in the development of the two new AINP streams. As of March 31, 2021, 46 per cent of Labour and Immigration staff were trained in operational excellence principles and processes.

On April 1, 2020 Labour and Immigration implemented a new LMTA co-located database. This database houses program and service data for all LMTA funded ministries in one place and enables holistic analysis of the outcomes of LMTA funded programs and services.

### **5.3 Develop new technologies and applications to facilitate the reporting of information, reduce duplication, provide more timely access to occupational health and safety and employment standards records and to equip job creators with the tools necessary to self-assess compliance.**

Labour and Immigration continues to work to reduce red tape for job creators and workers by introducing new technology that reduces duplication in processes, provides more timely access to occupational health and safety and employment standards records, and helps employers with the tools necessary to monitor for compliance. A number of portals are available, including OHS Asbestos project notifications; OHS Occupational Injury; OHS Acceptances and Approvals; and Employment Standards Anonymous Tips. Work on the development of additional portals is underway, including the development of an online OHS resource portal and an OHS complaints portal.

Use of online portals reduces administrative burden for job creators and workers through the elimination of some paper-based forms and increases the reliability of the data used to inform education, compliance and complaint resolution programs. The portals allow users to submit their required information online over multiple sessions, make it easier to submit information by pre-populating portions of forms based on their user profile, allow users to see a history of their submissions and allow users to check the status of their application. For anonymous complaints, the portals include pre-screening questions and identify where the user can get assistance before completing the online form. For the ministry, the portals have resulted in greater operational efficiency by automating processes, as well as enhanced data validation, which has reduced errors and improved data quality.

**Performance Measure 5.a:  
Red Tape Reduction**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
n/a	n/a	n/a	3.62%	12%	9%

Note: Results for this measure now reflect Red Tape Reduction efforts by both the department and the ministry's agencies, boards and commissions (ABCs). The 2019-20 result was for the department only, as the ABCs baseline regulatory count was not complete at that time.

The ministry is committed to reducing its regulatory burden by at least one-third by 2022-23 to support the government-wide red tape reduction initiative. The ministry is also committed to a future regulatory net-zero outcome after 2022-23.

The department's updated baseline count is 24,292 regulatory burdens, including 13,056 regulatory requirements under legislation and regulation and 11,236 in forms, guides and policies. Applicable Labour and Immigration ABCs completed their baseline counts in 2020-21, resulting in a baseline of 6,833 requirements. The ministry's total regulatory requirements (department and agencies, boards and commissions) is 31,125.

Through the execution of a comprehensive action plan, the ministry reduced regulatory requirements by 1,924 in 2020-21, resulting in a cumulative 9 per cent reduction since May 2019. In 2020-21, the department reduced 1,383 regulatory requirements, but added 494 requirements through the implementation of platform and other government priorities, for a net reduction of 889 requirements. Labour and Immigration's ABCs reduced 1,035 requirements through reviews of forms and policies. The 2020-21 result does not meet the target of 12 per cent, primarily due to some planned project work being moved to the 2021-22 fiscal year to allow the ministry to focus on supporting Albertans through the COVID-19 pandemic. Further details on Red Tape Reduction initiatives completed in 2020-21 can be found in key objective 5.1 of this annual report.

Regulatory Requirements	2020-21
Department	24,292
Agencies, Boards and Commissions	6,833
<b>Total</b>	<b>31,125</b>

Red Tape Reduction Initiatives completed in 2020-21 (including ABCs)	Reduction
Alberta Immigrant Nominee Program (AINP)	6
OHS Prevention Services – Certificate of Recognition Program Review	639
Employment Standards – Review of Forms	143
Bill 47: Ensuring Safety and Cutting Red Tape Act, 2020	344
Settlement and Language Programs Review	176
Workforce Strategies review of outdated forms	75
Agencies, boards and commissions review of forms	1,035
Additions of regulatory requirements	(494)
<b>Net 2020-21 Reduction in Regulatory Requirements</b>	<b>1,924</b>

**Outcome Six: Employers and workers have access to timely, fair and independent adjudication and dispute resolution services**

Work under this outcome represents the collective work of the Alberta Labour Relations Board, the Appeals Commission for Alberta Workers' Compensation, the Fair Practices Office, the Medical Panels Office, and the Department of Labour and Immigration's Mediation Services to promote positive labour and management relations throughout Alberta.

Key results and highlights during 2020-21 include:

- Introduced the ability to file Alberta Labour Relations Board applications and submissions electronically and commenced conducting virtual hearings in response to the COVID-19 pandemic.
- Adopted many process enhancing projects within the Appeals Commission for Alberta Workers' Compensation to ensure the commission could operate without disruption during the COVID-19 pandemic, including online form submission, videoconference hearings and increased electronic communications.
- Initiated a performance review of the medical and appeals processes of the workers' compensation system to ensure that injured workers who appeal or need a medical review of a workers' compensation claim can have their claims resolved in a timely manner and without unnecessary steps.
- Reduced duplication of services by closing the Fair Practices and Medical Panels Offices and transferring functions to existing agencies, resulting in significant savings while maintaining supports for injured workers and employers.

## Key Objectives

### 6.1 Provide effective labour relations dispute resolution services through ministry appointed mediators and launch a Grievance Mediation program to provide an early, cost effective alternative to arbitration.

#### Ministry-Appointed Mediation Services

In Alberta, there are approximately 1,300 collective bargaining relationships covering just under 475,000 employees under provincial jurisdiction across all industry sectors. Collective bargaining agreements must be renegotiated at the end of the fixed term of the agreement. Typically, about 400 collective bargaining agreements are negotiated each year; the majority, approximately 75 per cent, are resolved without needing the assistance of a mediator.

Mediation services supports the labour relations community by providing mediators to assist in the resolution of collective bargaining disputes and grievance arbitrators to resolve differences arising from the interpretation, application or operation of a collective agreement. The ministry appoints independent mediators under the *Labour Relations Code*, *Police Officers Collective Bargaining Act*, *Public Service Employee Relations Act* and the *Post-secondary Learning Act*.

The ministry evaluates the effectiveness of ministry-appointed mediators and tracks numbers of mediations concluded without a work stoppage. In 2020-21, of the 66 mediations that were concluded with the assistance of a ministry-appointed mediator, 97 per cent were settled without a work stoppage.

In 2020-21, the number of mediation appointments decreased to 66 from 99 the previous year. The decrease in the number of appointments represents an initial hold on collective bargaining due to the pandemic. After a few months, the typical number of mediation appointments resumed as the parties started participating in virtual mediation. The majority of the requests came from the private sector.

Mediation			
	2018-19	2019-20	2020-21
Number of mediations concluded where a ministry-appointed mediator was engaged to assist the parties in their negotiations	75	99	66
Number of mediations with a ministry-appointed mediator that were settled without a work stoppage	74	97	64
Percentage of collective bargaining agreements with the assistance of a ministry-appointed mediator settled without a work stoppage	98.7%	98.0%	97.0%

#### Grievance Mediation Program

Labour and Immigration's Grievance Mediation Program provides parties with an opportunity to resolve a grievance before they get to arbitration. The program promotes the use of grievance mediation and includes a Grievance Mediation Roster and a Practitioner's Portal for clients to view availability of Grievance Mediators. The Grievance Mediator Roster was created and the Practitioner's Portal was launched in March 2021. Compared to arbitration, grievance mediation saves time, significantly reduces costs and, because mediated settlements are agreed to by both parties, they tend to help sustain productive relations between parties.



## 6.2 Provide efficient, timely, effective and consistent services to the Alberta labour relations community through the Alberta Labour Relations Board.

Despite the challenges faced in 2020-21 as a result of the COVID-19 pandemic, the Alberta Labour Relations Board continued to provide efficient, timely, effective and consistent services to the Alberta labour relations community.

Alberta Labour Relations Board			
	2018-19	2019-20	2020-21
Number of applications	789	803	709
Number of hearings	649	647 <sup>1</sup>	751
Number of certification applications received by the Alberta Labour Relations Board	173	173	85
<sup>1</sup> Restated			

In response to the COVID-19 pandemic, the Board introduced the ability to file applications and submissions electronically and commenced conducting virtual hearings. This ensured the continued efficient operation of the Board during the COVID-19 pandemic.

In 2020-21, there were 709 applications filed with the Board, compared to 803 applications in 2019-20, representing an 11.7 per cent decrease. This number includes 17 appeals under the *Occupational Health and Safety Act* and 51 appeals under the *Employment Standards Code*. The number of certification applications fell from 173 in 2019-20 to 85 in 2020-21. This represents a 51 per cent decrease, which may be attributable to the COVID-19 pandemic. Despite the reduction in applications, the number of hearings the Board conducted increased by 16 per cent from 647 in 2019-20 to 751 in 2020-21. The increase in hearings can be partly attributed to the new practice of booking case management conferences prior to formal hearings. Case management conferences are a best practice developed to ensure virtual hearings proceed efficiently. They provide the parties and the Board the opportunity to address procedural matters such as production of documents and deal with any issues surrounding the use of technology. Even removing case management conferences, the number of formal hearings the Board conducted has increased from 119 in 2019-20 to 150 in 2020-21.

Alberta Labour Relations Board			
	2018-19	2019-20	2020-21
Percentage of applications, with Board involvement, settled before reaching a formal hearing	53%	68%	73%

### Informal Settlement Process

The Alberta Labour Relations Board offers informal settlement options to the parties but also has inquiry and hearing powers to make binding rulings when necessary. The Board assists parties to resolve disputes prior to the formal hearing process. In 2020-21, the Board improved its settlement rate and achieved an increase in the percentage of applications resolved, with Board involvement prior to the hearing, to 73 per cent.



## Key Decisions of the Alberta Labour Relations Board

During the 2020-21 fiscal year, the Alberta Labour Relations Board released a broad range of decisions interpreting different aspects of Alberta's labour legislation. Although in-person hearings were temporarily cancelled beginning in mid-March 2020 as a result of the COVID-19 pandemic, the Board was able to quickly and effectively move to conducting online hearings by early June. Board decisions interpreting Alberta's labour legislation help provide certainty to stakeholders and ensure the fair and consistent application of that legislation.

Important decisions from the Board in 2020-21 included:

- Determining that the statutory freeze will be automatically extended upon a receipt of a timely application for first contract assistance under section 92.2 of the *Code*: *Canadian Union of Public Employees, Local 8 and Alberta Public Laboratories Ltd.* [2020] Alta. L.R.B.R. 18;
- Dismissing an objection to a certification application on the basis that economic uncertainty resulting from the COVID-19 pandemic is not a relevant matter that would present a barrier to certification: *Canadian Union of Public Employees, Local 2559 v. Children First: Community Childcare Network Society*, [2020] Alta. L.R.B.R. LD-060;
- Ruling that the statutory freeze contained in section 147(3)(c) of the *Code* permits an employer to rely upon an express contracting out provision of the collective agreement during a bargaining period: *Alberta Union of Provincial Employees and Alberta Health Services* [2020] Alta. L.R.B.R. LD-067;
- Finding that an individual employee does not generally have standing to seek review of an arbitration decision under section 145 of the *Code*: *Sadek Baza v. International Union of Operating Engineers, Local Union 955 and Aecon Mining* [2020] Alta. L.R.B.R. LD-074; and
- Dismissing a constitutional challenge alleging that certain sections of the *Public Sector Employers Act* violated the freedom of association under section 2(d) of the Charter in the context of additional complaints alleging bad faith bargaining and interference with union representational rights, which the Board also dismissed: *United Nurses of Alberta, Diane Lantz, Heather Smith, Melinda Skanderup and Alberta Health Services*, not yet reported but available on the Board's website: [http://www.alrb.gov.ab.ca/decisions/GE\\_08242.pdf](http://www.alrb.gov.ab.ca/decisions/GE_08242.pdf).

### 6.3 Provide timely, fair and efficient appeal services independent of the Workers' Compensation Board through the Appeals Commission for Alberta Workers' Compensation.

The mission of the Appeals Commission for Alberta Workers' Compensation is to provide a timely, fair and efficient appeal process that is client-focused, and consistent with legislation, policy and the principles of natural justice. The Appeals Commission is a quasi-judicial tribunal that is independent from the Workers' Compensation Board (WCB). As of March 31, 2021, the Appeals Commission had 52 adjudicators, which includes the Chief Appeals Commissioner, two Vice-Chairs, 17 full-time hearing chairs, and 32 part-time commissioners. Approximately 65 per cent of appeals are held in person by a three-person adjudication panel (includes teleconference and videoconference hearings).

<b>Appeals Commission for Alberta Workers' Compensation</b>			
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Number of appeals received	552	507	467
Average number of days from the date the appeal is filed to the first hearing date offered	137	170	170
Average number of days from the hearing to the decision issued date	44	46	28

Timelines and the number of appeals are affected by a variety of factors, including the economic environment, changes in legislation and policy, changes in commissioner experience, the rate of resolution at the WCB, and recently, the COVID-19 pandemic. The Appeals Commission received 467 appeals in 2020-21 compared to 507 appeals in 2019-20. The amount of time to prepare and schedule an appeal remained at 170 days in 2020-21. This temporary increase is partly attributable to the Appeals Commission's transition in 2019-20 to a new booking system, and the impact of the COVID-19 pandemic.

The average number of days from the hearing date to the decision issued date was 28 days in 2020-21, down from 46 days in 2019-20, which demonstrates the impact of the new system of booking and scheduling hearings, and reflects the implementation of a new decision timeline policy.

In 2020-21, during the COVID-19 pandemic, the Appeals Commission continued to operate without interruption by adopting many process-enhancing and red tape reduction projects already in progress, including online form submission, videoconference hearings, enhanced customer service standards, and increased electronic communications.

### Review of Workers' Compensation System Medical and Appeals Processes

Although the number of WCB claims that require medical review or appeal are relatively small, these claims tend to be the most complex, administratively burdensome, costly and lengthy for injured workers, employers and service providers. A performance review of the medical and appeals processes of the workers' compensation system was initiated in Spring 2021 and will be completed in Summer 2021. The goal of this review is to ensure that injured workers who appeal or need a medical review of a workers' compensation claim can have their claims resolved in a timely manner and without unnecessary steps.

#### 6.4 Provide assistance with navigating the workers' compensation system, conduct reviews to determine procedural and behavioural fairness and provide independent, expert advice and advocacy services to clients appealing a Workers' Compensation Board decision.

The Fair Practices Office provided independent, expert appeals advisory services and helped injured workers, their dependents and employers navigate the workers' compensation system, along with providing an administrative fairness review function for the workers' compensation system.

In 2020-21, the Fair Practices Office was reviewed as part of the Government of Alberta's review of all departments, agencies and programs to ensure they are effective, cost efficient and in the public interest. As part of the *Ensuring Safety and Cutting Red Tape Act, 2020*, starting in 2021-22, several functions of the Fair Practices Office will be delivered by existing agencies, resulting in significant savings while maintaining supports for injured workers and employers. Appeal advisory services for employers and workers will be delivered, free of charge, by the Appeals Commission for Alberta Workers' Compensation. Fairness review services will be delivered by the Workers' Compensation Board.

Between April 1, 2020 and December 1, 2020, 1,463 persons (2,695 for April 1, 2019-March 31, 2020) contacted the Fair Practices Office to request service, resulting in the processing of 941 (1,990 for April 1, 2019-March 31, 2020) cases.

Fair Practices Office Statistics		
	2019-20	2020-21*
Number of persons contacting the Fair Practices Office to request service	2,695	1,463
Number of cases processed	1,990	941
Number of claims presented at appeal hearings	571	Approx. 500
Number of issues presented at appeal hearings	794	750
Number of issues resolved early with clients or the WCB	1,196	614
Number of administrative fairness issues identified for review	286	126
Number of findings of behavioural fairness	36	40
Number of findings of procedural fairness	67	67
Number of fairness recommendations implemented	33	29
* 2020-21 data reflects a truncated reporting period (April 1, 2020 – December 1, 2020) due to the wrap-up of specific FPO branches.		

**6.5 Provide injured workers and other system partners in the workers' compensation system with an impartial, independent process to resolve complex medical issues through the Medical Panels Office.**

The Medical Panels Office served injured workers and system partners by coordinating medical panels of experienced physicians to provide unbiased decisions on questions that have been posed by the Workers' Compensation Board (WCB) or the Appeals Commission for Alberta Workers' Compensation regarding complex medical issues or differences of medical opinion on the injured worker's file.

In 2020-21, the Medical Panels Office was reviewed as part of the Government of Alberta's review of all departments, agencies and programs to ensure they are effective, cost efficient and in the public interest. As part of the *Ensuring Safety and Cutting Red Tape Act, 2020*, the Appeals Commission for Alberta Workers' Compensation will provide administrative support services for Medical Panels, which will result in significant savings without affecting access.

In 2020-21, the Medical Panels Office received 10 requests (14 in 2019-20) for medical panels and completed 14 medical panels (15 in 2019-20). In 2020-21, the average number of days from intake to a medical panel was 416 (395 in 2019-20) and 97 decisions (111 in 2019-20) were made by medical panels. Significant delays could be a result of the COVID-19 pandemic travel restrictions.

**Performance Measure 6.a:****Alberta Labour Relations Board hearings: Average number of days from acceptance of an application to first hearing**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
66	51	58	57	69	82

This performance measure reflects the Alberta Labour Relations Board's (the Board's) commitment to schedule matters in a timely fashion. In 2020-21, the average number of days from the acceptance of an application to the date of the first hearing was 82 days.

The COVID-19 pandemic impacted this measure. At the start of the pandemic, a number of in-person hearings were adjourned. While coming online with virtual hearings, the Board worked with the parties to set matters down for hearing in a timely manner by offering hearings via teleconference or by way of written submissions alone.

Once virtual hearings were underway, the Board introduced a best practice of a case management conference prior to formal hearing. These pre-hearing conferences allowed the Board to sort out logistical issues relating to the hearing process (e.g. how and when to file proposed exhibits). This kind of preparation prior to hearing takes time and resulted in it taking longer for some matters to get to hearing than would have been the case prior to the pandemic.

The overall benefit to the Board and the labour relations community of using virtual hearings during the pandemic cannot be underestimated. It allowed the Board to proceed with hearings when many matters would have otherwise been adjourned for significant periods of time.

The increase in case management hearings and vacancies in adjudicative positions also impacted the availability of adjudicators to hear matters. In addition, the Board received fifty-one per cent fewer certification applications in 2020-21. Due to their nature, these types of applications normally proceed to hearing in a very short turnaround time.

**Performance Measure 6.b:****Alberta Labour Relations Board decisions rendered within 90 calendar days**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
63%	79%	70%	80%*	85%	68%

\* Result re-stated.

