

GOVERNMENT OF ALBERTA

Annual Report

Labour and Immigration

2021-2022

Ministry of Labour and Immigration, Government of Alberta | Labour and Immigration 2021–2022
Annual Report

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Note to Readers: Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca.

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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 Budget 2021 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Labour and Immigration contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, 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.

Each Ministry annual report should be considered along with the Government of Alberta annual report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2022, 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, 2022 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Kaycee Madu, QC
Minister of Labour and Immigration

Message from the Minister



I am pleased to present this annual report on the activities and financial results of the Ministry of Labour and Immigration for the fiscal year 2021-22.

Albertans have come through the challenging second year of the COVID-19 pandemic and are now taking steps to return to their normal lives. Labour and Immigration has continued to support Albertans during the past year – making sure they could continue to earn a living while safeguarding their own health, and the health of their colleagues and loved ones. We maintained a focus on helping employers safely stay in business during the pandemic while tending to the long-term vision of preparing for the workplace of the future.

In response to the pandemic's unprecedented disruption, we launched Alberta Jobs Now, the single largest jobs training program in Alberta's history. From its start in the summer of 2021, Alberta Jobs Now has committed \$152.5 million to support more than 12,600 new hires from more than 3,300 employers. We also expanded the Canada-Alberta Job Grant's eligibility, making an additional \$18 million available to serve Alberta businesses in a time of need. To further support Albertans' health and safety during the pandemic, we passed the *Employment Standards (COVID-19 Vaccination Leave) Amendment Act*, to allow all provincially-regulated employees three hours of paid, job-protected leave for each dose they received of the COVID-19 vaccine.

As Alberta's economy began to rebound, we focused on Alberta's Recovery Plan: to build, to diversify, and to create jobs. We also took new steps to promote Alberta's advantages and benefits as a place to work and raise a family. The rebranding of the Alberta Advantage Immigration Program came with new immigration streams: the Rural Renewal Stream, the Rural Entrepreneur Stream and an Accelerated Tech Pathway to permanent residency. The inaugural Premier's Summit on Fairness for Newcomers brought together immigration stakeholders and regulatory bodies from across Alberta to discuss actions to support newcomer success and drive economic growth.

The government also passed Alberta's new *Labour Mobility Act*, removing barriers and creating a consistent approach to recognizing out-of-province credentials. The act will allow more highly skilled, Canadian-certified professionals to come to Alberta and get to work on making the most of their potential.

Committed to safe and healthy workplaces, the government also began work to update the Occupational Health and Safety Code – with a view to improving outcomes while empowering innovation and competitiveness, and streamlining regulatory requirements. As part of our adaptations in relation to COVID-19 in the workplace, we expedited responses to COVID-related occupational health and safety complaints.

My ministry remains committed to our government's goal of reducing red tape by one-third by 2023, to strengthen our competitive advantage and make Alberta the most attractive destination for investment and job creation in North America. A standout example in the past year saw us streamline and combine program standards for the Certificate of Recognition program – to eliminate redundant and obsolete program requirements. The impact is impressive: a 22.6 per cent reduction in the program's requirements in this fiscal year alone.

As we take hopeful steps forward from the unparalleled events of the past two years, our support for Alberta's job creators and workers will keep pace. Our journey from this time of trial will demand patience, diligence and no small amount of confidence – qualities that Albertans, fortunately, never lack. The future of work in Alberta – one of diverse, rewarding opportunities for all – is an exciting destination. We are on our way.

[Original signed by]

Honourable Kaycee Madu, QC
Minister of Labour and Immigration

Message from the Associate Minister



On July 8, 2021, I was appointed as Associate Minister of Immigration and Multiculturalism. It has been my privilege to begin learning from Alberta's diverse cultural communities, and to start planning initiatives to celebrate our multiculturalism and combat racism.

In my role as Associate Minister, I attend many cultural events and celebrations where I have opportunities to learn about the history and traditions of the cultural groups who have made a home in Alberta, through listening to the experiences and perspectives of individuals. Alberta's cultural diversity is a key part of what makes our province a great place to live, and I regularly encourage Albertans to share their own cultural practices and to learn about the cultures of their neighbours.

Part of advancing diversity and multiculturalism in Alberta means making sure Alberta is an attractive and welcoming place for newcomers. The inaugural Premier's Summit on Fairness for Newcomers was an opportunity to have discussions with immigrants and the organizations that support them as government develops and implements plans for immigration and newcomer supports. Two new rural immigration streams under the Alberta Advantage Immigration Program were introduced at the Premier's Summit to revitalize rural Alberta and welcome job-creating immigrants to local communities. In December 2021, Labour and Immigration launched the Alberta Immigrant Mentorship Innovation grant to support immigrants in using their professional skills and contributing to the economy.