This performance measure reflects the Alberta Labour Relations Board's (the Board's) commitment to issue decisions in a timely fashion. In 2020-21, 68 per cent of decisions were rendered within 90 calendar days from the completion of the hearing. This result is below the target of 85 per cent.

The COVID-19 pandemic impacted this performance measure. The Board switched from in-person to virtual hearings soon after the start of the pandemic. In order to address procedural issues surrounding the conduct of virtual hearings, the Board introduced a best practice of case management conferences prior to formal hearings. These prehearing conferences require preparation and increased the number of hearings conducted by the Board's adjudicators. This impacts the time available to write decisions.

In addition, changes to the Board's jurisdictional mandate have impacted this performance measure. For example, Employment Standards and Occupational Health and Safety appeals resulted in an additional 68 applications to the Board in 2020-21. Amendments to legislation also affected this performance measure. They lead to novel issues being raised for the Board's consideration and add complexity to the hearing process. This results in additional hearing and writing time for adjudicators.

The Board was also short one full-time adjudicator, resulting in additional work for the Board's adjudicative staff. A new full-time adjudicator is expected to be hired in 2021-22.

**Performance Measure 6.c:**  
**Appeals Commission reconsideration process**

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
98.2%	99.2%	98.9%	99.2%	98.0%	97.5%

The Appeals Commission for Alberta Workers' Compensation is committed to excellence in the decision-making process.

In 2020-21, 97.5 per cent of decisions were not challenged, or if challenged, were supported by the Appeals Commission's reconsideration process, the Court of Queen's Bench, the Court of Appeal, the Alberta Ombudsman or the Fair Practices Office. This result is a minor change within the expected variance and is consistent with the results achieved in prior years. As well, a granted Court Application is under appeal and may result in an increased actual result.

The Appeals Commission has consistently achieved a high result for this measure, reflecting its commitment to meet the high standards expected of administrative law tribunals. Stakeholders can expect an orderly and predictable appeals environment and that the decisions of the Appeals Commission will be consistent with policy and legislation and other decisions of the Appeals Commission. During the COVID-19 pandemic, the Appeals Commission continued to operate without interruption by quickly adopting many process and enhancing red tape reduction projects already in progress.

Appeals are heard by a panel of three commissioners who are drawn from a diverse pool of expertise and recruited based on objective competencies and demonstrated leadership and achievement. Commissioners are supported by Appeals Commission staff, most of whom have advanced training in administrative law which further contributes to the quality of the decisions rendered by the Appeals Commission. Given the nature and complexity of appeals received, the Appeals Commission is proud of its achievement for this measure and is committed to continuing to provide high quality decisions for Albertans.

	2016-17	2017-18	2018-19	2019-20	2020-21
Number of appeals concluded	650	499	550	475	443
Number of decisions successfully challenged	12	4	6	4	11

Not all appeals are concluded with a decision. This figure does not include appeals dismissed or withdrawn.

## Performance Measure and Indicator Methodology

### Performance Measure 1.a: Employment Growth

Statistics Canada's Labour Force Survey (LFS) is the primary source of statistics on employment and unemployment in Canada and the provinces. The LFS is conducted by Statistics Canada across the country. The survey sample size for Canada for the reporting period was 55,989. Alberta's sample size corresponds to its share of the national population. An average of 5,690 Alberta households were surveyed each month. The coefficient of variation (the standard error as a percentage of the reported result) for the estimated 2,494,800 Albertans in the labour force is 1.0 per cent.

The LFS provides information on the work activities of survey respondents during the week containing the 15th day of the month, known as the reference week. The target population covered by the survey corresponds to all persons aged 15 years and over residing in Canada, with the exception of the following: persons living on reserves and other Aboriginal settlements, full-time members of the Canadian Forces, and the institutionalized population. The labour force is the sum of the number of persons employed and the number of persons actively seeking employment (unemployed). This is calculated as a 12-month average for the calendar year.

This indicator is calculated as the percentage change in employment between year 1 (Y1) and year 2 (Y2), using the following formula:

$$\begin{array}{l} \text{Per cent} \\ \text{Employment} \\ \text{Growth} \\ \text{(Y2)} = \end{array} \frac{\text{Employment (Y2)} - \text{Employment (Y1)}}{\text{Employment (Y1)}} \times 100$$

For more information on the methodology of the Labour Force Survey, please see *Guide to the Labour Force Survey (2020)*, Statistics Canada:

<https://www150.statcan.gc.ca/n1/pub/71-543-g/71-543-g2020001-eng.htm>



## Performance Measure 2.a: Outcomes for Training for Work Clients

The results for this measure are obtained through the Work Outcomes Reporting Project (WORP) Survey. WORP relies on administrative data from MOBIUS, a database managed internally by the Department of Community and Social Services, to identify the survey population. An independent consultant is contracted to contact former program participants three months after they have left a Training for Work program delivered by the Ministry of Labour and Immigration.

WORP uses a census approach for Labour and Immigration clients who have attended Training for Work programs, meaning all clients having taken these programs will be contacted for inclusion in the survey, to be completed by phone or online. The same question wording is used for both the phone and the online questionnaires. Both phone and online responses are captured in the result calculation.

The results for this measure are calculated based on the clients who have participated in Labour and Immigration's Training for Work programs and left their program between September 1, 2019 and August 31, 2020.

The number of Training for Work participants who identified as employed, self-employed or in school/training is determined using the following question: *"What is your current main activity? Are you Employed, Self-employed, In School/Training, Unemployed, Retired?"* Responses that indicate that the participant is employed, self-employed or in school/training are used to determine the performance measure result.

Post-survey weighting (population and non-response) are employed to ensure the representativeness of the results. Non-responders are filtered out of the final dataset. The percentage is obtained by dividing the weighted sum of respondents employed, self-employed or in further education/training for all programs divided by the weighted sum of all respondents.

Calculation (weighted frequencies):

$$\text{Percentage} = \frac{\sum (\text{employed} + \text{self-employed} + \text{in school/training})}{\sum (\text{all responses})^*} \times 100$$

\*Note that the calculation does not include the "don't know" or "no response" categories.

The sample size for the 2020 result is 1,040. The survey response rate was 34.6 per cent. The margin of error is 2.88, at the 95 per cent level of confidence. With a result of 67.2 per cent, Labour and Immigration is confident that the population percentage of people employed, self-employed or in school or further training lies between 64.3 per cent and 70.1 per cent, 19 times out of 20.

**Performance Indicator 3.a:**

**Alberta Immigrant Nominee Program (AINP) retention**

The ministry surveys Alberta Immigrant Nominee Program (AINP) nominees to determine if they are still living and working in Alberta, one year after obtaining permanent residency. To allow for one year to have passed from the date the nominee obtained permanent residency and to allow time for the survey to be conducted, there is a necessary time delay in reporting of two years. As an example, AINP nominees who landed in 2017 and surveyed in 2019. The survey is conducted by the ministry through an online survey. AINP nominees are contacted by email to complete the online survey.

A nominee is considered to be working and residing in Alberta if they responded that they currently reside in Alberta and that they are currently employed (including working and performing their job duties, on paid maternity leave, on a paid leave of absence or on vacation.)

The retention rate is calculated as:

$$\frac{\text{Number of nominees who responded they are still residing and working in Alberta}}{\text{Total number of nominees who responded to the survey}} \times 100\%$$

To ensure activities were focused on supporting Albertans during the COVID-19 pandemic, a government-wide pause on surveys and data collection activities was implemented in March 2020. As a result, no new results are available for 2020 which covered nominees who landed in 2018. The most recent survey results are for 2019. For 2019, 3,208 of the 3,447 nominees who landed in Alberta in 2017 were sent the survey and 1,878 nominees responded to the survey. The survey response rate based on all landed immigrants was 54.5 per cent and the results are considered accurate to +/- 1.52 percentage points, 19 times out of 20.

**Performance Measure 3.b:****Satisfaction of International Qualifications Assessment Service (IQAS) applicants**

The International Qualifications and Assessment Service (IQAS) Survey is conducted every two years with clients served in the domestic stream to assess satisfaction and performance with IQAS services. The survey is administered utilizing existing resources in the department via an online survey. Previously, a combination of phone and online survey was implemented until the survey transitioned to being administered fully online in 2019.

Survey participants were IQAS' domestic stream clients who submitted their applications between June 1, 2016 and June 30, 2018. Participants who submitted multiple applications only received one survey invitation. Records without emails were excluded. For the 2019 survey, 7,491 IQAS clients were sent an invitation to complete the survey from an initial survey list of 7,633. Of that, the 1,554 valid responses were received for a response rate of 20.74 per cent. The number of responses is statistically valid and representative of the target IQAS client population.

The satisfaction with IQAS services is determined using the following question: *"Overall, I was satisfied with the IQAS assessment."* Responses that indicate the survey respondent agreed or strongly agreed were used for the performance measure result based on the following formula:

$$\text{Percentage} = \frac{(\text{agreed} + \text{strongly agreed})}{(\text{all responses})} \times 100$$

Weighting was done to ensure that results are representative of the population. Post-survey weight was assigned based on the proportion of the actual responses in each of the assessment categories in the target population. Non-responders are filtered out of the final dataset.

The percentage is obtained by dividing the weighted sum of satisfied responses for all programs divided by the weighted sum of all respondents. The calculation excludes *"Don't know/Prefer not to respond"* and *"Not applicable"* responses.

A census approach was used in the survey. The sample size is 1,420 with a response rate of 20.74 per cent. The margin of error is 1.70, at the 95 per cent level of confidence. With an 88.35 per cent result (rounded to 88 per cent), we are confident that the results would be within 86 per cent to 90 per cent.

**Performance Indicator 4.a:****Lost-time claim rate and disabling injury rate**

The lost-time claim (LTC) and disabling injury (DI) rates represent the probability, or risk, of injury or disease to a worker during a period of one year's work. The disabling injury rate is similar to the lost-time claim rate, although it covers a broader range of injuries, including those that are less severe in nature (do not require time away from work). The measures indicate the number of lost time claims or disabling injuries per 100 person-years worked to indicate increases or decreases in this risk. One person-year is equivalent to one full-time worker working for one year or 2,000 hours worked.

The Workers' Compensation Board (WCB) records a lost-time or disabling injury claim when a worker, his/her physician or his/her employer submits an injury report form. A claim is considered a LTC when the worker is on compensation for one or more days subsequent to the day of injury. A claim is considered a DI claim when the worker is on compensation for one or more days subsequent to the day of injury or performs modified work duties. The WCB collects this information, calculates the estimated person-years worked and provides the data files to Labour and Immigration for analysis. The LTC and DI rates are reported by calendar year and are calculated by dividing the number of LTCs or DIs by the number of estimated person-years worked.

$$\text{LTC Rate} = \frac{\text{Number of LTCs}}{\text{Estimated person-years}} \times 100$$

$$\text{DI Rate} = \frac{\text{Number of DI claims}}{\text{Estimated person-years}} \times 100$$

Each year, new data is sent to Labour and Immigration that includes the most recent injury data for the last five years. The previous four years of results are re-calculated with the updated data provided by the WCB. Re-calculating historical results provides the reader the most accurate and up-to-date injury information. There is no change in how the result is calculated.

**Performance Measure 4.b:****Employment standards complaints completed within 180 days**

Alberta's employment standards laws are enforced through audits, inspections, penalties, prosecutions and judgment collection. This measure assesses the processing time for employment standards complaints that is within the ministry's control (i.e., it excludes the time it takes to process appeals and collections.)

The Data and Statistics Hub tracks all data related to employment standards complaints. For this performance measure, a report is created from Data and Statistics Hub that identifies those complaints that were concluded within the reporting period and the duration of time between the date the complaint was received and the date the complaint is concluded.

A completed employment standards claim means that the investigation phase is complete and results in one of the following outcomes: the employee is advised there are no earnings due, the employee has received an amount satisfactory to the employee, or the employer has been ordered to pay the employee a sum of money and the claim may be forwarded to appeals or collections. This means that complaints transferred to post investigations (appeals and/or collections) are considered completed and the completion of an employment standards complaint does not necessarily mean that a person has been paid.

The percentage of employment standards complaints completed within 180 days is a common measure tracked by other provinces/territories.

$$\frac{\text{Number of complaints completed within 180 days}}{\text{Total number of complaints completed}} \times 100 = \text{Percentage Rate}$$

**Performance Measure 4.c:**

**Employment standards complaints resolved voluntarily**

The ministry aims to have safe, fair and healthy workplaces by ensuring compliance with employment standards as prescribed by the legislation, working to promote the voluntary resolution of employment standards complaints through mediation, settlement or compromise. Each complaint is unique and not all situations lend themselves to voluntary resolution.

The Data and Statistics Hub tracks all data related to employment standards complaints. For this performance measure, a report is created from the Data and Statistics Hub that identifies those complaints that were concluded within the reporting period and the resolution type. A complaint is concluded when there is no further work to do on the file.

The voluntary resolution of an employment standards complaint can include full payment of earnings, an amount the employee believes is satisfactory or advising the employee there are no earnings due, which results in concluding the complaint.

This measure considers only those complaints that are eligible for voluntary resolution. Instances where a voluntary resolution is not possible (i.e. the employer is bankrupt, the business has failed, the employer is in receivership or the claim is abandoned) are excluded from the measure.

$$\frac{\text{Number of complaints resolved voluntarily}}{\text{Total number of complaints concluded that were eligible for voluntary resolution}} \times 100 = \text{Percentage Rate}$$

### **Performance Measure 5.a: Red Tape Reduction**

This performance measure reports progress towards an at least one-third red tape reduction in regulatory requirements, or any actions from the Crown that Albertans must comply with to access government services or programs, carry out business or pursue legislated privileges.

Treasury Board and Finance (TBF) is leading the Government of Alberta's work in reducing red tape and has established procedures and guidelines for all departments to comply with in determining their regulatory burden. By 2022-23, the ministry will support the government's goal to achieve an at least one-third reduction of its regulatory burden.

For the purpose of tracking the reduction, the following are considered in-scope:

- Legislation and Regulations administered by the Minister of Labour and Immigration;
- Forms, policies and processes under the purview of the Department of Labour and Immigration;
- Any purely operational forms, policies and processes under the purview of the ministry's Agencies, Boards and Commissions; and
- Changes to processes and procedures that do not reduce the overall number of requirements (the "count"), but still result in improvements for stakeholders and the public are considered in scope, as a way of reducing the overall administrative burden.

Any forms, policies and processes under the purview of the department or the ministry's Agencies, Boards and Commissions that are directly related to quasi-judicial processes are considered out-of-scope. Reductions in requirements for specific industries or stakeholder groups, where requirements remain in legislation, regulation, forms, or policies for other groups, are not counted as reductions.

The result for this performance measure will be calculated by determining the total number of reductions in requirements from all initiatives completed since 2019-20 and dividing by the baseline count, as per the formula below. In 2019-20, the baseline count identified 24,245 regulatory requirements, which comprised 12,676 regulatory requirements in Acts and Regulations and 11,569 in associated forms, guidelines and policies for Labour and Immigration. In 2020-21, the ministry's agencies, boards, and commissions completed their baseline count, which identified 6,833 additional requirements. From 2020-21 forward, the performance measure results will use the combined total of department and agency requirements as the denominator. In certain instances, new requirements may be introduced by a change in legislation or regulation. This will be considered in the performance measure result to report on the overall reduction in regulatory requirements.

$$\text{Percentage Reduction} = \frac{(\text{new red tape} - \text{red tape eliminated or reduced})}{(\text{baseline count})} \times 100\%$$

**Performance Measure 6.a:**

**Alberta Labour Relations Board hearings: Average number of days from acceptance of an application to first hearing**

This performance measure reflects the Alberta Labour Relation Board's commitment to schedule matters in a timely fashion. The Board books hearings and resolution conferences with parties at the beginning of the file.

The Alberta Labour Relations Board customer relationship management (CRM) system tracks all data related to hearings. The Board's new CRM system went live in November 2019 following rigorous testing and development of new procedures. For this performance measure, a report is created from the system that identifies those hearings that have met the reporting period requirements and the number of days it takes a matter from the application date to the first Board hearing.

Telephone or resolution conferences as well as Interlocutory matters are excluded from this calculation as they deal with procedural or dispute resolution prior to a hearing. Any adjournments for a matter (Adjourned Sine Die or Adjourned Party Delay) that occurred prior to the hearing, are excluded from the calculation of overall days.

Using the report, the average number of days from the acceptance date of an application to the date of the first hearing is calculated. The current performance measure is based on calendar days, not working days. In the event that an application is received in one fiscal year and the first hearing date is in a subsequent fiscal year, the case is included in the year in which the first formal hearing is conducted.

Occupational Health and Safety appeal hearings are excluded as they are currently tracked manually. The Board is exploring the feasibility of tracking these appeals within its CRM system, which would facilitate the inclusion of these appeals in this measure. Employment Standards appeal hearings are not included in this calculation as these appeals are scheduled by Employment Standards. There is rarely Board involvement in setting the hearing date.



**Performance Measure 6.b:****Alberta Labour Relations Board decisions rendered within 90 calendar days**

This performance measure reflects the Alberta Labour Relations Board's commitment to issue decisions in a timely fashion.

The Alberta Labour Relations Board customer relationship management (CRM) system tracks all data related to hearings and decision timelines. For this performance measure, a report is created from the CRM system that identifies those decisions that have met the reporting period requirements and the duration of the time from the commitment date (usually the date of the last completed hearing related to the matter(s) applicable to the decision) to the date that the decision was rendered (written decision was issued). Sometimes the commitment date may differ from the hearing date if further submissions are accepted by the presiding Chair or Vice Chair at a later time.

Using the report, the percentage of decisions completed within 90 days or less is calculated. Hearings are generally included in the calculation for the year in which the decision was rendered (the written decision is issued). However, in the event that a decision is reserved (hearing is completed) in one fiscal year but rendered (the written decision is issued) in a subsequent fiscal year, the case will be included in either the fiscal year in which the 90-day threshold occurs, or the fiscal year in which the decision is rendered, whichever date occurs first.

The Board's new CRM went live in November 2019 following rigorous testing and development of new procedures. Employment Standards appeals were integrated into the CRM system in September 2020. Occupational Health and Safety (OHS) appeals are not included in this measure due to a different data collection approach. The Board is exploring the feasibility of tracking these appeals within its CRM system, which would facilitate the inclusion of these appeals in this measure. The number of OHS appeals are reported for public awareness and accountability.

$$\frac{\text{Decisions rendered within 90 days or less}}{\text{Total number of decisions rendered}} \times 100 = \text{Percentage Rate}$$

**Performance Measure 6.c:**  
**Appeals Commission reconsideration process**

This performance measure reflects the Appeals Commission's commitment to excellence in the decision making process.

The Appeals Commission electronic system contains all claim file data for the Appeals Commission for Alberta Workers' Compensation. For this performance measure, a variety of reports are generated from the Appeals Commission electronic system to identify the closed files that have met the reporting period requirements.

Using the reports, the percentage of decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman, the Fair Practices Office or by the Appeals Commission on reconsideration is calculated. An appellant may submit more than one appeal. An appeal is considered closed when the decision has been issued to the parties regarding the issue(s) being appealed. An appellant may choose to submit an application for judicial review or for reconsideration as outlined by the Appeals Commission's appeal rules, which may be found on the Appeals Commission website. The application for judicial review or for reconsideration will be included in the measure in the year in which the decision is rendered and the file is closed.

$$\frac{\text{Number of decisions not challenged or not overturned upon review by the Courts, the Ombudsman, the Fair Practices Office or the Appeals Commission's reconsideration process}}{\text{Total number of decisions closed}} \times 100 = \text{Result}$$

## Financial Information

Year Ended March 31, 2021

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Statement of Credit or Recovery

Lapse/Encumbrance (unaudited)

[Original signed by]

Shawn McLeod, Deputy Minister  
May 25, 2021

## Reporting Entity and Method of Consolidation

The financial information is prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry for which the Minister is accountable. The accounts of the ministry are fully consolidated, which includes the department and the entities making up the ministry, on a line-by-line basis. Under this method, accounting policies of the consolidated entities conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in government's results.

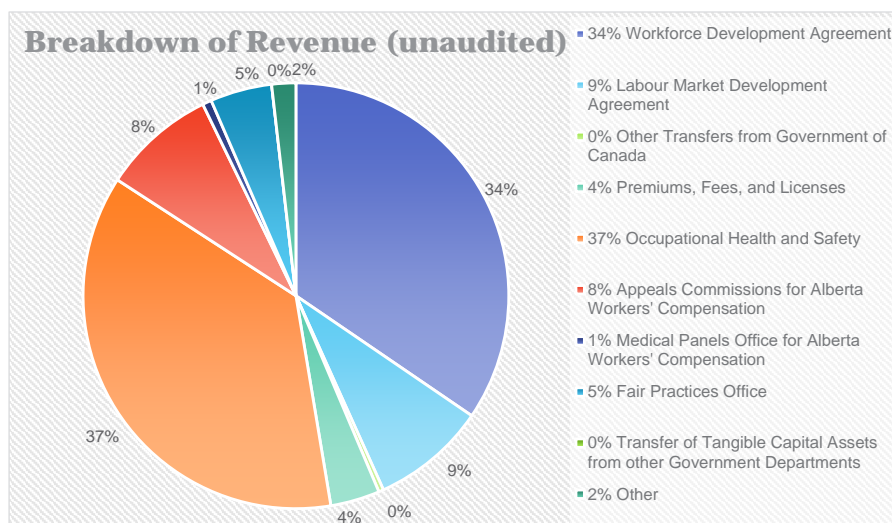
Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

**Ministry Financial Highlights**  
**Statement of Revenue and Expenses (unaudited)**  
**Year Ended March 31, 2021**

	2021		2020	Change from	
	Budget	Actual	Actual	Budget	2020
	(in thousands)				
<b>Revenues</b>					
Government Transfers					
Workforce Development Agreement	\$ 34,038	\$ 43,450	\$ 34,038	\$ 9,412	\$ 9,412
Labour Market Development Agreement	21,984	10,984	21,984	(11,000)	(11,000)
Other Transfers from Government of Canada	466	466	348	-	118
Premiums, Fees and Licences	8,286	4,711	3,608	(3,575)	1,103
Other Revenue	78,660	66,224	67,832	(12,436)	(1,608)
	143,434	125,835	127,810	(17,599)	(1,975)
Inter-ministry consolidation adjustments	-	-	(2,564)	-	2,564
Adjusted ministry total	143,434	125,835	125,246	(17,599)	589
<b>Expenses - Directly Incurred</b>					
<b>Programs</b>					
Ministry Support Services	5,589	4,382	4,711	(1,207)	(329)
Workforce Strategies	105,687	101,123	110,381	(4,564)	(9,258)
Safe, Fair and Healthy Workplaces	72,737	67,980	62,477	(4,757)	5,503
Labour Relations Board	4,245	4,991	3,457	746	1,534
Appeals Commission for Alberta Workers' Compensation	12,950	11,052	10,787	(1,898)	265
Medical Panels Office for Alberta Workers' Compensation	1,283	885	1,018	(398)	(133)
Fair Practices Office	8,872	6,002	6,179	(2,870)	(177)
Emergency Isolation Support	-	63,863	43,981	63,863	19,882
Workers Compensation Board Premium Support	-	245,815	69,750	245,815	176,065
Critical Worker Benefit Program	-	122,365	-	122,365	122,365
	211,363	628,458	312,741	417,095	315,717
Inter-ministry consolidation adjustments	(2,000)	(3,197)	(2,927)	(1,197)	(270)
Adjusted ministry total	209,363	625,261	309,814	415,898	315,447
<b>Annual Surplus / (Deficit)</b>	<b>\$ (65,929)</b>	<b>\$ (499,426)</b>	<b>\$ (184,568)</b>	<b>\$ (433,497)</b>	<b>\$ (314,858)</b>

## Breakdown of Revenues (unaudited)

	2021		2020
	Budget	Actual	Actual
	<i>(in thousands)</i>		
<b>Revenues</b>			
Government Transfers			
Workforce Development Agreement	\$ 34,038	\$ 43,450	\$ 34,038
Labour Market Development Agreement	21,984	10,984	21,984
Other Transfers from Government of Canada	466	466	348
	56,488	54,900	56,370
Premiums, Fees, and Licenses	8,286	4,711	3,608
Other Revenue			
Occupational Health and Safety	55,720	46,298	46,549
Appeals Commissions for Alberta Workers' Compensation	12,785	10,861	10,795
Medical Panels Office for Alberta Workers' Compensation	1,283	864	1,045
Fair Practices Office	8,872	5,901	6,116
Transfer of Tangible Capital Assets from other Government Departments	-	-	2,564
Other	-	2,299	763
	78,660	66,224	67,832
Total Revenues	\$ 143,434	\$ 125,835	\$ 127,810



#### Government Transfers

The Ministry of Labour and Immigration received just over 43% of its revenue from the Government of Canada during the year.

The Government of Alberta and the Government of Canada have agreements to facilitate the delivery of labour market training programs and services to Albertans. Under these agreements, eligible costs are reimbursed by the Government of Canada up to an annual maximum. The agreements are:

**Workforce Development Agreement** – In 2020-21, the Government of Alberta received \$107 million, which was allocated to several ministries. The objectives of this agreement are to increase participation of Albertans in the labour force and help them develop the skills necessary to find and keep employment. In addition, this agreement intends to improve employment outcomes for persons with disabilities by enhancing their employability and increasing employment opportunities. The Ministry of Labour and Immigration's allocation for 2020-21 was \$34 million.

**Labour Market Development Agreement** - In 2020-21, the Government of Alberta received \$192 million, which was allocated to several ministries. The objectives of this agreement are to help current and former Employment Insurance claimants gain skills and work experience, and to provide unemployed Albertans with employment assistance services. The Ministry of Labour and Immigration's allocation for 2020-21 was \$21 million.

**Other**- Labour and Immigration and the federal department of Employment and Social Development Canada have a three year Foreign Qualification Recognition contribution agreement (2019-22) that focuses on connecting internationally-trained individuals to meaningful employment. The Ministry of Labour and Immigration's allocation for 2020-21 was \$466 thousand.

#### Premiums, Fees and Licenses

The Ministry of Labour and Immigration is responsible for the International Qualifications Assessment Service (IQAS). IQAS completes assessments and issues certificates that compare educational credentials from other countries to educational standards in Canada. This is a fee for service provided to individuals who have a formal academic technical degree, diploma or certificate earned outside Canada. IQAS fees make up the majority of the ministry's revenue under Premiums, Fees and Licenses.

#### Other Revenue

**Occupational Health and Safety (OHS)** - The Ministry of Labour and Immigration contributes to safe, fair and healthy workplaces by monitoring for compliance with occupational health and safety legislation through proactive inspections and investigations into complaints and reportable incidents. The cost to deliver the OHS program is offset by revenue received from Workers' Compensation Board of Alberta (WCB).

**Appeals Commission for Alberta Workers' Compensation** - This agency is an independent and impartial tribunal that hears worker and employer appeals arising from WCB review bodies. The cost to operate the Appeals Commission is offset by revenue received from WCB.

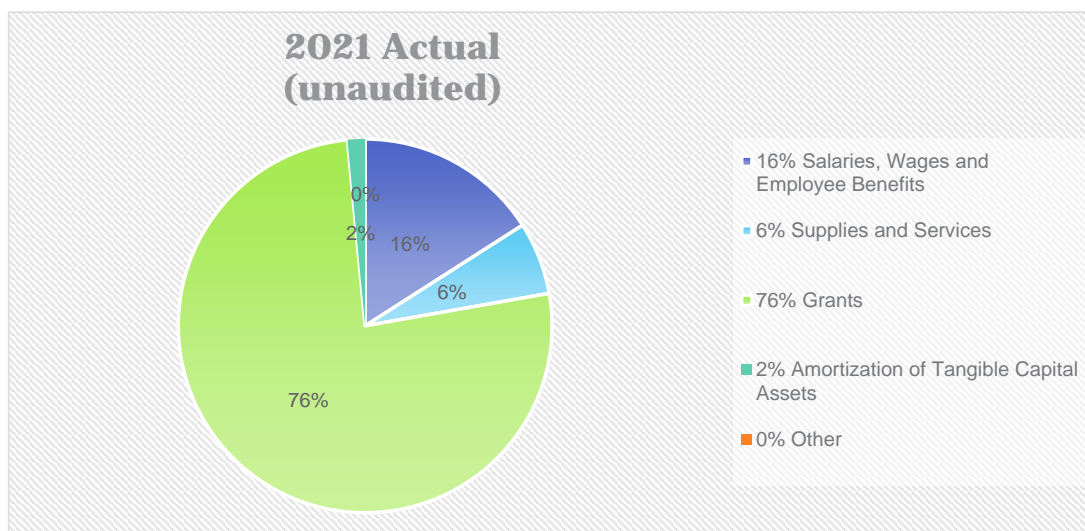
**Medical Panels Office (MPO)** - The agency is an independent office that ensures that injured workers, the WCB and the Appeals Commission have access to impartial, independent processes to resolve complex medical issues and disagreements in medical opinion. The costs to operate the MPO are offset by revenue received from WCB.

**Fair Practices Office (FPO)** - This agency performs an ombudsman-type role for the workers' compensation system with a focus on reviewing complaints of administrative fairness in the decision-making process and interactions with WCB. The costs to operate the FPO are offset by revenue received from WCB.

**Expenses - Directly Incurred Detailed by Object (unaudited)**

	<b>2021</b>		<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 108,559	\$ 100,193	\$ 104,008
Supplies and Services	56,771	39,426	43,267
Grants	45,163	479,334	164,687
Amortization of Tangible Capital Assets (Note 9)	800	9,442	572
Other	70	63	207
<b>Total Expenses</b>	<b>\$ 211,363</b>	<b>\$ 628,458</b>	<b>\$ 312,741</b>





#### **Salaries, Wages and Employee Benefits**

The Ministry's salaries, wages and employee benefits accounted for 16% of its total expenditures. In 2020-21, these expenses were lower than budgeted due to limited recruitment across the ministry.

#### **Supplies and Services**

Supplies and Services accounted for 6% of the ministry's total expenditures. In 2020-21, these expenses were lower than budgeted primarily due to less spending in certain areas as a result of the COVID-19 pandemic.

#### **Grants**

Grants accounted for 76% of the ministry's total expenditures. In 2020-21, these expenses were higher than budgeted primarily due to programs established in response to COVID-19 pandemic, including the Emergency Isolation Support program, Workers' Compensation Board Premium Support, and the Critical Worker Benefit program.

**Statement of Credit or Recovery (unaudited)**  
**Year Ended March 31, 2021**

	2021				Total
	Authorized	Revenue Recognized	Deferred Revenue	Revenue Received/ Receivable	(Shortfall)/ Excess <sup>(1)</sup>
	<i>(in thousands)</i>				
Occupational Health and Safety	\$ 54,820	\$ 46,298	\$ 8,522	\$ 54,820	\$ -
International Educational Assessment Services	4,325	4,371	-	4,371	46
	59,145	50,669	8,522	59,191	46
Occupational Health and Safety Capital	900	-	\$ 900	900	-
	\$ 60,045	\$ 50,669	\$ 9,422	\$ 60,091	\$ 46

<sup>(1)</sup> Shortfall is deducted from current year's authorized spending.

Occupational Health and Safety recovery, under the agreement with the Workers' Compensation Board (WCB), is for the purpose of defraying part of the costs of administering the Occupational Health and Safety Act.

International Educational Assessment Services recovery is for the provision of international educational assessment services for immigrants seeking employment and/or education in Alberta. In addition, other jurisdictions contract with Alberta to provide these services to immigrants in their jurisdictions on a fee for service basis.

**LAPSE/ENCUMBRANCE (unaudited)**  
**YEAR ENDED MARCH 31, 2021**

	Voted Estimate <sup>(1)</sup>	Supplementary Supply <sup>(2)</sup>	Adjustments <sup>(3)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(4)</sup>	(Unexpended) Over Expended
<i>(in thousands)</i>						
<b>Program - Operating Expense</b>						
<b>1.0 Ministry Support Services</b>						
1.1 Minister's Office	\$ 621	\$ -	\$ -	\$ 621	\$ 556	\$ (65)
1.2 Deputy Minister's Office	630	-	-	630	601	(29)
1.3 Corporate Services	4,338	(100)	-	4,238	3,116	(1,122)
	5,589	(100)	-	5,489	4,273	(1,216)
<b>2.0 Workforce Strategies</b>						
2.1 Settlement and Integration	8,962	-	-	8,962	10,146	1,184
2.2 Workforce Development Partnerships	7,526	(100)	-	7,426	7,734	308
2.3 Policy and Labour Market Information	7,762	(200)	-	7,562	5,893	(1,669)
2.4 Labour Attraction and Retention	4,982	(100)	-	4,882	4,409	(473)
2.5 Labour Qualifications and Mobility	11,389	(50)	-	11,339	9,127	(2,212)
2.6 Labour Market Programs	15,884	-	\$ -	15,884	16,371	487
2.7 Summer Temporary Employment Program	-	-	-	-	-	-
2.8 Skills and Training Support	41,564	-	(4,000)	37,564	35,271	(2,293)
2.9 Coal Workforce Transition Program	7,450	-	-	7,450	9,900	2,450
2.10 Alberta Jobs Now Program	-	62,000	-	62,000	920	(61,080)
	105,519	61,550	(4,000)	163,069	99,771	(63,298)
<b>3.0 Safe, Fair and Healthy Workplaces</b>						
3.1 Labour Relations	1,854	(50)	-	1,804	1,787	(17)
3.2 Occupational Health and Safety	54,820	(350)	-	54,470	46,298	(8,172)
3.3 Employment Standards	15,596	(50)	-	15,546	12,766	(2,780)
	72,270	(450)	-	71,820	60,851	(10,969)
<b>4. Labour Relations Board</b>						
	4,245	-	-	4,245	3,496	(749)
<b>5. Appeals Commission for Alberta Workers' Compensation</b>						
	12,785	-	-	12,785	10,861	(1,924)

**LAPSE/ENCUMBRANCE (unaudited)**  
**YEAR ENDED MARCH 31, 2021**

	Voted Estimate <sup>(1)</sup>	Supplementary Supply <sup>(2)</sup>	Adjustments <sup>(3)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(4)</sup>	(Unexpended) Over Expended
<b>6. Medical Panel Office for Alberta Workers' Compensation</b>	1,283	-	-	1,283	864	(419)
<b>7. Fair Practices Office</b>	8,872	-	-	8,872	5,901	(2,971)
<b>8. Emergency Isolation Support</b>	-	64,111	-	64,111	63,863	(248)
<b>9. Workers' Compensation Board Premium Support</b>	-	262,832	(53,582)	209,250	245,815	36,565
<b>10. Critical Worker Benefit</b>	-	175,436	-	175,436	122,362	(53,074)
(Credit or Recovery) Shortfall		\$	-	-	\$	-
<b>Total Lapse</b>	\$ 210,563	\$ 563,379	\$ (57,582)	\$ 716,360	\$ 618,057	\$ (98,303)
<b>Program - Capital Investment</b>						
1 Ministry Support Services	-	-	-	-	-	-
2 Workforce Strategies	-	350	-	350	174	(176)
3 Safe, Fair and Healthy Workplaces	900	-	-	900	-	(900)
10. Critical Worker Benefit	-	200	-	200	200	-
<b>Total Lapse</b>	\$ 900	\$ 550	\$ -	\$ 1,450	\$ 374	\$ (1,076)
					\$	\$ (1,076)

<sup>(1)</sup> As per "Expense Vote by Program," "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" pages 162 and 163 of 2020-21 Government Estimates

<sup>(2)</sup> Per the 2020-21 Supplementary Supply Estimates of November 24, 2020 and March 11, 2021.

<sup>(3)</sup> Adjustments include encumbrances, transfers between votes and credit or recovery increases approved by Treasury Board. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

<sup>(4)</sup> Actuals exclude non-voted amounts such as amortization and valuation adjustments.