To help make Alberta a place where everyone feels welcome and free to pursue their dreams, Labour and Immigration has taken the leading role on government's anti-racism work. The Alberta Anti-Racism Advisory Council continues to meet regularly to provide advice to government on efforts to combat racism and promote more inclusive and accepting communities across Alberta. Government has important work already underway across a number of different ministries to address issues the council has raised, and is preparing a comprehensive and strategic approach for combating racism and ensuring Albertans have access to information, resources, services and opportunities.

As Alberta moves into a time of increasing optimism and economic growth, Alberta's government will continue working to make sure we are also making progress toward a society rich in cultural diversity and accepting of everyone.

[Original signed by]

Honourable Muhammad Yaseen
Associate Minister of Immigration and Multiculturalism

Management's Responsibility for Reporting

The Ministry of Labour and Immigration includes:

- The Department of Labour and Immigration;
- Workers' Compensation Board – Alberta;
- Alberta Anti-Racism Advisory Council;
- Alberta Labour Relations Board; and
- Appeals Commission for Alberta Workers' Compensation.

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 2021-24 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:

- **Reliable** – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- **Understandable** – the performance measure methodologies and results are presented clearly.
- **Comparable** – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- **Complete** – outcomes, performance measures and related targets match those included in the ministry's *Budget 2021*.

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, 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, 2022

Results Analysis

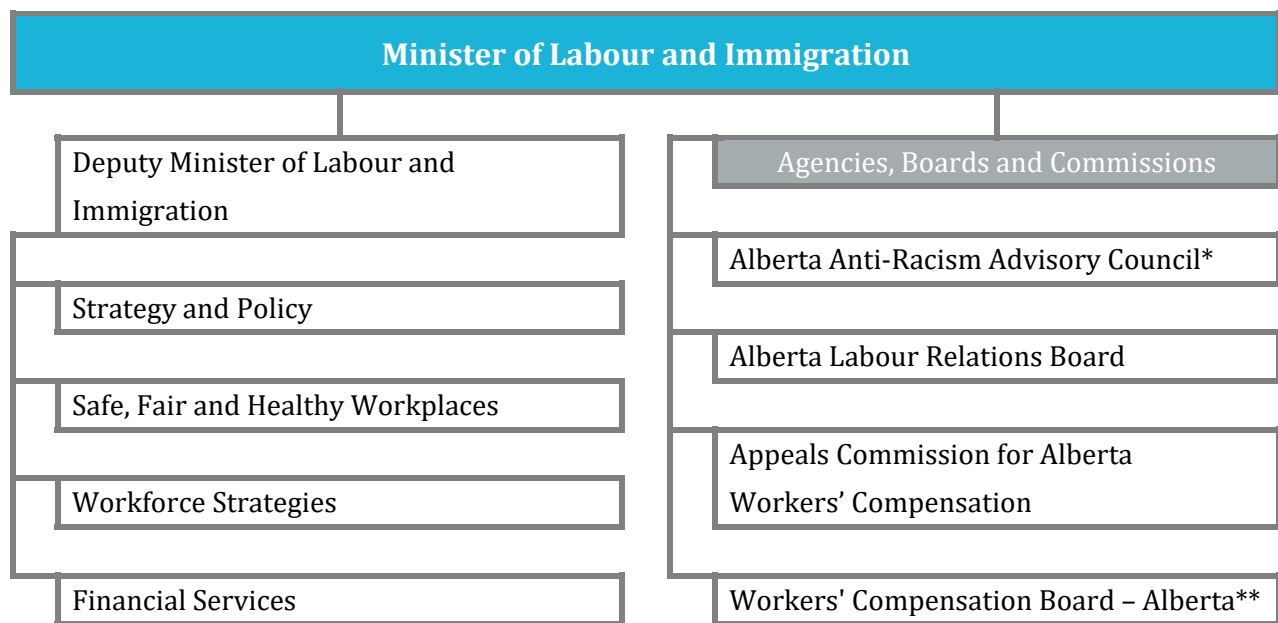
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Ministry Overview

Organizational Chart

The Ministry of Labour and Immigration supports a strong and diversified economy by collaborating with workers, job creators, and stakeholders to develop a resilient and diversified workforce, promote safe, fair and healthy workplaces and attract skilled workers and entrepreneurs from across Canada and the world to Alberta. The ministry’s agencies, boards and commissions support the fair resolution of disputes among work site parties; a sustainable workers’ compensation system through delivery of independent adjudication services; and provide advice to government on efforts to combat racism and promote more inclusive and accepting communities across Alberta.



* In July 2021, responsibility for the multiculturalism portfolio and Alberta Anti-Racism Advisory Council (AARAC) transferred from the Ministry of Culture and Status of Women to Labour and Immigration, under the leadership of the Associate Minister of Multiculturalism and Immigration.

** 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, programs, 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 division 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 OHS legislation using risk-based approaches, and responding to complaints, incidents and injuries. In addition, the division has established 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. The division also leads Alberta's multiculturalism and anti-racism initiatives.

Financial Services

The Financial Services division 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.

Agencies, Boards and Commissions

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

Alberta Anti-Racism Advisory Council

The Alberta Anti-Racism Advisory Council provides advice on efforts to combat racism and promote more inclusive and accepting communities across Alberta. The council consists of up to 24 people who represent Alberta's diverse communities. The council provides advice on ways to remove systemic barriers to accessing government programs and services; remove language barriers in accessing information; educate and inform Albertans to encourage acceptance and prevent future racism; connect with law enforcement agencies and communities to raise awareness and assist local collaboration across Alberta; and identify strategies to combat racism.

Alberta Labour Relations Board

The Alberta Labour Relations Board is an independent and impartial tribunal responsible for the day-to-day interpretation and application 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.

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/Recovery Plan:

During the year, Labour and Immigration devoted significant resources to respond to the COVID-19 pandemic. These efforts supported Albertans, 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 can be found below. More details related to these COVID-19 response initiatives can be found throughout this annual report.

- Distributed \$63.6 million to over 49,000 eligible private sector workers through Phase 2 of the Critical Worker Benefit program to recognize their hard work to provide Albertans with care and critical services needed during the second wave of the COVID-19 pandemic. (See page 21.)
- Launched the Alberta Jobs Now Program, the single largest jobs training program in Alberta's history, to help get Albertans back to work. A total of \$152.5 million was committed to support 12,678 new hires from 4,257 applications from 3,367 employers. (See page 20.)
- Connected recently laid off Albertans to programs and services to help them gain new employment through the Targeting, Referral and Feedback service. Program interest was high due to the impacts of the COVID-19 pandemic. (See page 25.)
- Provided a \$1.0 million grant to ARETE Safety and Protection Inc. to provide Alberta's frontline workers with access to safety training in relation to government's Restrictions Exemption Program. (See page 23.)
- Expanded Canada-Alberta Job Grant program eligibility to serve more Alberta businesses, which resulted in the allocation of an additional \$18 million to support increased program demand. Approximately \$31.3 million in funding supported 11,812 applications, resulting in 11,991 Albertans being approved for training. (See page 22.)
- Unanimously passed the *Employment Standards (COVID-19 Vaccination Leave) Amendment Act, 2021* to allow all provincially-regulated employees access to three hours paid, job-protected leave to get each dose of the COVID-19 vaccine, without fear of penalty, loss of pay or reprisal. (See page 30.)
- Expedited responses to occupational health and safety complaints related to COVID-19, continued to adapt processes due to the changing COVID-19 situation and conducted 3,639 inspections, 830 re-inspections and 72 reportable incident investigations related to COVID-19 in the workplace. In 2021-22, 31 per cent of OHS inspections addressed COVID-19 related concerns. (See page 47.)
- Specific OHS initiatives in response to COVID-19 included:
 - development of a multiagency response to outbreaks;
 - development of a K-6 school inspection program and child care inspection program;
 - World Juniors Hockey event inspections;
 - re-entry plan initiatives to support Alberta open for business; and
 - Occupational Health and Safety officers responded to workplaces that experienced outbreaks. (See page 47.)
- Developed one new resource and updated 22 COVID-19 specific information resources and produced one special edition of OHS eNews to support stakeholders with changing requirements. (See page 47.)

- The Certificate of Recognition program implemented temporary measures to allow Certificate of Recognition holders to conduct audits remotely during the pandemic. This reduced on-site contacts, supported public health measures, and ensured employers could maintain their Certificates of Recognition to be eligible to bid on work. (See page 53.)
- The Alberta Labour Relations Board continued to hold its hearings presumptively online, unless the Board otherwise directed that a hearing proceed in person. (See page 67.)

During the 2021-22 fiscal year, Labour and Immigration completed a review and assessment of the Emergency Isolation Support program. The program's primary objective of supporting Albertans in financial need in a quick and efficient manner, while limiting the spread of COVID-19, was achieved. Based on this work, the department has concluded that it will not be conducting further post-payment verification activities, and will not be pursuing the recovery of ineligible payments to recipients.