**CONSOLIDATED FINANCIAL STATEMENTS  
AND NOTES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**AUDITED**

**April 27, 2021**

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## Independent Auditor's Report

To the Board of Directors of the Workers' Compensation Board — Alberta

### Report on the Consolidated Financial Statements

#### Opinion

I have audited the consolidated financial statements of Workers' Compensation Board — Alberta (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of comprehensive income, changes in funded position, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the *Workers' Compensation Board — Alberta 2020 Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D  
Auditor General

April 27, 2021  
Edmonton, Alberta

**Workers' Compensation Board – Alberta**  
**Consolidated Statement of Financial Position**  
**As at December 31**

(\$ thousands)	Notes	2020	2019
<b>ASSETS</b>			
Cash and cash equivalents	20(a)	\$ 479,293	\$ 290,922
Trade and other receivables	20(b)	881,714	79,751
Investments	5	11,472,346	11,821,440
Property, plant and equipment	8	71,223	72,114
Intangible assets	9	50,916	49,854
		<u>\$ 12,955,492</u>	<u>\$ 12,314,081</u>
<b>LIABILITIES</b>			
Trade and other liabilities	20(c)	\$ 55,031	\$ 59,910
Investment liabilities	5	-	2,078
Employer liabilities	20(d)	8,422	61,950
Safety rebates	20(e)	74,843	79,112
Employee benefits	12	199,884	154,557
Claim benefits	13	10,396,700	9,969,900
		<u>10,734,880</u>	<u>10,327,507</u>
<b>FUNDED POSITION</b>			
Fund Balance	4	2,220,612	1,986,574
		<u>2,220,612</u>	<u>1,986,574</u>
		<u>\$ 12,955,492</u>	<u>\$ 12,314,081</u>
<b>COMMITMENTS</b>			
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Approved by the Board of Directors on April 27, 2021

[Original signed by]

**Erna Ference**

Chair, Board of Directors

**Workers' Compensation Board - Alberta**

[Original signed by]

**Trevor Alexander**

President and Chief Executive Officer

**Workers' Compensation Board - Alberta**

*The accompanying notes are an integral part of these consolidated financial statements.*

WCB ALBERTA

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

DECEMBER 31, 2020

**Workers' Compensation Board – Alberta****Consolidated Statement of Comprehensive Income****Year Ended December 31**

(\$ thousands)	Notes	2020		2019
		Budget	Actual	Actual
<b>REVENUE</b>				
Premium revenue	16	\$ 1,239,180	\$ 1,074,149	\$ 1,124,225
Investment income	6(a)	600,227	1,087,603	1,474,477
		1,839,407	2,161,752	2,598,702
<b>EXPENSES</b>				
Claim benefit expense	14	1,287,407	1,208,788	1,246,444
Interest expense on claim benefit liabilities	13	432,900	434,500	394,800
Remeasurement of claim benefit liabilities	13	-	51,028	479,360
Corporate administration	17	85,733	80,799	83,408
Injury reduction	20(f)	77,666	68,614	73,115
Investment management expense	6(b)	44,161	41,545	40,546
Interest on employee benefit and other liabilities		5,433	4,797	4,925
		1,933,300	1,890,071	2,322,598
<b>OPERATING SURPLUS (DEFICIT)</b>		(93,893)	271,681	276,104
<b>Funding policy distributions</b>	4	-	(20)	(35)
<b>NET FUNDING SURPLUS (DEFICIT)</b>		(93,893)	271,661	276,069
<b>OTHER COMPREHENSIVE INCOME</b>				
Remeasurement of employee benefit liabilities	12	-	(37,623)	(20,059)
<b>TOTAL COMPREHENSIVE INCOME</b>		\$ (93,893)	\$ 234,038	\$ 256,010

The accompanying notes are an integral part of these consolidated financial statements.

**Workers' Compensation Board – Alberta****Consolidated Statement of Changes in Funded Position***Year Ended December 31*

(\$ thousands)	Notes	2020	2019
<b>FUND BALANCE</b>			
<i><b>Accumulated surplus</b></i>			
Balance, beginning of year		\$ 2,026,060	\$ 1,207,291
Net funding surplus		271,661	276,069
Transfer from Occupational Disease Reserve		-	542,700
		<u>2,297,721</u>	<u>2,026,060</u>
<i><b>Accumulated other comprehensive income</b></i>			
Balance, beginning of year		(39,486)	(19,427)
Other comprehensive loss		(37,623)	(20,059)
		<u>(77,109)</u>	<u>(39,486)</u>
<b>Fund Balance, end of year</b>		<u>2,220,612</u>	<u>1,986,574</u>
<b>OCCUPATIONAL DISEASE RESERVE</b>	4		
Balance, beginning of year		-	542,700
Transfer to Fund Balance		-	(542,700)
<b>Occupational Disease Reserve, end of year</b>		<u>-</u>	<u>-</u>
		<u>\$ 2,220,612</u>	<u>\$ 1,986,574</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

WCB ALBERTA

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

DECEMBER 31, 2020

**Workers' Compensation Board – Alberta**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31**

(\$ thousands)

	2020	2019
<b>OPERATING ACTIVITIES</b>		
<b>Cash inflows (outflows) related to business operations</b>		
Employer premiums	\$ 246,162	\$ 1,165,955
Benefits to claimants and/or third parties on their behalf	(1,127,102)	(1,055,982)
Administrative and other goods and services	(228,084)	(223,389)
Injury reduction program	(68,614)	(73,115)
<b>Net cash used for operating activities</b>	<b>(1,177,638)</b>	<b>(186,531)</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash inflows (outflows) related to investment assets</b>		
Interest income received	76,002	92,143
Dividend income received	47,398	64,758
Fund distributions received	236,789	280,672
Settlement of derivatives	(28,479)	(19,496)
Investment management expenses	(41,462)	(40,117)
Proceeds from sale of investments, net of cash purchases	1,315,356	136,957
Purchase of investments through reinvestment of income received	(209,460)	(287,250)
<b>Cash outflows related to operating assets</b>		
Purchase of property, plant and equipment	(9,620)	(7,726)
Purchase of computer software	(12,483)	(15,129)
<b>Net cash from investing activities</b>	<b>1,374,041</b>	<b>204,812</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash outflows related to financing activities</b>		
Payments on lease and other liabilities	(8,032)	(8,027)
<b>Net cash used for financing activities</b>	<b>(8,032)</b>	<b>(8,027)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>188,371</b>	<b>10,254</b>
Cash and cash equivalents, beginning of year	290,922	280,668
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 479,293</b>	<b>\$ 290,922</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended December 31, 2020 with comparatives for the year ended December 31, 2019  
(thousands of dollars unless stated otherwise).*

### 1 REPORTING ENTITY

The Workers' Compensation Board – Alberta (WCB) is a provincial board created by legislation in 1918. As a statutory corporation, WCB administers the workers' compensation system for the province of Alberta under the authority of the *Workers' Compensation Act* (the Act). WCB's corporate head office is located in Edmonton, Alberta, with operations exclusively within the province of Alberta. WCB's legislated mandate is to provide disability benefits to workers who sustain injuries in the course of employment.

### 2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied in the preparation of the consolidated financial statements for all years presented, unless otherwise indicated.

#### GENERAL ACCOUNTING POLICIES

##### *Basis of preparation*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They comply, in all material respects, with IFRS as issued by the International Accounting Standards Board (IASB) as set out in Part I of the *Chartered Professional Accountants of Canada Handbook* as at and applicable on December 31, 2020.

These consolidated financial statements have been prepared on a historic cost basis except for investments reported at fair value. The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

##### *Basis of consolidation*

The consolidated financial statements include the assets, liabilities, and results of operations of WCB and its wholly owned subsidiaries, both of which are Alberta registered corporations:

- **WCB Real Assets Ltd.** – holds portfolio investments in infrastructure and timberlands.
- **WCB Global Real Assets Ltd.** – holds portfolio investments in commercial real estate.

All intercompany transactions and balances have been eliminated on consolidation.

##### *Financial statement presentation*

WCB presents its consolidated statement of financial position in order of liquidity.

A financial asset and financial liability may be offset only when an entity currently has a legally enforceable and unconditional right of set-off and intends either to settle the asset and liability on a net basis, or to realize the asset and settle the liability simultaneously. Because WCB receivables with credit balances and derivative contracts in a payable position do not satisfy the critical condition of a legally enforceable right of set-off, they are reclassified and presented as employer liabilities and investment liabilities respectively.

The consolidated statement of comprehensive income reports operating results arising from WCB's primary activities: core business operations including risk underwriting, premium assessment and collection, benefit processing, injury treatment and vocational rehabilitation, and financial management including investment portfolio management and claim benefit liability valuation. Administration expense is presented in the consolidated statement of comprehensive

income by function. Other comprehensive income consists of net changes in remeasurement of post-employment defined benefit plan liabilities, which is an item that will not be subsequently reclassified to income or expense.

In addition to performance reporting, the consolidated statement of comprehensive income also reports funding actions arising from the application of the Funding Policy as established by the Board of Directors. Such actions may include appropriations of excess surplus for distribution back to employers, or collection of special levies required to replenish funding deficits.

#### ***Critical judgements and accounting estimates***

Management incorporates critical judgements and accounting estimates in developing and applying accounting policies for recognition and measurement. Such judgements and estimates, which reflect best information at a point in time, affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results in subsequent periods could differ from the judgements and estimates used by management in these consolidated financial statements. These differences, which may be material, could require adjustment in those subsequent periods.

Some accounting measurements require management's best estimates for those transactions for which sufficient information may not be available to record a precise amount. The most significant items that are based on accounting estimates are included in Note 5 *Investments*, Note 12 *Employee Benefits*, Note 13 *Claim Benefit Liabilities* and Note 16 *Premium Revenue*.

The areas where judgements affect the consolidated financial statements are described below.

#### **Control over an investee**

In preparing consolidated financial statements, WCB must apply judgement to determine whether it has control or significant influence with respect to the activities of its investees. Control arises from WCB holding voting or contractual rights to direct the activities of the investees affecting returns, and the ability to exercise its voting and/or contractual rights to affect those returns materially. Substantive voting power with respect to relevant activities confers control and results in consolidation of an investee.

For structured entities, such as limited partnerships and similar entities where control stems from contractual or other rights rather than voting power, significant use of judgement is required to evaluate the determinants of control. From its analysis, WCB has concluded that it does not control or have significant influence over its structured entities. As passive portfolio investments, such interests would apply financial instruments accounting.

For further details, see the section *Interests in unconsolidated structured entities* at the end of Note 5.

#### **Fair value measurement**

Certain externally managed investments are measured at fair value using valuation models based on discounted future cash flows, rather than directly from observable market prices. Judgement is required to design and build the valuation model(s) using appropriate quantitative methodologies and to select and/or customize the key input assumptions from observable inputs. This includes such factors as the expected yield (i.e., discount rate), revenue and expense growth rates, effect of future inflation, terminal value of assets, income taxes and estimates of the timing and amount of the relevant cash flows.

For further details, see the section *Valuation of financial instruments* in Note 5.

#### **Foreign currency translation**

WCB's consolidated financial statements are presented in Canadian dollars, which is also the functional currency. All financial information presented is rounded to the nearest thousand, unless otherwise stated. Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the consolidated statement of financial position. Exchange differences arising from settlement of monetary

items are included in income in the period in which they arise. Non-monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect when those transactions occurred.

#### ***Cash equivalents***

Cash equivalents include short-term, liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians are not available for general use and are accordingly included in investments.

#### ***Finance expense***

Finance expense comprises primarily recognition of interest (i.e., time value of money) inherent in discounted liabilities. Significant discounted liabilities include claim benefit liabilities, employee benefit plans and lease obligations.

### **SPECIFIC ACCOUNTING POLICIES**

To facilitate a better understanding of WCB's consolidated financial statements, specific accounting policies are disclosed in the related notes:

Note	Topic	Page
5	Investments	9
6	Investment income and expense	13
8	Property, plant and equipment	17
9	Intangible assets	19
10	Leases	20
12	Employee benefits	22
13	Claim benefit liabilities	26
16	Premium revenue	31

### **3 ACCOUNTING POLICY CHANGES**

#### **STANDARDS, AMENDMENTS, AND INTERPRETATIONS EFFECTIVE IN CURRENT YEAR**

There were no new standards, amendments, or interpretations adopted in the current year.

#### **STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AS OF YEAR END BUT NOT YET EFFECTIVE**

##### **IFRS 17 Insurance Contracts**

In May 2017, the IASB released the new insurance contracts standard, which prescribes a new measurement model for contracts based on the transfer of insurance risk from a policyholder to an insurer for consideration. This definition applies to statutory workplace injury compensation systems such as WCB.

In November 2020, the IASB issued amendments to IFRS 17, the primary change being the deferral of the effective date to January 1, 2023.

#### **Key features of IFRS 17**

For WCB, the proposed approach for valuation of insurance liabilities is expected to be based on the general measurement model (also called the building block approach) prescribed in IFRS 17:

- Unbiased estimate of the expected value of future fulfilment cash flows that reflects the range of all possible outcomes.



- Market consistent discount rates (i.e., updated at the end of each reporting period) that reflect the timing, amount, and risk characteristics of the cash flows of the insurance contract liability.
- A risk adjustment to reflect the compensation that the entity requires for bearing the uncertainty from non-financial risks in fulfilment cash flows.
- A contractual service margin representing the profit, if any, on future services to be provided under insurance contracts.

Changes to current actuarial valuation methodologies will be required in order to align with IFRS 17 requirements.

#### Financial reporting impacts

Insurance revenue will be reported using a new presentation format in the statement of financial performance (previously referred to as the statement of comprehensive income), with separate subtotals for results from insurance underwriting and asset-liability management activities (i.e., investment returns and interest on the claim benefit liabilities). Enhanced disclosure must be provided on insurance risks, actuarial and accounting judgments, methods and assumptions, as well as sensitivity of key valuation inputs. Until IFRS 17 implementation activities are further advanced, no quantitative determination can be made of the expected effects on WCB's financial statements. Nevertheless, there is likely to be an increase in claim benefit liabilities as a result of the change in discount rate methodology.

#### Implementation progress

WCB has a multi-year implementation strategy and plan. WCB has completed the technical analysis and impact assessment phases and is finalizing its accounting and actuarial positions as well as implementation approaches on all elements of the IFRS 17 general measurement model. Periodic reports are also provided to the Audit Committee.

#### Transition and effective date

IFRS 17 is mandatorily effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The new standard will be applied using the modified retrospective basis that provides certain transitional relief.

## 4 FUNDING

### ACCIDENT FUND

The Act stipulates the creation of an Accident Fund (the Fund) to support a sustainable workers' compensation system for the benefit of workers and employers. Sufficient funds must be available in the Accident Fund for the payment of present and future compensation. WCB must therefore maintain a minimum 100% Funded Ratio (total assets divided by total liabilities) at all times. This Funded Ratio represents the current funding status of the Fund.

The Funded Position represents accumulated net operating surpluses retained against financial uncertainty. As a result of changes made to the funding policy effective January 1, 2019, the Occupational Disease Reserve (ODR) is no longer a separate reserve as it has been combined within the Funded Position.

### FUNDING POLICY AND CAPITAL MANAGEMENT

Since the Act does not provide for an ownership-based capital structure, WCB views its available capital resources as synonymous with its Funded Position. The primary objective in managing the Funded Position is to mitigate the risk of being unfunded, while a secondary objective is to minimize premium rate volatility caused by investment and claim benefit liability risk. WCB manages the financial status of the Accident Fund by monitoring the Funded Position and making funding decisions in accordance with the Funding Policy.

The Funding Policy sets a target zone of 114–128% for the Funded Ratio to guide funding decisions. When the Funded Ratio falls below the target zone, special funding requirements are included in premium rates. When the Funded Ratio is above the target zone, funding policy distributions may be paid.

In response to the economic impact of COVID-19 restrictions, WCB implemented the employer premium deferral program mandated by the Government of Alberta in 2020, which directly affected capital management during the year. Funding of continuing investment commitments and operating cash shortfalls due to premium deferral required significant investment redemptions. Portfolio redemptions did not affect year-end funding status, as they were largely offset by receivables due in 2021.

(\$ thousands)	2020	2019
<b>Accident Fund</b>		
Total assets	\$ 12,955,492	\$ 12,314,081
Less:		
Total liabilities	10,734,880	10,327,507
Funded Position	\$ 2,220,612	\$ 1,986,574
Funded Ratio	120.7%	119.2%

Additional discussion of COVID-19 impacts on capital management may be found in Note 16 *Premium Revenue*.

## 5 INVESTMENTS

### ACCOUNTING POLICY

WCB's portfolio investments are classified at fair value through income and are managed in accordance with portfolio management objectives and the Investment Policy. WCB utilizes trade-date accounting (date when transactions are entered into, rather than when they are settled) for purchases and sales of financial instruments.

Upon initial recognition, debt and equity securities, which include unit interests in pooled investments, are recognized at their fair value plus costs relating to trade settlement, if applicable. Changes in the carrying value of all portfolio investments arising from subsequent remeasurement are recognized in investment income in the period in which they occur, including the immediate expensing of transaction costs.

Derivatives are recognized at inception, and subsequently remeasured as at the reporting date, at their fair value. Gains and losses resulting from remeasurement are recognized in investment income in the respective periods in which they arise. Derivatives are not used for trading, but to manage economic and asset risk exposures. WCB does not apply hedge accounting with respect to such use of derivatives.

Cash, net receivables and net payables held within the investment portfolio are carried at amortized cost.

### Valuation of financial instruments

The fair value of financial instruments as at the reporting date is determined as follows:

#### Debt and equity securities

- Publicly traded equity securities are based on their closing prices. Debt securities traded over-the-counter are based on the average of the latest bid/ask prices provided by independent third party securities valuation companies.
- Non-publicly traded pooled funds are valued at the net asset value of the funds, which reflect the fair values of fund assets less fund liabilities.
  - The fair value of the underlying loans in the commercial mortgage fund is based on the market interest rate spread over Bank of Canada bonds with a similar term to maturity.

- Structured entities such as limited partnerships and similar private equity funds are also valued at the net asset value of the funds.
  - The fair value of the underlying real assets in real estate, infrastructure, and timberlands funds are based on independent annual appraisals in accordance with generally accepted valuation standards, net of any financing liabilities against specific fund assets.

Further discussion of the valuation of structured entities is provided in the Level 3 fair value hierarchy disclosure in the following section.

#### *Derivative contracts*

- Foreign-exchange forward contracts are valued based on the change in the foreign-exchange forward rate of the underlying currency pairing specified in the forward contract.
- Equity index futures are valued based on their closing prices on the exchange in which they trade. These prices reflect changes in the equity market index specified in the futures contract.
- Currency futures are valued based on quoted prices on the exchange in which they trade. These prices reflect changes in the foreign-exchange forward rate of the underlying currency pairing specified in the futures contract.
- Bond futures are valued based on settlement prices on the exchange in which they trade. These prices reflect changes in the bid/ask prices of the underlying bonds in dealer markets.

## INVESTMENT PORTFOLIO HOLDINGS

WCB's portfolio investments are all classified at fair value through income. The table in this section presents the fair value of WCB's investments as at December 31, together with their classifications under the fair value measurement hierarchy. Note 6 *Investment Income and Expense* provides a breakdown of investment income by type.

#### *Fair value classification hierarchy*

The fair value of WCB's investments recorded on the consolidated statement of financial position was determined using one of the following valuation techniques:

<b>Level 1</b>	The fair value is based on quoted prices in active markets for identical assets or liabilities. This level includes equity securities and derivative contracts that are traded in an active exchange market.
<b>Level 2</b>	The fair value is based on inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs based on observable market data. It includes pooled funds invested in traded securities, as well as derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.
<b>Level 3</b>	The fair value is based on unobservable inputs that are significant to the fair value of the assets or liabilities and have little or no market activity. This level includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement or estimation. The most significant inputs affecting the fair value calculations include the projected operating and capital-related cash flows and the associated discount rate. The discount rate is responsive to changes in macroeconomic factors affecting the risk profile of invested assets such as demand, market conditions, financial risks, future inflation, and so on. This level includes pooled funds invested in debt securities, private equity, real estate, infrastructure and timberlands.

The table below summarizes the basis of fair value measurements for financial assets and liabilities held in WCB's investment portfolio:

(\$ thousands)	Fair value through income			Fair Value	Amortized Cost <sup>5</sup>	2020	2019
	Level 1	Level 2	Level 3				
<b>Fixed income</b>							
Nominal bonds	\$ -	\$ -	\$ 2,615,309	\$ 2,615,309	\$ -	\$ 2,615,309	\$ 2,659,593
Mortgages <sup>1</sup>	-	-	315,151	315,151	-	315,151	488,858
	-	-	2,930,460	2,930,460	-	2,930,460	3,148,451
<b>Equities</b>							
Domestic	588,663	589,506	-	1,178,169	14,536	1,192,705	1,193,266
Foreign <sup>2</sup>	1,979,581	1,258,412	-	3,237,993	18,447	3,256,440	3,247,996
	2,568,244	1,847,918	-	4,416,162	32,983	4,449,145	4,441,262
<b>Inflation-sensitive</b>							
Real estate <sup>3</sup>	171,893	-	1,166,456	1,338,349	701	1,339,050	1,551,299
Infrastructure <sup>4</sup>	401,951	-	1,284,523	1,686,474	27,264	1,713,738	1,736,148
Timberlands	-	-	96,760	96,760	-	96,760	96,340
Real-return bonds	-	-	910,071	910,071	-	910,071	802,016
	573,844	-	3,457,810	4,031,654	27,965	4,059,619	4,185,803
	3,142,088	1,847,918	6,388,270	11,378,276	60,948	11,439,224	11,775,516
<b>Derivative assets</b>	-	33,122	-	33,122	-	33,122	45,924
<b>Derivative liabilities<sup>6</sup></b>	-	-	-	-	-	-	(2,078)
<b>Investments (net of derivatives)</b>	<u>\$ 3,142,088</u>	<u>\$ 1,881,040</u>	<u>\$ 6,388,270</u>	<u>\$ 11,411,398</u>	<u>\$ 60,948</u>	<u>\$ 11,472,346</u>	<u>\$ 11,819,362</u>
<i>Presented as:</i>							
<b>Investments</b>	\$ 3,142,088	\$ 1,881,040	\$ 6,388,270	\$ 11,411,398	\$ 60,948	\$ 11,472,346	\$ 11,821,440
<b>Derivative liabilities<sup>6</sup></b>	-	-	-	-	-	-	(2,078)
<b>Investments (net of derivatives)</b>	<u>\$ 3,142,088</u>	<u>\$ 1,881,040</u>	<u>\$ 6,388,270</u>	<u>\$ 11,411,398</u>	<u>\$ 60,948</u>	<u>\$ 11,472,346</u>	<u>\$ 11,819,362</u>

#### Notes

<sup>1</sup> Mortgages include commercial mortgages and multi-unit mortgages, excluding single-dwelling residential mortgages.

<sup>2</sup> Foreign equities comprise U.S., EAFE (Europe, Australasia, and Far East), and Emerging Markets mandates.

<sup>3</sup> Real estate Level 3 investments consist of pooled funds invested in commercial properties.

<sup>4</sup> Infrastructure Level 3 investments consist of pooled funds invested in infrastructure projects.

<sup>5</sup> Includes portfolio cash, receivables, and payables whose cost approximates fair value.

<sup>6</sup> Derivative liabilities are presented as investment liabilities in the consolidated statement of financial position.

#### Transfers between levels

There were no material transfers between levels during 2020 or 2019.

#### Reconciliation of Level 3 activity

(\$ thousands)	Fixed Income	Real Estate	Infrastructure	Timberlands	Real Return Bonds	2020	2019
						Total	Total
<b>Balance, beginning of year</b>	\$ 836,512	\$ 1,352,316	\$ 1,209,064	\$ 96,340	\$ -	\$ 3,494,232	\$ 3,328,086
Income distributions	15,863	-	-	-	-	15,863	21,351
Fair value changes	40,026	(143,232)	96,592	420	-	(6,194)	62,832
Purchases of Level 3 investments	2,278,075	24,743	127,001	-	910,071	3,339,890	146,852
Sale/settlement of Level 3 investments	(240,016)	(67,371)	(148,134)	-	-	(455,521)	(64,889)
<b>Balance, end of year</b>	<u>\$ 2,930,460</u>	<u>\$ 1,166,456</u>	<u>\$ 1,284,523</u>	<u>\$ 96,760</u>	<u>\$ 910,071</u>	<u>\$ 6,388,270</u>	<u>\$ 3,494,232</u>

#### INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Through its investment program, WCB is involved with structured entities which comprise structured vehicles (i.e., limited partnerships and structured equity) invested in operating property assets, as well as pooled funds invested in financial instruments of property-based issuers. The following discusses some unique characteristics of such entities and the nature of the risks attached to them.

Relevant activities of the structured entities that affect returns include identification, selection and/or development and operation of established properties with stable cash flows and strong capital appreciation potential. Development and execution of an exit strategy is another important activity.

Significant constraints are imposed on funds invested in structured entities, by virtue of their legal agreements, regulatory environment and the nature and economics of the underlying assets. Once committed, an investor is expected to fund the entire subscribed amount over the term of the agreement (typically over the next five to ten years), unless the investment agreement provides otherwise. Once invested, funds are no longer available to the investor, and withdrawal through sale or transfer of interests is permitted only after a certain period as stipulated in the agreement.

The primary risk to WCB relating to these structured entities is lack of liquidity due to the size of the positions and the limited number of qualifying investors; and, these entities are invested in specialized or long-term assets that are difficult to liquidate due to the nature of their markets. WCB is also exposed to market and operating risks based on the underlying assets held by these entities. WCB's financial exposure is limited to the net carrying amount of the investment and undrawn commitments.

The following table provides information about WCB's interests in unconsolidated structured entities:

Structured Entity Type by Mandate	2020		2019	
	Carrying Value	Undrawn Funding Commitments	Carrying Value	Undrawn Funding Commitments
<b>Limited partnerships</b>				
Nominal bonds	\$ -	\$ -	\$ 6,134	\$ -
Real estate	128,749	22,231	190,843	26,580
Infrastructure	1,284,523	283,399	1,209,064	356,859
Timberlands	96,760	41,005	96,340	41,737
	1,510,032	346,635	1,502,381	425,176
<b>Structured equity</b>				
Real estate	636,168	-	712,440	-
	\$ 2,146,200	\$ 346,635	\$ 2,214,821	\$ 425,176

#### INVESTMENT MANAGEMENT TRANSITION

In November 2019 the Government of Alberta enacted Bill 22 *Reform of Agencies, Boards and Commissions and Government Enterprises Act*. Bill 22 includes a requirement for WCB to transition the management of the investment portfolio to Alberta Investment Management Corporation (AIMCo) by December 31, 2021.

WCB and AIMCo agreed to a staged approach for the transition of assets over a two-year period in order to reduce transition risks and complexities. Transfer of WCB's internally managed fixed income mandates was largely completed in Q4 2020. Timing for the transition of the remaining mandates remains to be determined. No material impact on financial performance resulting from the transition is expected.

Additional discussion on the transition may be found in Note 18 *Related Party Transactions*.

## 6 INVESTMENT INCOME AND EXPENSE

### ACCOUNTING POLICY

The primary components of investment income include:

- (a) Gains and losses from investments classified at fair value through income (including gains and losses from remeasurement and from disposition of assets) recognized in income in the period in which they arise;
- (b) Interest revenue accrued using the effective interest method, net of amortization of any premium or discount recognized at date of purchase;
- (c) Dividend income when a right to payment has been established based on the ex-dividend date for quoted securities; and
- (d) Pooled fund distributions (i.e., fund income received as cash or reinvested in the fund) when a right to distributable income has been established. Fund distributions do not attribute underlying income by nature.

Investment expense is composed primarily of investment management expenses, for both external and internal portfolio managers. Fund management expenses of pooled investments, excluding investment management fees, are netted against the revenues of those respective funds.

### (a) Investment Income

(\$ thousands)

						2020	2019
	Interest	Dividends	Fund Distributions <sup>1</sup>	Gains (Losses) on Investments <sup>2</sup>	Gains (Losses) on Derivatives <sup>3</sup>	Total	Total
<b>Fixed income</b>							
Bonds	\$ 60,607	\$ -	\$ 1,133	\$ 286,162	\$ 17,090	\$ 364,992	\$ 241,791
Mortgages	-	-	15,863	10,429	-	26,292	23,729
Short-term investments	3,398	-	-	-	-	3,398	6,127
	64,005	-	16,996	296,591	17,090	394,682	271,647
<b>Equities</b>							
Domestic equities	-	17,694	42,334	(40,588)	-	19,440	197,903
Foreign equities	-	28,353	9,570	583,832	5,227	626,982	615,954
	-	46,047	51,904	543,244	5,227	646,422	813,857
<b>Inflation-sensitive</b>							
Real estate	-	-	11,385	(180,660)	-	(169,275)	123,234
Infrastructure	-	-	150,156	89,008	(29,439)	209,725	254,286
Timberlands	-	-	5,442	420	187	6,049	11,453
	-	-	166,983	(91,232)	(29,252)	46,499	388,973
	\$ 64,005	\$ 46,047	\$ 235,883	\$ 748,603	\$ (6,935)	\$ 1,087,603	\$ 1,474,477

### (b) Investment Management Expense

(\$ thousands)

	2020	2019
Fund management fees	\$ 37,926	\$ 36,796
Custody fees	497	448
Investment administration <sup>4</sup>	3,122	3,302
	\$ 41,545	\$ 40,546

### Notes

<sup>1</sup> Fund Distributions include distributions received from fund managers, irrespective of the type of underlying income within the fund.

<sup>2</sup> Gains (Losses) on Investments include realized amounts from disposition and fair value remeasurement.

<sup>3</sup> Gains (Losses) on Derivatives include fair value measurement and settlement gains and losses, as well as adjustments for counterparty default risk, if any.

<sup>4</sup> Investment administration represents internal investment management expenses, see Note 17 Administration Expense.

## 7 INVESTMENT RISK MANAGEMENT

### INVESTMENT GOVERNANCE

The Board of Directors is ultimately responsible for overall strategic direction and governance of the investment portfolio through its review and approval of the Investment Policy and ongoing monitoring of investment risks, performance, and compliance.

WCB management is responsible for monitoring investment performance, recommending changes to the Investment Policy, and selecting fund managers. WCB retains independent consultants to benchmark the performance of its fund managers, and to advise on the appropriateness and effectiveness of its Investment Policy and practices.

With the transition of investments to AIMCo, a new governance framework and related monitoring and compliance processes will be implemented as appropriate.

### KEY FINANCIAL RISKS

The primary financial risk for WCB is the risk that, in the long term, returns from its investments will not be sufficient to discharge all obligations arising from its claim benefit liabilities. In order to manage this funding risk, risk management for investments has been integrated with risk management of liabilities. WCB's primary risk mitigation strategy is effective execution of its Investment Policy. The Investment Policy target asset mix, and associated risk and return characteristics, have been established to provide guidelines for a broad investment strategy, as well as specific approaches to portfolio management. The Investment Policy also calls for maintaining a well-diversified portfolio, both across and within asset classes, as well as engaging fund managers who represent a broad range of investment philosophies and styles, operating within a rigorous compliance framework.

WCB has identified key areas of investment risk that directly affect the sufficiency of its investments to fund current and future claim obligations:

- Market risks**
  - These risks include movements in equity market prices, interest rates, credit spreads, and foreign currency exchange rates.
- Portfolio risks**
  - These risks relate to specific composition and management of WCB's portfolio and include liquidity risk, securities lending risk, counterparty default risk and derivatives risk.

The following sections describe these risks, WCB's exposures, and their respective mitigation strategies.

### MARKET RISKS

#### Equity market risk

WCB is exposed to equity market risk, which is the risk that the fair value of its investments in publicly traded shares will fluctuate in the future because of price changes. WCB's mitigation strategy for equity market risk is to apply disciplined oversight of investment activities within a formal investment control framework that has been reviewed and validated by independent experts to ensure continuous compliance with approved policies and practices.

The table below presents the effect on WCB's equity mandates of a significant adverse change<sup>1</sup> in the key risk variable - the amount of portfolio volatility:

<sup>1</sup> A change is considered to be material when it exceeds the standard deviation (std dev), which measures the variance in a normal probability distribution. One standard deviation covers 68% of all probable outcomes; two standard deviations include 95% of outcomes. The benchmark deviations are based on 2020 data.

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(\$ thousands)	2020		2019	
	1 std dev	2 std dev	1 std dev	2 std dev
<b>Equities</b>				
% change in portfolio	(14.1%)	(28.2%)	(9.2%)	(18.4%)
Canadian	\$ (168,066)	\$ (336,133)	\$ (110,005)	\$ (220,010)
% change in portfolio	(11.3%)	(22.6%)	(10.3%)	(20.6%)
Global	\$ (304,743)	\$ (609,486)	\$ (281,028)	\$ (562,056)
% change in portfolio	(15.5%)	(31.0%)	(14.7%)	(29.3%)
Emerging markets	\$ (87,401)	\$ (174,801)	\$ (75,710)	\$ (151,421)

**Fixed income pricing risk**

Fixed income pricing risk related to financial securities arises from changes in general financial market or economic conditions that may change the pricing of the entire non-government bond market, specific sectors, or individual issuers. This risk is generally manifested through changes in the security's credit spread. WCB's investment portfolio is exposed to fixed income pricing risk through participation in a Canadian mortgage pool and in pooled investments with holdings in Canadian and foreign fixed income securities.

The table below presents the effects of a change in the credit spreads of 50 and 100 bps<sup>1</sup> on the mortgage portfolio and on the fixed income portfolio:

(\$ thousands)	2020		2019	
	+50 bps	+100 bps	+50 bps	+100 bps
Change in credit spreads				
Nominal bonds	\$ (97,946)	\$ (195,893)	\$ (26,605)	\$ (53,210)
Mortgages	\$ (3,939)	\$ (7,879)	\$ (6,355)	\$ (12,710)

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The table below presents the effects of a nominal interest rate change of 50 and 100 bps on the respective bond and mortgage portfolios:

(\$ thousands)	2020		2019	
	+50 bps	+100 bps	+50 bps	+100 bps
Change in nominal interest rate				
Nominal bonds	\$ (97,946)	\$ (195,893)	\$ (92,381)	\$ (184,763)
Real return bonds	\$ (76,901)	\$ (153,802)	\$ (60,793)	\$ (121,586)
Mortgages	\$ (3,939)	\$ (7,879)	\$ (6,355)	\$ (12,710)

**Foreign currency risk**

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

WCB is exposed to currency risk through foreign investments in fixed income, equities, infrastructure and timberlands. The exposures are economically hedged to the Canadian dollar by utilizing futures and forward contracts. The target hedge ratio (i.e., percentage of the exposure hedged to Canadian dollars) varies by asset class and currency. The target for fixed income, infrastructure and timberlands is 100%. For foreign equities, the target is 25% for the U.S. dollar and 50% for other major currencies.

<sup>1</sup> One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1% or 0.5%.



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WCB's largest foreign currency exposure is to the U.S. dollar, with unhedged holdings of \$1,793,212 (2019 – \$1,873,200); euro exposure is next, with unhedged holdings of \$312,174 (2019 – \$234,409); all other currencies have unhedged holdings of \$427,425 (2019 – \$381,629). For the current reporting period, the net loss from the currency overlay was \$35,423 (2019 – net gain \$126,473).

The table below presents the effects of a material change in the Canadian/U.S. dollar and Canadian/Euro exchange rate on the investments denominated in foreign currencies:

(\$ thousands)	2020		2019	
	CAD/USD	CAD/EUR	CAD/USD	CAD/EUR
December 31 spot rate	0.7849	0.6415	0.7712	0.6870
10% appreciation in the Canadian dollar	0.8634	0.7057	0.8483	0.7557
Global	\$ (163,019)	\$ (28,379)	\$ (170,291)	\$ (21,310)

## PORTFOLIO RISKS

### Derivatives risk

Although derivatives represent an important component of WCB's risk management strategy, the portfolio does not contain any derivatives intended for speculative or trading purposes. An example of derivatives used for risk mitigation is the currency overlay described in the currency risk section, which is a partial economic hedge of the currency exposure. From time to time, derivatives are also used as a portfolio management technique to replicate a target asset mix or achieve certain asset exposures when it is not possible or cost-effective to hold or sell securities directly.

The notional value of a derivative contract used in an economic hedging arrangement, represents the exposure that is being hedged, and is the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Notional amounts are not indicative of the credit risk associated with such derivative contracts. WCB's credit exposure is represented by the replacement cost of all outstanding contracts in a receivable (positive fair value) position.

The table below summarizes the fair value of WCB's derivative portfolio of open contract positions in segregated funds as at December 31. Derivative contracts in a gain position (financial assets) have been presented separately from contracts in a loss position (financial liabilities) and are presented with their remaining terms to maturity.

(\$ thousands)	Term to Maturity	2020			2019		
		Notional Principal	Derivative Contract Assets	Derivative Contract Liabilities	Notional Principal	Derivative Contract Assets	Derivative Contract Liabilities
Asset replication contracts	Within 1 year	\$ -	\$ -	\$ -	\$ 141,896	\$ -	\$ (2,078)
Foreign-exchange contracts	Within 1 year	2,426,727	33,122	-	2,459,319	31,023	-
		\$ 2,426,727	\$ 33,122	\$ -	\$ 2,601,215	\$ 31,023	\$ (2,078)

The table above presents gross derivative exposures by type of contract, whereas the derivative liabilities presented in the statement of financial position represent net obligations by counterparty. WCB also has indirect exposure to derivatives risk through its pooled investments.