Red Tape Reduction:

The Ministry of Labour and Immigration continues to remove regulatory barriers and reduce costs for Alberta's job creators, modernize our regulatory systems, and improve the delivery of government services while ensuring effective regulatory oversight over vital consumer, environmental, health and safety protections, and fiscal accountability. The Government of Alberta's ongoing commitment to reduce red tape by one third by 2023 is helping to make the province the most attractive destination for investment and job creation in North America, while strengthening Alberta's competitive advantage.

The ministry has reduced regulatory requirements by 16.9 per cent since the red tape reduction initiative began in May 2019. In 2021-22, the department reduced 1,812 net regulatory requirements and the ministry's agencies, boards and commissions reduced net regulatory requirements by 610.

Specific information on the ministry's red tape reduction efforts in 2021-22 can be found under key objective 3.1 and performance measure 3.a. of this annual report.

Business Plan Outcomes:

In addition to supporting Albertans and job creators through the COVID-19 pandemic, in 2021-22, the ministry supported the achievement of the following outcomes in its 2021-24 Business Plan:

1. Albertans get back to work through job creation and supporting skills and resilience
2. Albertans are safe at work and treated fairly in the workplace
3. Efficient and effective program delivery and labour laws support workers and reduce regulatory burden on job creators

Key Highlights and Results:

Outcome 1: Albertans get back to work through job creation and supporting skills and resilience

- Launched the Alberta Jobs Now Program, committing \$152.5 million to support 12,678 new hires from 4,257 applications from 3,367 employers. (See page 20.)
- Expanded Canada-Alberta Job Grant program eligibility to serve more Alberta businesses, which resulted in the allocation of an additional \$18 million to support increased program demand. Approximately \$31.3 million in funding supported 11,812 applications, resulting in 11,991 Albertans being approved for training. (See page 22.)
- Rebranded the Alberta Advantage Immigration Program (AAIP) to help promote Alberta's reputation and benefits as an attractive place when choosing where to work and raise a family and launched two new program streams focused on revitalizing rural communities, as well as an Accelerated Tech Pathway to permanent residency. (See pages 35-37.)
- Unanimously passed the *Employment Standards (COVID-19 Vaccination Leave) Amendment Act, 2021* to allow all provincially-regulated employees access to three hours paid, job-protected leave to get each dose of the COVID-19 vaccine, without fear of penalty, loss of pay or reprisal. (See page 30.)
- Passed Alberta's new *Labour Mobility Act* to help highly skilled Canadian certified professional workers easily and quickly get to work in Alberta by removing barriers and creating a consistent approach to recognizing out-of-province credentials. (See page 31.)

Outcome 2: Albertans are safe at work and treated fairly in the workplace

- Reviewed the Occupational Health and Safety Code to improve health and safety outcomes while enabling innovation, competitiveness and streamlining regulatory requirements. Changes to part 13 and part 20 of the code took effect on December 1, 2021. (See page 44.)
- Expedited responses to occupational health and safety complaints related to COVID-19, continued to adapt processes due to the changing COVID-19 situation and conducted 3,639 inspections, 830 re-inspections and 72 reportable incident investigations related to COVID-19 in the workplace. (See page 47.)
- Reduced red tape for the Certificate of Recognition (COR) program by streamlining and combining program standards and eliminating redundant and obsolete program requirements, representing a 22.6 per cent reduction in requirements for the program in this fiscal year alone. (See page 53.)
- Completed 95 per cent of the 3,119 employment standards complaints received within 180 days from the date the complaint was received and significantly reduced the average days to begin an employment standards investigation to an average of 12 days. (See page 54.)

Outcome 3: Efficient and effective program delivery and labour laws support workers and reduce regulatory burden on job creators

- Reduced regulatory requirements by 16.9 per cent since the red tape reduction initiative began in May 2019. (See pages 62-65 and page 70.)
- 767 hearings conducted by the Alberta Labour Relations Board for labour relations matters and appeals under employment standards and occupational health and safety legislation. (See page 66.)
- Received 517 appeals to the Appeals Commission for Alberta Workers' Compensation for independent, impartial and fair assessment where employers and workers disagreed with decisions from the WCB. (See page 68.)

Financial Highlights:

In 2021-22, ministry consolidated expense was \$415.3 million, \$209.6 million lower than 2020-21 and \$84.9 million higher than budgeted.