### Liquidity risk

Liquidity risk is the risk that WCB will encounter difficulty in meeting obligations associated with its liabilities, particularly claim benefit liabilities, which are funded from cash and cash equivalents, as well as investments where necessary. This risk stems from the lack of marketability of a security that cannot be bought or sold quickly enough to prevent or minimize a loss.

Through a proactive cash management process that entails continuous forecasting of expected cash flows, WCB mitigates liquidity risk by minimizing the need for forced liquidations of portfolio assets in volatile markets and by

holding a number of investments in readily marketable instruments (publicly traded equity and fixed income securities). Some investments, particularly those in structured entities, are not readily marketable or liquid, as discussed in the section *Interests in unconsolidated structured entities* in Note 5.

To cover unanticipated cash requirements when market conditions are unfavourable, WCB also has an available standby line of credit of up to \$20 million, with provision for it to increase to \$100 million for 6 months during the year, which has not been drawn down as at December 31, 2020 or 2019.

#### **Counterparty default risk**

Counterparty default risk arises from the possibility that the issuer of a debt security, or the counterparty to a derivatives contract, fails to discharge its contractual obligations to WCB.

To mitigate counterparty default risk, WCB requires that credit ratings for counterparties not fall below an acceptable threshold. The Investment Policy permits bond issuers to have lower than a BBB- (or equivalent) score from a recognized credit-rating agency, but such holdings may not exceed 10% of total fixed income assets in the portfolio. Counterparties for derivative contracts will have at least an A- credit rating or equivalent from a recognized credit-rating agency. Each fund is closely monitored for compliance to ensure that aggregate exposures do not exceed those specified investment constraints.

As at December 31, 2020, WCB no longer holds any fixed income securities in segregated funds as these assets were transferred to AIMCo during the year (2019 - \$87,156 in holdings below BBB-). WCB has only indirect exposure to counterparty default risk through its participation in pooled investments.

#### **Securities lending risk**

WCB participates in a securities-lending program sponsored by its custodian. Under IFRS 9, securities-lending arrangements are considered transfers of assets that are not derecognized because the transferor retains substantively the risks and rewards of ownership, notwithstanding the transferee's right to sell or pledge those assets. WCB is protected against loss of the transferred securities by requiring the borrower to provide collateral in the form of marketable securities having a minimum fair value of 102% of the loan. Such collateral is not recognized because it is available to the transferor only upon failure of the transferee to fulfil its commitments. In any event, the custodian is also contractually obligated to indemnify WCB for any losses resulting from inadequate collateral.

At December 31, 2020, securities on loan through the custodian totalled \$549,399 (2019 - \$1,730,128), secured by \$589,798 (2019 - \$1,877,248) of posted collateral. During 2020, the securities-lending program generated income of \$2,588 (2019 - \$3,807).

## **8 PROPERTY, PLANT AND EQUIPMENT**

### **ACCOUNTING POLICY**

Property, plant and equipment expenditures are recognized as an asset if it is probable that WCB will realize future economic benefits. Items are initially measured at acquisition cost, and subsequently at amortized cost.

When WCB enters into leases of property, plant and equipment, and contracts for supply of goods and services conveying a right to use identified assets that requires lease recognition. The resulting right-of-use asset is classified under the applicable class of property, plant, and equipment, and accounted for in accordance with the relevant accounting policy for that class.

After initial recognition, property, plant and equipment is carried at acquisition cost less accumulated depreciation and impairment (if applicable) with the exception of land, which is not depreciated. Leased assets and leasehold improvements are amortized over their expected lease term, including probable extensions or early termination, and

adjusted for impairment. All other items are depreciated over their expected economic or useful life. Depreciation expense is recognized when an asset is ready for use, and when WCB has control over the use of a lease asset.

Residual values, useful lives, expected lease terms, and depreciation/amortization rates are reviewed at each financial year-end and adjusted if appropriate. Depreciation and amortization expense are included in claims management and corporate administration in the statement of comprehensive income.

WCB applies the following annual rates and methods for depreciation of owned assets:

<i>Buildings</i>	<i>2.5% straight-line</i>
<i>Leasehold improvements</i>	<i>Straight-line over the expected lease term</i>
<i>Computer equipment</i>	<i>35% declining balance</i>
<i>Furniture and other</i>	<i>15% declining balance</i>
<i>Vehicles</i>	<i>20% straight-line</i>

For leased assets, WCB applies straight-line amortization over the expected lease term.

WCB evaluates its property, plant and equipment for indicators of impairment such as obsolescence, redundancy, deterioration, loss or reduction in future service potential, or when there is a change in intended use or underutilization of an owned and/or a right-of-use asset. When the carrying value exceeds the amount of future economic benefit based on expected utilization, the item of property, plant and equipment is written down to the recoverable amount and the amount recognized as an impairment loss.

The following table provides details of property, plant and equipment broken down between assets acquired through purchase and right-of-use assets arising from leasing.

(\$ thousands)						2020	2019
	Land / Buildings	Leasehold Improvements	Computer Equipment	Office Furniture / Equipment	Vehicles / Other	Total	Total
<b>Owned assets, at cost</b>							
Balance, beginning of year	\$ 70,344	\$ 1,834	\$ 29,985	\$ 24,043	\$ 846	\$ 127,052	\$ 121,919
Current period activity:							
Capitalized expenditure	3,501	25	3,840	2,023	154	9,543	6,680
Transfer from PPE under construction	(1,191)	-	(506)	(1,383)	-	(3,080)	(2,786)
Disposals	(690)	-	(16,115)	(298)	(98)	(17,201)	(1,841)
PPE under construction	-	-	3,029	806	-	3,835	3,080
<b>Balance, end of year</b>	<b>\$ 71,964</b>	<b>\$ 1,859</b>	<b>\$ 20,233</b>	<b>\$ 25,191</b>	<b>\$ 902</b>	<b>\$ 120,149</b>	<b>\$ 127,052</b>
<b>Accumulated depreciation and impairment</b>							
Balance, beginning of year	\$ 28,059	\$ 1,559	\$ 18,946	\$ 16,474	\$ 655	\$ 65,693	\$ 57,818
Current period activity:							
Depreciation	1,922	58	7,543	1,158	90	10,771	9,716
Disposals	(690)	-	(16,115)	(298)	(98)	(17,201)	(1,841)
<b>Balance, end of year</b>	<b>\$ 29,291</b>	<b>\$ 1,617</b>	<b>\$ 10,374</b>	<b>\$ 17,334</b>	<b>\$ 647</b>	<b>\$ 59,263</b>	<b>\$ 65,693</b>
Carrying value, beginning of year	\$ 42,285	\$ 275	\$ 11,039	\$ 7,569	\$ 191	\$ 61,359	\$ 64,101
<b>Carrying value, end of year</b>	<b>\$ 42,673</b>	<b>\$ 242</b>	<b>\$ 9,859</b>	<b>\$ 7,857</b>	<b>\$ 255</b>	<b>\$ 60,886</b>	<b>\$ 61,359</b>
<b>Right-of-use assets, at cost</b>							
Balance, beginning of year	\$ 7,851	\$ -	\$ 6,130	\$ 493	\$ -	\$ 14,474	\$ 5,770
Current period activity:							
Adjustment on adoption of IFRS16	-	-	-	-	-	-	7,869
Capitalized lease commitments	415	-	2,244	-	-	2,659	2,422
Disposals	-	-	(2,138)	-	-	(2,138)	(1,587)
<b>Balance, end of year</b>	<b>\$ 8,266</b>	<b>\$ -</b>	<b>\$ 6,236</b>	<b>\$ 493</b>	<b>\$ -</b>	<b>\$ 14,995</b>	<b>\$ 14,474</b>
<b>Accumulated depreciation and impairment</b>							
Balance, beginning of year	\$ 841	\$ -	\$ 2,716	\$ 162	\$ -	\$ 3,719	\$ 2,437
Current period activity:							
Depreciation	903	-	2,077	97	-	3,077	2,869
Disposals	-	-	(2,138)	-	-	(2,138)	(1,587)
<b>Balance, end of year</b>	<b>\$ 1,744</b>	<b>\$ -</b>	<b>\$ 2,655</b>	<b>\$ 259</b>	<b>\$ -</b>	<b>\$ 4,658</b>	<b>\$ 3,719</b>
Carrying value, beginning of year	\$ 7,010	\$ -	\$ 3,414	\$ 331	\$ -	\$ 10,755	\$ 3,333
<b>Carrying value, end of year</b>	<b>\$ 6,522</b>	<b>\$ -</b>	<b>\$ 3,581</b>	<b>\$ 234</b>	<b>\$ -</b>	<b>\$ 10,337</b>	<b>\$ 10,755</b>
<b>Total owned and right-of-use assets</b>							
Carrying value, beginning of year	\$ 49,295	\$ 275	\$ 14,453	\$ 7,900	\$ 191	\$ 72,114	\$ 67,434
<b>Carrying value, end of year</b>	<b>\$ 49,195</b>	<b>\$ 242</b>	<b>\$ 13,440</b>	<b>\$ 8,091</b>	<b>\$ 255</b>	<b>\$ 71,223</b>	<b>\$ 72,114</b>

See Note 10 *Leases* for accounting policy and further details on leased property, plant and equipment, and Note 17 *Administration Expense* for depreciation expense.

## 9 INTANGIBLE ASSETS

### ACCOUNTING POLICY

WCB's intangible assets are composed of computer software developed internally or acquired through third party vendors and customized as necessary. Development expenditure is capitalized only if the directly related costs (both internal and external) can be measured reliably, the product or process is technically feasible, future economic benefits are probable, and WCB has the intention and sufficient resources to complete development and to use the asset in the manner intended.

Computer software is measured at cost upon initial recognition. After initial recognition, computer software is measured at cost less accumulated amortization and impairment (if applicable). Computer software is amortized on a straight-line basis at 20% per year commencing from the date that the software is available for use.

Residual value, useful lives and amortization methods are reviewed at each financial year-end and adjusted if appropriate. Amortization expense is included in claim benefit expense and corporate administration in the consolidated statement of comprehensive income (see Note 17 *Administration Expense*).

WCB evaluates its intangible assets for indicators of impairment. When the carrying value exceeds the amount of future economic benefit through utilization, the item is written down to the recoverable amount and the amount recognized as an impairment loss.

(\$ thousands)			2020	2019
	In Use	Under Development	Total	Total
<b>Cost</b>				
Balance, beginning of year	\$ 124,961	\$ 27,257	\$ 152,218	\$ 138,346
Capitalized expenditure	-	12,258	12,258	14,855
Transfers from development	36,061	(36,061)	-	-
Disposals	(44,941)	-	(44,941)	(983)
<b>Balance, end of year</b>	<b>\$ 116,081</b>	<b>\$ 3,454</b>	<b>\$ 119,535</b>	<b>\$ 152,218</b>
<b>Accumulated amortization and impairment</b>				
Balance, beginning of year	\$ 102,364	\$ -	\$ 102,364	\$ 94,941
Amortization	11,196	-	11,196	8,406
Disposals	(44,941)	-	(44,941)	(983)
<b>Balance, end of year</b>	<b>\$ 68,619</b>	<b>\$ -</b>	<b>\$ 68,619</b>	<b>\$ 102,364</b>
Carrying value, beginning of year	\$ 22,597	\$ 27,257	\$ 49,854	\$ 43,405
<b>Carrying value, end of year</b>	<b>\$ 47,462</b>	<b>\$ 3,454</b>	<b>\$ 50,916</b>	<b>\$ 49,854</b>

## 10 LEASES

### ACCOUNTING POLICY

At inception of a lease or supply contract, WCB recognizes a right-of-use asset and a corresponding lease liability if both of the following conditions have been met throughout the contract period:

- (a) WCB has the right to obtain substantially all the economic benefits from use of an identified asset; and
- (b) WCB has the right to direct the use of the identified asset throughout the period of use

The lease term begins at the commencement date, extends through the non-cancellable period of the lease, and includes any renewal periods or early termination options that WCB is likely to exercise.

At the commencement date, WCB measures the lease liability at cost, representing the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, if it is known or readily determinable. If not, WCB uses its incremental borrowing rate as at that date for a loan of similar amount, payment terms, and maturity. The right-of-use asset is measured at the amount of the lease liability, less any lease incentives received and/or lease payments made at or before the lease commencement date. As well, at the commencement date, incentives received or due from the lessor to enter into or to extend the lease are recognized, measured at their present value, and offset against the right-of-use asset.

Leases with low value assets (unit value of \$5,000 or less), and leases with an expected term of 12 months or less at date of commencement are exempt from the requirements to recognize a right-of-use asset and lease liability. Although exempt, WCB applies IFRS 16 to groups of low value desktop computer equipment acquired under a master lease agreement. These lease asset pools (portfolios) are measured at their aggregate present value as at their commencement date, recognized as right-of-use assets and related lease obligations.

Subsequent measurement of right-of-use assets and liabilities for leases of individual assets and asset pools is at amortized cost. Right-of-use assets are depreciated on a straight-line basis over their expected lease term.

Lease payments are allocated between the liability and finance charges using the effective interest method to achieve a constant rate of interest on the remaining balance of the lease. The interest portion of the payment is charged to income over the lease period, while the principal portion is applied against the lease obligation.

## Leases

### Leasing objectives

WCB's rationale for acquiring critical business assets through leasing is to realize operational flexibility, rather than to finance asset ownership. For critical information technology and office equipment, WCB uses leasing to manage obsolescence risk, to provide operational flexibility in meeting both short and long-term business demands, and to access value-added services bundled with certain lease arrangements. For some critical technology, vendor pricing is more cost-effective through leasing rather than purchasing. For facilities, the economic benefits from leasing accrue mainly from flexibility in meeting short-term space demands, acquiring office space that does not warrant a long-term capital investment in real assets, but in some circumstances, the required space is only available through a long-term lease.

### Lease obligations

WCB has obligations under non-cancellable lease agreements for computer and office equipment, typically for terms between three and five years. Some WCB facilities are under leases with remaining terms of between one and fourteen years. On rare occasions, WCB may enter into short-term arrangements for office space and/or for low value assets; however, such commitments and the amounts charged to administration expense are generally not material.

The following table provides a reconciliation of lease transactions and obligations for the period ended December 31, 2020.

(\$ thousands)

				2020	2019
	Land / Buildings	Computer Equipment	Office Furniture / Equipment	Total	Total
<b>Lease obligations</b>					
Balance, beginning of year - as reported	\$ 7,218	\$ 3,541	\$ 337	\$ 11,096	\$ 3,537
Transitional adjustments	-	-	-	-	7,869
Balance, beginning of year - adjusted	\$ 7,218	\$ 3,541	\$ 337	\$ 11,096	\$ 11,406
Current year activity:					
Additions	415	2,244	-	2,659	2,422
Lease payments	(895)	(2,210)	(106)	(3,211)	(3,073)
Lease interest	242	61	10	313	341
<b>Balance, end of year</b>	<b>\$ 6,980</b>	<b>\$ 3,636</b>	<b>\$ 241</b>	<b>\$ 10,857</b>	<b>\$ 11,096</b>

See Note 8 *Property, Plant and Equipment* for carrying values of lease right-of-use assets and their related depreciation, and Note 20(c) *Trade and Other Liabilities* for presentation of lease obligations.

The undiscounted future cash outflows and the maturities related to these lease obligations are broken out in the table below.

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(\$ thousands)	2020	2019
2020	\$ -	\$ 2,803
2021	2,786	1,972
2022	2,252	1,418
2023	1,477	978
2024	1,233	1,094
2025 and Beyond	4,303	4,276
	<u>\$ 12,051</u>	<u>\$ 12,541</u>

**Exempt leases**

Leases for low value assets or for terms of twelve months or less are exempt from the requirements to recognize a right-of-use asset and lease liability, and are charged to expense as incurred. As at December 31, 2020, exempt lease expense was insignificant.

**11 COMMITMENTS**

In addition to leases, WCB has other contractual commitments to purchase goods and services in the course of its ordinary business activities that will be fulfilled over a number of future periods. The undiscounted future cash outflows and the maturities related to these commitments are broken out in the table below.

(\$ thousands)	2020	2019
2020	\$ -	\$ 24,902
2021	13,084	8,241
2022	3,482	1,237
2023	1,433	1,220
2024	1,422	1,220
2025 and Beyond	1,619	1,399
	<u>\$ 21,040</u>	<u>\$ 38,219</u>

WCB also has investment commitments for capital funding of certain limited partnerships. For details of the amount funded to date and the remaining undrawn portion of the total commitments, see the section *Interests in Unconsolidated Structured Entities* in Note 5 *Investments*.

**12 EMPLOYEE BENEFITS****ACCOUNTING POLICY**

WCB provides active service and defined post-employment benefits to its employees. WCB also participates in certain multi-employer pension plans sponsored by the province of Alberta. An expense and a liability for benefits earned are recognized in the period that employee service has been rendered.

For defined post-employment benefit plans, current service cost represents the actuarial present value of the benefits earned in the current period. Such cost is actuarially determined using the projected unit credit actuarial method, a market interest rate and management's best estimate of projected benefit costs. The net plan liability as at the reporting date is the present value of the defined benefit obligation, which is determined by discounting the estimated future cash outflows using a discount rate based on market yields of high-quality corporate bonds having terms to maturity that approximate the duration of the related benefit liability less the fair value of plan assets.

Current service cost and interest expense of pension and other post-employment benefits are estimated using different discount rates derived from the same yields, reflecting the different timing of benefit payments for past service (the defined benefit obligation) and future service (the current service cost). Current service cost, interest expense and interest income comprise the amount required in each year to build up the liability over the projected benefit period to its future value.

Remeasurement changes in plan assets and benefit liabilities, arising from actuarial changes in assumptions and experience gains and losses, are recognized in other comprehensive income.

### ACTIVE SERVICE BENEFITS

WCB's short-term benefits for active employees include salary, compensated absence (sick leave, statutory holidays, and annual vacation), group life insurance, dental and medical coverage, employee family assistance program, education support and health and wellness benefits.

Termination benefits are provided for through employment contracts, statutory requirements or constructive obligations. As at December 31, 2020 and 2019, there were no material expenditures or provisions relating to termination benefits.

### POST-EMPLOYMENT BENEFITS

#### *Pension plans*

Employee post-retirement benefits are provided through contributory multi-employer defined benefit pension plans sponsored by the province of Alberta, namely the Public Service Pension Plan (PSPP) and the Management Employees Pension Plan (MEPP). Under defined benefit plan accounting, WCB must recognize its proportionate share, determined on an actuarial basis, of plan assets, obligations, remeasurement amounts, service cost, interest expense and interest income prorated on WCB's share of total contributions.

Both plans have funding deficiencies that have statutory funding requirements by employers and employees to eliminate any plan deficiencies over a specific time horizon. The information in this note reflects the annual actuarial valuation of WCB's share of the plans' assets, benefit obligations, remeasurement amounts, service cost, interest expense and interest income.

#### *Supplemental executive retirement plan*

WCB sponsors a non-contributory supplemental executive retirement plan (SERP). Earnings of senior management generally exceed the threshold earnings for the maximum pension benefit permitted under the federal *Income Tax Act*. Under the terms of the SERP, senior management is entitled to receive supplemental retirement payments that bring their total pension benefits to a level consistent with their total earnings for service since the inception of the SERP or appointment to a senior management position, whichever is later. Future pension benefits are based on the participants' years of service and earnings.

See Note 18 *Related Party Transactions* for a breakdown of SERP costs by executive position.

#### *Post-retirement benefit plan*

WCB provides a contributory benefit plan that provides dental and health care benefits to retirees on pensions between the ages of 55 to 65. As plan participants pay part of the benefit cost, the benefit obligation represents the difference between actual costs and contributions subsidized by WCB.



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**OTHER BENEFIT PLANS*****Long-term disability plan***

WCB administers a self-insured non-contributory long-term disability (LTD) income continuance plan for its employees. The LTD liability represents the present value of all future obligations arising from disability claims incurred up to and including the reporting date.

**EMPLOYEE BENEFIT PLAN ASSUMPTIONS**

The table below presents key assumptions applicable to WCB's employee future benefit plans.

	2020					2019				
	PSPP	MEPP	SERP	Post Retirement	LTD	PSPP	MEPP	SERP	Post Retirement	LTD
	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2019	12/31/2019	12/31/2019	12/31/2019	12/31/2019
Date of most recent actuarial valuation										
<b>Economic assumptions</b>										
Discount rate (nominal) for benefit obligation	2.6%	2.6%	2.7%	2.4%	2.3%	3.1%	3.1%	3.1%	3.1%	3.0%
Alberta inflation rate (long-term)	2.0%	2.0%	2.0%	n/a	n/a	2.0%	2.0%	2.0%	n/a	n/a
Salary escalation rate <sup>1</sup>	0.0% until 3/31/21; 3.0% thereafter	2.8%	0.0%	n/a	0.0% for 5 years; 2.0% thereafter	0.0% for 1 yr starting 4/1/19; 3.2% thereafter	2.8%	0.0%	n/a	2.0%
<b>Multi-employer plan funding assumptions</b>										
WCB share of plan contributory payroll	4.6%	1.2%				4.4%	1.1%			
Current service cost rate on contributory payroll	14.2%	21.7%				18.2%	24.6%			
WCB's contributions for the current period (\$ thousands)	\$ 14,866	\$ 1,027				\$ 14,667	\$ 1,266			
WCB's expected contributions for the following period (\$ thousands)	\$ 15,201	\$ 1,055				\$ 14,667	\$ 1,128			

**Note**

<sup>1</sup> The salary escalation rate assumptions for the PSPP and the MEPP (both multi-employer plans) are not specific to WCB but rather to all participating employers in aggregate.

## DEFINED BENEFIT PLAN LIABILITIES

(\$ thousands)

	Pension Liabilities <sup>1</sup>	Other Retirement Liabilities <sup>2</sup>	LTD	2020	2019
<b>Change in defined benefit obligation</b>					
Defined benefit obligation, beginning of year	\$ 487,168	\$ 15,551	\$ 21,965	\$ 524,684	\$ 457,188
Current service cost <sup>3</sup>	19,694	839	1,889	22,422	22,546
Interest expense <sup>4</sup>	14,880	483	618	15,981	17,038
Remeasurement (gains) losses <sup>5</sup>	50,105	493	(365)	50,233	46,075
Benefit payments	(15,222)	(337)	(2,972)	(18,531)	(18,163)
Defined benefit obligation, end of year	\$ 556,625	\$ 17,029	\$ 21,135	\$ 594,789	\$ 524,684
<b>Change in fair value of plan assets</b>					
Fair value of plan assets, beginning of year	\$ 370,127	\$ -	\$ -	\$ 370,127	\$ 330,364
Employer contributions	15,893	337	2,972	19,202	19,323
Interest income <sup>4</sup>	11,497	-	-	11,497	12,587
Remeasurement gains (losses) <sup>5</sup>	12,610	-	-	12,610	26,016
Benefit payments	(15,222)	(337)	(2,972)	(18,531)	(18,163)
Fair value of plan assets, end of year	\$ 394,905	\$ -	\$ -	\$ 394,905	\$ 370,127
<b>Net plan liability</b>					
Defined benefit obligation	\$ 556,625	\$ 17,029	\$ 21,135	\$ 594,789	\$ 524,684
Fair value of plan assets	394,905	-	-	394,905	370,127
	\$ 161,720	\$ 17,029	\$ 21,135	\$ 199,884	\$ 154,557

## Notes

<sup>1</sup> Pension liabilities include WCB's proportionate share of the PSPP and MEPP net unfunded liabilities. The PSPP makes up the majority of this unfunded obligation.

<sup>2</sup> Other retirement liabilities include SERP and the post-retirement benefit plan.

<sup>3</sup> Current service costs are presented within corporate administration and claim benefit expense in the consolidated statement of comprehensive income.

<sup>4</sup> Interest expense is presented net of interest income in the consolidated statement of comprehensive income.

<sup>5</sup> Remeasurement gains and losses on plan obligations due to discount rate changes and experience are presented net of gains and losses on plan assets in the consolidated statement of comprehensive income.

## RISKS ARISING FROM DEFINED BENEFIT PLANS

## Economic risks

Defined benefit plans are directly exposed to economic risks from plan assets invested in capital markets and indirectly with respect to measurement risk from assumptions based on economic factors, such as discount rates affected by volatile bond markets. Benefit obligations are exposed to uncertainty of future economic conditions, primarily inflation risk due to the extremely long tails of post-employment benefits and health care escalation due to increasingly higher costs of treatment and prescription drugs.

## Demographic risks

Demographic factors affect current and future benefit costs with respect to the amount and time horizon of expected payments due to such factors as workforce average age and earnings levels, attrition and retirement rates, mortality and morbidity rates, etc.

## Multi-employer plan funding risk

In addition to economic and demographic risk factors, WCB is exposed to funding risk in the multi-employer plans arising from:

- Legislative changes affecting eligibility for and amount of pension and related benefits; and

- Performance of plan assets affected by investment policies set by the pension boards or changes in the assumptions used to value liabilities.

Because these plans are governed by legislation rather than contract, there is little flexibility for participants with respect to withdrawal from the plan, plan wind-up or amendments and mandatory funding requirements.

### Sensitivity analysis

The following table shows the effect of a 25 basis point change in the assumed discount rate, inflation rate and wage inflation rate on WCB's proportionate share of the accrued benefit obligations of PSPP and MEPP. The impacts of the assumption changes on WCB's other employee benefit plans, individually and in aggregate, are immaterial.

(\$ thousands)

+/- % change on assumed rates

Discount rate based on market yields on high-quality corporate bonds

General inflation rate

Wage inflation rate

2020		2019	
+0.25%	-0.25%	+0.25%	-0.25%
\$ (23,263)	\$ 23,263	\$ (16,714)	\$ 16,714
\$ 9,281	\$ (9,281)	\$ 8,911	\$ (8,911)
\$ 4,159	\$ (4,159)	\$ 2,864	\$ (2,864)

## 13 CLAIM BENEFIT LIABILITIES

### ACCOUNTING POLICY

The claim benefit liability represents the actuarial present value of all expected future benefit payments for claims and for workplace exposures that have occurred before the valuation date that may result in recognized occupational disease claims after the valuation date. The liability includes a provision for future costs of managing claims but does not include claims and payments that are on a self-insured basis. Valuation of claim benefit liabilities complies with Standards of Practice issued by the Actuarial Standards Board of the Canadian Institute of Actuaries.

Gains and losses resulting from the valuation of the liability arise from differences between actual claims experience and that expected based on the previous valuation, changes to actuarial methods and assumptions as well as changes in legislation, policies and administrative practices. Such gains and losses are recognized in income in the period that they occur.

### ACTUARIAL METHODOLOGY AND BASIS OF VALUATION

Claim benefit liabilities are independently valued annually at year end by WCB's external actuary. Claim benefit liabilities include a provision for all covered benefits and for the future expenses of administering those benefits, including funding obligations to the Appeals Commission, the Medical Panel Office and the Fair Practices Office.

Estimated future expenditures are expressed in constant dollars increased to consider expected future escalation, and then discounted at the assumed long-term rate of return on investments.

The valuation is based on WCB legislation, policies and administrative practices in effect as at the valuation date. Estimation of the liability requires the use of actuarial methods and assumptions that are periodically assessed and adjusted based on frequent monitoring of actual claim experience, the economy and other relevant factors throughout the year.

Since the claim benefit liabilities are of a long-term nature, the actuarial assumptions and methods used to calculate the reported claim benefit liabilities are based on considerations of future expenditures over the long term. As the determination of these liabilities requires assumptions about economic and other events that may occur many years in the future, but which are based on best information as at the valuation date, a significant degree of professional judgement must be exercised in developing these assumptions. Accordingly, changes in conditions within one year of

the consolidated financial statement date could require material change in recognized amounts in a subsequent period or periods.

See Note 15 *Claim Benefit Risks* for further discussion of measurement uncertainty with respect to valuation of WCB's claim benefit liabilities.

#### ACTUARIAL ASSUMPTIONS

The most significant economic assumptions for the determination of claim benefit liabilities are the assumed rate of return on invested assets used for discounting expected future benefit payments and the escalation rates for benefit costs into the future. All actuarial assumptions are determined on a 'best estimate' basis, except for the real rate of return on investments (i.e., the difference between the expected long-term investment return and the expected long-term general inflation rate). The expected long-term investment return assumption is targeted at about 70% probability level, which provides a margin for adverse deviation in the liability.

Long-term economic assumptions for general inflation and wage escalation are developed by using historical statistics and other economic indicators. The cost-of-living adjustment assumption considers WCB's policy and has been changed from the previous 2.02% to 1.53% following recent legislation changes. Health care escalation is developed from analysis of WCB health care cost experience, taking into consideration the results of external studies. This escalation rate represents general inflation plus excess inflation of 2.0%, covering both the increases in the costs per treatment and in utilization.

The table below presents key long-term economic assumptions used to determine the claim benefit liabilities:

	2020	2019
Nominal rate of return	4.55%	4.55%
General inflation rate	2.00%	2.00%
Real rate of return	2.50%	2.50%
Cost-of-living adjustment	1.53%	2.02%
Wage escalation	3.00%	3.00%
Health care escalation	4.00%	4.00%

In 2020, WCB accepted 4,800 COVID-19 claims. The vast majority of these claims received short-term wage loss benefits and had recovered before the year ended; therefore, the impact of COVID-19 claims on the claim benefit liabilities is relatively minor. However, claim experience for some benefit categories was atypical. Payment durations for short-term wage loss and re-employment service benefits were longer due to the COVID-19 related restrictions. Under the assumption that this claim experience is not representative of typical workers' compensation payments over the long term, adjustments were made to the valuation to ensure that actuarial assumptions and projections remain adequate and appropriate.

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**RECONCILIATION OF CLAIM BENEFIT LIABILITIES**

The table below is a reconciliation of the movement in claim benefit liabilities, highlighting the significant changes for each major benefit category.

(\$ thousands)	Short-term Disability	Long-term Disability	Survivor Benefits	Health Care	Re- employment	Claims Management	2020	2019
<b>Claim benefit liabilities, beginning of year</b>	\$ 640,900	\$ 4,561,500	\$ 792,800	\$ 3,069,800	\$ 247,200	\$ 657,700	\$ 9,969,900	\$ 9,044,800
<b>Claim costs recognized during the year</b>								
Provision for future costs of current year injuries and exposures	168,700	316,200	42,000	240,400	78,200	89,900	935,400	932,900
Claim benefits processed in the year	109,656	2,928	5,733	101,222	2,974	50,875	273,388	313,544
<b>Total claim costs recognized during the year</b>	<b>278,356</b>	<b>319,128</b>	<b>47,733</b>	<b>341,622</b>	<b>81,174</b>	<b>140,775</b>	<b>1,208,788</b>	<b>1,246,444</b>
<b>Claim payments processed during the year</b>								
Payments for current year injuries	(109,656)	(2,928)	(5,733)	(101,222)	(2,974)	(50,875)	(273,388)	(313,544)
Payments for prior years' injuries	(214,762)	(262,551)	(45,638)	(242,715)	(138,273)	(90,189)	(994,128)	(884,798)
	(324,418)	(265,479)	(51,371)	(343,937)	(141,247)	(141,064)	(1,267,516)	(1,198,342)
<b>Interest expense on the liability</b>	<b>25,500</b>	<b>201,700</b>	<b>35,100</b>	<b>134,500</b>	<b>9,800</b>	<b>27,900</b>	<b>434,500</b>	<b>394,800</b>
<b>Commutation of Deposit Account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,838</b>
<b>Remeasurement of the liability</b>								
<b>Changes in valuation methods and assumptions</b>								
Mortality	-	-	-	-	-	-	-	(145,800)
Home maintenance and housekeeping allowances	-	-	-	-	-	-	-	479,300
Claim administration	-	-	-	-	-	-	-	14,100
Latent occupational disease claims	25,500	64,500	6,300	73,300	2,500	2,600	174,700	-
Assumptions related to incurred hearing loss claims	-	-	-	3,500	-	-	3,500	-
<b>Changes to Act, Regulation, policies and administrative practices</b>								
COLA indexation	(1,700)	(213,100)	(44,300)	-	-	-	(259,100)	-
<b>Changes in claims experience</b>								
Inflation and wage growth different than expected	(1,300)	(17,000)	(3,900)	(15,700)	300	-	(37,600)	(45,300)
Economic loss payments different than expected	-	(40,900)	-	-	-	-	(40,900)	(12,400)
Short term wage loss and re-employment benefits different than expected	80,300	-	-	-	90,100	-	170,400	94,600
Personal care, home maintenance and housekeeping allowances different than expected	-	23,300	-	33,100	-	-	56,400	85,600
Other experience (gains) losses	(3,438)	(7,049)	(7,362)	(8,085)	573	8,989	(16,372)	9,260
	99,362	(190,249)	(49,262)	86,115	93,473	11,589	51,028	479,360
<b>Claim benefit liabilities, end of year</b>	<b>\$ 719,700</b>	<b>\$ 4,626,600</b>	<b>\$ 775,000</b>	<b>\$ 3,288,100</b>	<b>\$ 290,400</b>	<b>\$ 696,900</b>	<b>\$ 10,396,700</b>	<b>\$ 9,969,900</b>

See Note 14 *Claim Benefit Expense* for details of the amounts recognized in income for the reporting period.

## CLAIMS DEVELOPMENT

The table that follows presents the development of the estimated ultimate cost of claims and claim payments for accident years 2011–2020. The top part of the table illustrates how the estimate of total claim benefits for each accident year has changed with more experience over succeeding year-ends. The shaded claims triangle shows the estimated cost of claims for an accident year in the year of the accident, one year after the year of the accident, two years after the year of the accident and so on and compares the total estimated cost to the actual cumulative payments over the development period. Due to the extremely long duration of many WCB benefit types, significant amounts may be paid out in the distant future beyond the valuation date. The bottom part of the table reconciles the total outstanding benefits amount to the discounted amount reported in the consolidated statement of financial position.

	Accident Year											
(\$ millions)	Prior Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Estimate of cumulative claim benefits												
At end of accident year		1,444.3	1,320.8	1,423.6	1,438.2	1,421.3	1,323.9	1,471.6	1,714.5	1,952.8	1,842.3	
One year later		1,250.4	1,305.7	1,383.6	1,414.3	1,353.1	1,427.1	1,644.2	1,819.2	1,924.4		
Two years later		1,220.9	1,256.9	1,394.3	1,407.1	1,516.5	1,550.3	1,781.5	1,822.9			
Three years later		1,175.3	1,258.0	1,343.6	1,538.0	1,648.0	1,632.2	1,762.9				
Four years later		1,160.0	1,212.5	1,444.5	1,663.0	1,719.7	1,590.4					
Five years later		1,119.5	1,270.1	1,530.2	1,709.5	1,660.2						
Six years later		1,156.9	1,326.7	1,565.0	1,646.8							
Seven years later		1,146.7	1,425.4	1,528.1								
Eight years later		1,166.2	1,388.2									
Nine years later		1,137.4										
Current estimate of cumulative claim benefits												
		1,137.4	1,388.2	1,528.1	1,646.8	1,660.2	1,590.4	1,762.9	1,822.9	1,924.4	1,842.3	
Cumulative payments		(536.8)	(547.4)	(602.2)	(614.4)	(579.5)	(531.5)	(583.4)	(582.1)	(494.0)	(222.5)	
Outstanding benefits												
Undiscounted	\$ 7,335.1	\$ 600.6	\$ 840.8	\$ 925.9	\$ 1,032.4	\$ 1,080.7	\$ 1,058.9	\$ 1,179.5	\$ 1,240.8	\$ 1,430.4	\$ 1,619.8	\$ 18,344.9
Effect of discounting	(3,689.5)	(332.7)	(486.8)	(519.3)	(577.9)	(600.4)	(591.3)	(646.2)	(666.4)	(743.3)	(763.5)	(9,617.3)
	3,645.6	267.9	354.0	406.6	454.5	480.3	467.6	533.3	574.4	687.1	856.3	8,727.6
Claims management												
Undiscounted												1,396.1
Effect of discounting												(699.2)
												696.9
Latent occupational diseases												
Undiscounted												2,659.3
Effect of discounting												(1,687.1)
												972.2
Total claim benefits												
Undiscounted												22,400.3
Effect of discounting												(12,003.6)
Claim benefit liabilities												\$ 10,396.7

## LIQUIDITY OF CLAIM BENEFIT LIABILITIES

The following table presents the expected timing of future payments of the claim benefit liability as at December 31. As these payments extend well out into the future, any such estimates involve considerable uncertainty.

(\$ millions)

## Expected timing of future payments (undiscounted)

	2020		2019	
Up to 1 year	\$ 921	4%	\$ 848	4%
Over 1 year and up to 5 years	2,540	11%	2,391	11%
Over 5 years and up to 10 years	2,743	12%	2,614	12%
Over 10 years and up to 15 years	2,592	12%	2,476	11%
Over 15 years	13,604	61%	13,515	62%
<b>Total</b>	<b>\$ 22,400</b>	<b>100%</b>	<b>\$ 21,844</b>	<b>100%</b>

## 14 CLAIM BENEFIT EXPENSE

The table below presents details of claim benefit expense reported in the consolidated statement of comprehensive income.

(\$ thousands)

	2020			2019
	Current Year Injuries	Prior Years' Injuries	Total	Total
<b>Claims expense</b>				
Provision for future costs of current year injuries and exposures <sup>1</sup>	\$ 935,400	\$ -	\$ 935,400	\$ 932,900
<b>Claim payments processed in the year</b>				
Short-term disability	109,656	214,762	324,418	282,849
Long-term disability	2,928	262,551	265,479	256,925
Survivor benefits	5,733	45,638	51,371	52,574
Health care	101,222	242,715	343,937	370,175
Re-employment	2,974	138,273	141,247	98,736
	222,513	903,939	1,126,452	1,061,259
<b>Claim payments related to prior years<sup>2</sup></b>				
	-	(994,128)	(994,128)	(884,798)
	222,513	(90,189)	132,324	176,461
	\$ 1,157,913	\$ (90,189)	\$ 1,067,724	\$ 1,109,361
<b>Claims management<sup>3</sup></b>				
Claims-related administration	48,608	75,393	124,001	117,983
Appeals Commission	21	10,363	10,384	11,610
Medical Panel Office	2	953	955	1,059
Fair Practices Office	2,244	3,480	5,724	6,431
	\$ 50,875	\$ 90,189	\$ 141,064	\$ 137,083
	\$ 1,208,788	\$ -	\$ 1,208,788	\$ 1,246,444

### Notes

<sup>1</sup> Provision for future costs of current year injuries represents the present value of all future obligations for benefit payments arising from current year injuries and occupational disease exposures.

<sup>2</sup> Although claim payments relating to prior years injuries are processed in the reporting period, they are not expensed in the current year but are charged to the liabilities established for prior accident years.

<sup>3</sup> Claims management represents WCB's internal functional costs related to claims processing as well as funding of the external decision review bodies. Claims management expenses are included in claim benefit liabilities for valuation purposes, see Note 17 Administration Expense, for Claims-related administration.

## 15 CLAIM BENEFIT RISKS

Because there is no statutory limit on the benefit amount payable or the duration of the risk exposure related to work-related injuries, WCB bears risk with respect to its future claim costs, which could have material implications for liability estimation. In determining WCB's claim benefit liabilities, a primary risk is that the actual benefit payments may exceed the amount estimated in determining the liabilities. This may occur due to changes in claim reporting patterns, frequency and/or size of claim payments or duration of claims. Compensable injuries and benefits payable may also change due to legislation or policy changes. With potentially long claim run-off periods, inflation is also a factor because future costs could escalate at a faster rate than expected.

The uncertainties associated with WCB claim benefit liabilities are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The most significant assumption in the determination of the claim benefit liabilities is the real rate of return. A reduction in the assumed real rate of return would increase the actuarial present value of the claim benefit liabilities. Wage inflation affects the liabilities through benefits such as re-employment and

personal care and housekeeping allowances. An increase in assumed wage growth would increase the respective liabilities. Health care benefits represent approximately 31% of the claim benefit liabilities. An increase in the assumed health care escalation rate would result in an increase in the liability for health care.

#### EFFECT OF ASSUMPTION CHANGES ON CLAIM BENEFIT LIABILITIES

The table below shows the sensitivity of the claim benefit liabilities to an immediate 0.25% increase or decrease in the assumed rates:

(\$ thousands)	2020		2019	
	+0.25%	-0.25%	+0.25%	-0.25%
+/- % change on assumed rates				
Real rate of return	\$ (332,100)	\$ 352,900	\$ (325,100)	\$ 345,700
Wage escalation rate	\$ 133,800	\$ (126,800)	\$ 125,700	\$ (118,900)
Health care escalation rate	\$ 60,700	\$ (57,300)	\$ 60,100	\$ (56,600)

## 16 PREMIUM REVENUE

### ACCOUNTING POLICY

Premiums are assessed and due when employers report their assessable earnings for the current year. For employers who have not reported, premiums are estimated and included in the amount receivable. Premium revenue includes estimates for Partnerships in Injury Reduction (PIR) rebates and other items.

Premium revenue is fully earned and recognized over the annual coverage period. Any difference between actual and estimated premiums and rebates is adjusted in the following year.

An allowance for expected credit losses is recorded against trade and other receivables based on lifetime expected credit losses, applying an expected cash flow approach, recognizing the expected credit risk impairment at the initial date of receivable recognition. Changes in the allowance for expected credit losses are recorded in premium revenue. When there is no reasonable expectation of future cash flows of the receivables, the amounts are written off.

(\$ thousands)	2020	2019
<b>Premiums</b>		
Assessed premium revenue for current year	\$ 1,147,870	\$ 1,193,544
Other premium-related revenue	(2,563)	6,772
	1,145,307	1,200,316
Deduct: Partnerships in Injury Reduction rebates	71,158	76,091
	\$ 1,074,149	\$ 1,124,225

Assessed premium revenue includes an accrual of \$103,141 as a reduction to receivables (2019 – \$33,556 payable) for amounts related to yet to be reported assessable earnings adjustments for the current period. The accrual has been determined using an internally developed statistical model to estimate the amount of unreported adjustments based on actual reported assessable earnings returns processed and historical patterns of processed to unprocessed returns at a specified point in time.

PIR is a voluntary program that pays rebates to registered employers that have met the eligibility requirements in achieving certain workplace safety targets as specified under the program. Earned rebates are payable in the following year. The estimated rebate amount is based on several factors, including premiums paid, year-over-year improvement



in claims experience and safety performance relative to industry benchmarks, among others. See Note 20(e) *Safety rebates* for supplemental information on the Partnerships in Injury Reduction rebates.

### IMPACT OF COVID-19 ON PREMIUMS

In March 2020, the Government of Alberta announced financial supports for private sector employers in response to the economic impact of COVID-19 restrictions. Specific to WCB, liquidity for employers was provided by deferring payment of outstanding 2020 WCB premiums to March 2021, and returning payments already made. In addition, small- and medium-sized private sector employers with \$10 million or less in assessable earnings for 2020 are eligible for a waiver of 50% of their 2020 premiums, with the government reimbursing the WCB for the waiver in 2021.

### CREDIT RISK

Premiums receivable from employers have credit risk, which vary based on employer-specific factors, industry conditions, and macroeconomic or other factors. Their credit risk is largely subject to the economic circumstances they face and general economic conditions of the province.

Credit risk associated with premium receivables related to employers is mitigated through risk management policies and procedures, which include close monitoring of premium payment status and follow-up measures with the employer. Premiums receivable are written off when there is no reasonable expectation of recovery. However, WCB continues to pursue enforcement activity to collect the amounts due.

WCB undertook a comprehensive analysis of expected credit losses on premium receivables for 2020 due to the impact of COVID-19 and the deferral of premiums discussed above. In applying a matrix approach, WCB incorporates relevant forward-looking indicators of credit deterioration, including macroeconomic data and views on business conditions, as well as WCB-specific inputs and the government reimbursement discussed above. The resulting allowance for expected credit losses as at December 31, 2020 is \$10.2 million (2019 - \$4.0 million).

## 17 ADMINISTRATION EXPENSE

WCB's primary administrative functions include:

- **Claims-related administration** – responsible for adjudicating claims, processing benefit payments and the provision of return-to-work services to injured workers.
- **Corporate administration** – provides general management and administrative support.

The table below presents administration expenses broken down by nature of expense and by function:

(\$ thousands)

	Corporate	Claims-related	2020	2019
<b>Administration expenses</b>				
Salaries and employee benefits	\$ 56,781	\$ 137,877	\$ 194,658	\$ 191,982
Technology	10,026	6,920	16,946	15,664
Office	2,387	724	3,111	5,183
Occupancy	695	6,334	7,029	8,273
Professional fees	2,056	2,565	4,621	4,789
Travel	212	173	385	1,111
Other	820	373	1,193	1,847
	72,977	154,966	227,943	228,849
Depreciation and amortization	11,014	14,030	25,044	20,991
	83,991	168,996	252,987	249,840
<b>Less:</b>				
Cost recoveries	70	11,611	11,681	10,777
Reclassifications to:				
Claims expense – rehabilitation services	-	33,384	33,384	34,370
Investment management expense <sup>1</sup>	3,122	-	3,122	3,302
	3,192	44,995	48,187	48,449
	\$ 80,799	\$ 124,001	\$ 204,800	\$ 201,391

**Note**

<sup>1</sup> Investment management expense represents internal expenses, see Note 6 Investment Income and Expense.

## 18 RELATED PARTY TRANSACTIONS

### GOVERNMENT OF ALBERTA AND RELATED ENTITIES

WCB has transactions with various Alberta Crown corporations, departments, agencies, boards, educational institutions and commissions in the ordinary course of operations. Such transactions include premiums from the organizations and certain funding obligations relating to Occupational Health and Safety, the Appeals Commission, the Medical Panel Office and the Fair Practices Office that are in accordance with the applicable legislation and/or regulations. WCB is related to these entities by virtue of common influence by the Government of Alberta. WCB is considered a government-related entity and as such, is not required to disclose these transactions under IAS 24 *Related Party Disclosures*.

### AIMCO TRANSACTIONS

In compliance with Bill 22, the transfers of WCB investments to AIMCo, an Alberta Crown corporation, constitute related party transactions. During the reporting period, \$3.5 billion in fixed income assets were transferred to AIMCo. In addition to the remaining portfolio assets to be transferred in 2021, future transactions will include management fees and other expenses charged by AIMCo on a cost recovery basis, which may not be consistent with usual commercial terms for similar services.

Details of the transition plan may be found in Investment management transition in Note 5 *Investments*.

## KEY MANAGEMENT COMPENSATION

Key management personnel of WCB, comprising the Board of Directors and the executive and their close family members, are also related parties in accordance with IAS 24. As at the reporting date, there were no business relationships, outstanding amounts or transactions other than compensation, between WCB and its key management personnel.

The tables below present total compensation of the board members and executive of WCB.

(\$ thousands)

	2020				Total
	Base Salary <sup>1</sup>	Other Cash Benefits <sup>2</sup>	Non-Cash Benefits <sup>3</sup>	SERP <sup>4</sup>	
Chair, Board of Directors <sup>5</sup>	\$ -	\$ 32	\$ 4	\$ -	\$ 36
Board Members <sup>5</sup>	-	73	9	-	82
President and Chief Executive Officer	331	12	36	80	459
Senior Vice President, Operations & Innovation	367	6	35	95	503
Chief Financial Officer	347	19	37	87	490
Vice President, Employee and Corporate Services	285	6	43	62	396
Vice President, Millard Health and Special Care Services	211	6	34	26	277
Secretary and General Counsel	211	10	39	27	287
Chief Technology Officer	260	11	36	13	320

	2019				Total
	Base Salary <sup>1</sup>	Other Cash Benefits <sup>2</sup>	Non-Cash Benefits <sup>3</sup>	SERP <sup>4</sup>	
Chair, Board of Directors	\$ -	\$ 59	\$ 4	\$ -	\$ 63
Board Members	-	140	12	-	152
President and Chief Executive Officer <sup>6</sup>	262	13	34	59	368
President and Chief Executive Officer <sup>7</sup>	99	1	15	29	144
Senior Vice President, Operations & Innovation	367	6	40	79	492
Chief Financial Officer	347	13	43	74	477
Vice President, Employee and Corporate Services	285	6	49	57	397
Vice President, Millard Health and Special Care Services	211	6	41	22	280
Secretary and General Counsel	211	11	45	23	290
Chief Technology Officer <sup>8</sup>	85	2	15	-	102

## Notes

<sup>1</sup> Base salary is pensionable base pay.

<sup>2</sup> Other cash benefits for Board Members comprise honoraria pay for meetings attended, while other cash benefits for other key management includes car allowances, vacation payouts and long service awards.

<sup>3</sup> Non-cash benefits include employer's share of all employee benefits and payments made to, or on behalf of, employees including statutory contributions, pension plans, extended health care benefits, group life insurance, and professional memberships.

<sup>4</sup> SERP represents employer's current service cost for benefits accrued under a supplemental executive retirement plan. See Note 12 Employee Benefits for details of the plan, and the following table for the costs and obligations related to each named key management position.

<sup>5</sup> The Chair of the Board of Directors and the Board Members are part-time positions.

<sup>6</sup> Incumbent took office on March 18, 2019.

<sup>7</sup> Incumbent retired in 2019.

<sup>8</sup> Position effective September 4, 2019.

**SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

(\$ thousands)

	2020				2019	
	Current Service Cost <sup>1</sup>	Other Costs <sup>2</sup>	Net Cost	Accrued Obligation	Net Cost	Accrued Obligation
President and Chief Executive Officer <sup>3</sup>	\$ 80	\$ 11	\$ 91	\$ 155	\$ 64	\$ 64
President and Chief Executive Officer <sup>4</sup>	-	-	-	-	209	2,566
Senior Vice President, Operations & Innovation	95	170	265	1,810	357	1,545
Chief Financial Officer	87	95	182	1,409	272	1,227
Vice President, Employee and Corporate Services	62	13	75	1,074	141	999
Vice President, Millard Health and Special Care Services	26	6	32	76	29	44
Secretary and General Counsel	27	2	29	124	37	95
Chief Technology Officer	13	2	15	19	4	4

**Notes**

<sup>1</sup> Current service cost represents the actuarial present value of future benefit obligations arising from employee service in the current period.

<sup>2</sup> Other costs include interest on the liability and actuarial gains and losses arising from assumption changes and/or experience, less any benefit payments.

<sup>3</sup> Incumbent took office on March 18, 2019.

<sup>4</sup> Incumbent retired in 2019.

**19 CONTINGENCIES AND INDEMNIFICATION****LEGAL PROCEEDINGS**

WCB is party to various claims and lawsuits, related to the normal course of business, that are currently being contested. Based on the total amount of all such actions, WCB has concluded that the outcomes will not have a material effect on the results of operations or financial position.

**INDEMNIFICATION AGREEMENTS**

In the normal course of operations, WCB enters into contractual agreements that contain standard contract terms that indemnify certain parties against loss. The terms of these indemnification clauses will vary based upon the contract, and/or the occurrence of contingent or future events, the nature of which prevents WCB from making a reasonable estimate of the potential amount that may be payable to those contractual parties. Such indemnifications are not significant, nor has WCB made any payments or accrued any amounts in the consolidated financial statements in respect of these indemnifications.

**20 SUPPLEMENTAL INFORMATION****(a) Cash and cash equivalents**

(\$ thousands)

	2020	2019
Cash equivalents	\$ 384,195	\$ 254,646
Cash in transit and in banks	95,098	36,276
	<u>\$ 479,293</u>	<u>\$ 290,922</u>

Cash equivalents are invested in a portfolio of high-quality, short- to mid-term, highly liquid fixed-income securities that generated an average annual return of 1.0% (2019 – 1.9%).

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**(b) Trade and other receivables**

(\$ thousands)

	2020	2019
Premium receivable	\$ 544,055	\$ 34,147
Government of Alberta receivable – Note 16	313,778	-
Reclassified to employer liabilities – Note 20(d)	8,422	28,394
Employer accounts receivable	866,255	62,541
Other	15,459	17,210
	<u>\$ 881,714</u>	<u>\$ 79,751</u>

Included in the employer accounts receivable total above is an allowance for expected credit losses of \$10,200 (2019 – \$4,000). Due to premium deferral, all 2020 receivables are expected to be collected by mid-2021. See Note 16 *Premium Revenue* for discussion of the changes in the allowance.

**(c) Trade and other liabilities**

(\$ thousands)

	Trade	Other	2020	2019
Trade payables	\$ 36,144	\$ -	\$ 36,144	\$ 36,387
Lease obligations - Note 10	-	10,857	10,857	11,096
Other liabilities	-	8,030	8,030	12,427
	<u>\$ 36,144</u>	<u>\$ 18,887</u>	<u>\$ 55,031</u>	<u>\$ 59,910</u>
Current portion	\$ 36,144	\$ 2,516	\$ 38,660	\$ 43,715
Non-current portion	-	16,371	16,371	16,195
	<u>\$ 36,144</u>	<u>\$ 18,887</u>	<u>\$ 55,031</u>	<u>\$ 59,910</u>

**(d) Employer liabilities**

(\$ thousands)

	2020	2019
Accrued premiums payable	\$ -	\$ 33,556
Reclassified from premium receivable – Note 20(b)	8,422	28,394
	<u>\$ 8,422</u>	<u>\$ 61,950</u>

Included in employer liabilities is the reclassification from trade receivables of all outstanding employer accounts with credit balances.

**(e) Safety rebates**

(\$ thousands)

	2020	2019
<b>Safety rebates payable, beginning of year</b>	\$ 79,112	\$ 71,190
Payment of prior years' rebates	(73,212)	(66,514)
	5,900	4,676
Adjustment of prior years' accruals	(2,215)	(1,655)
Outstanding balance from prior years	3,685	3,021
Rebates for the year – Note 16	71,158	76,091
<b>Safety rebates payable, end of year</b>	<u>\$ 74,843</u>	<u>\$ 79,112</u>

Safety rebates represent amounts recognized under the PIR program. See Note 16 *Premium Revenue* for further details of the PIR program.

**(f) Injury reduction**

(\$ thousands)

Occupational Health and Safety  
Industry safety associations

	2020		2019
\$	45,981	\$	48,258
	22,633		24,857
\$	68,614	\$	73,115

Injury reduction is composed of statutory funding of Occupational Health and Safety and voluntary premium levies to fund industry-sponsored safety associations.

**21 COVID 19 PANDEMIC**

On March 11, 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. WCB continues to monitor and actively manage the developing impacts from COVID-19, including but not limited to, premium revenues, claim benefit expenses and volatility of the investment portfolio. Liquidity continues to be managed to meet regular operating cash requirements. The impact of the pandemic, including from premium deferral measures by the Government of Alberta and on critical judgements and accounting estimates, are discussed in the notes to the consolidated financial statements, particularly Note 4 *Funding*, Note 13 *Claims Benefit Liabilities* and Note 16 *Premium Revenue*.

## Annual Report Extracts and Other Statutory Reports

### Statutes of Alberta Chapter P-39.5 – *Public Interest Disclosure (Whistleblower Protection) Act*

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* requires the chief officer of a department to report annually on all disclosures made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible. This constitutes the annual report of the chief officer of the department covering the period of April 1, 2020 to March 31, 2021. There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for the ministry.