- \$271.9 million for Workforce Strategies, including \$152.5 million for the Alberta Jobs Now Program helping over 12,600 new hires from over 3,300 employers; \$31.3 million for the Canada-Alberta Job Grant resulting in more than 11,900 Albertans approved for training; \$25.9 million for Training for Work which served almost 4,000 Albertans, and \$7.3 million for the Alberta Settlement and Integration program.
- \$41.1 million for the occupational health and safety program. Approximately 11,800 inspections and 3,800 re-inspections were conducted and over 8,400 OHS orders issued.
- \$11.6 million for the employment standards program. 95 per cent of the approximately 3,200 complaints received were completed within 180 days.
- \$15.9 million for the Appeals Commission for Alberta Workers' Compensation. 517 appeals were received and the average number of days from the hearing to the decision issued date was 31.
- \$3.4 million for the Alberta Labour Relations Board. The Board received 709 applications and conducted 767 hearings during the year.

In 2021-22, ministry revenue was \$293.0 million, \$167.1 million higher than 2020-21 and \$36.8 million higher than budgeted.

Further details related to the results of the ministry in 2021-22 can be found in the analysis below.

Discussion and Analysis of Results

Outcome One: Albertans get back to work through job creation and supporting skills and resilience

Labour and Immigration works to support unemployed and underemployed Albertans by providing training and re-training programs that help them find and keep a job. The ministry also works to create an environment for job creators to hire and train Albertans into jobs. The ministry develops and aligns evidence-based policies and programs to influence and adjust training to ensure workers have the skills and knowledge required to support Alberta's economy in both the short and long-term.

New Albertans bring an entrepreneurial drive to start new businesses and skills that help employers address labour shortages and help to create new jobs. The Alberta Advantage Immigration Strategy is a flexible new strategy to attract and support skilled newcomers. With global skills and talent, these international entrepreneurs and skilled professionals will help diversify the provincial economy and create jobs. The ministry also delivers programs and services to help newcomers settle and integrate in order to contribute to Alberta's economy, including pre-arrival settlement services, offering skills upgrading to underemployed foreign professionals and providing access to bridge financing for certification exams. In addition, the ministry assesses foreign credentials received outside of Canada through the International Qualifications Assessment Service.

The ministry is focused on implementing legislative changes to enable employers to remain competitive, while maintaining protections for workers. The ministry works and advocates for increased labour mobility of workers in regulated occupations across Canada to help address labour market challenges and maintain a strong, open economy.

Key results and highlights during 2021-22 include:

- launched the Alberta Jobs Now Program, committing \$152.5 million to support 12,678 new hires from 4,257 applications from 3,367 employers;
- expanded Canada-Alberta Job Grant program eligibility criteria to serve more Alberta businesses, which resulted in the allocation of an additional \$18 million to support increased program demand. Approximately \$31.3 million in funding supported 11,812 applications, resulting in 11,991 Albertans being approved for training;

- rebranded the Alberta Advantage Immigration Program (AAIP) to help promote Alberta's reputation and benefits as an attractive place when choosing where to work and raise a family and launched two new program streams focused on revitalizing rural communities, as well as an Accelerated Tech Pathway to permanent residency;
- unanimously passed the *Employment Standards (COVID-19 Vaccination Leave) Amendment Act, 2021* to allow all provincially-regulated employees access to three hours paid, job-protected leave to get each dose of the COVID-19 vaccine, without fear of penalty, loss of pay or reprisal; and
- passed Alberta's new *Labour Mobility Act* to help highly skilled Canadian certified professional workers easily and quickly get to work in Alberta by removing barriers and creating a consistent approach to recognizing out-of-province credentials.

Multiculturalism in Alberta

In July 2021, responsibility for the multiculturalism portfolio and Alberta Anti-Racism Advisory Council transferred from the Ministry of Culture and Status of Women to Labour and Immigration, under the leadership of Associate Minister Yaseen. Since assuming responsibility for the portfolio, the ministry has continued to engage with Alberta's diverse communities, places of worship, and businesses led by racialized Albertans to inform future government action and hear directly from Alberta's cultural organizations. Government continues to seek and receive advice from the Alberta Anti-Racism Advisory Council members.

Support for Ukraine

On February 24, 2022, Russia launched a full-scale invasion of Ukraine, creating a global humanitarian crisis. Individuals displaced from Ukraine began arriving on a three-year temporary residency visa and open work permit under a new federal temporary residency pathway (Canada-Ukraine Authorization for Emergency Travel or CUAET). Alberta's government acknowledged it will do what is necessary to accommodate Ukrainians who are fleeing their country and initiated efforts, led by Labour and Immigration, for multiple departments to coordinate a provincial approach to Ukrainian arrivals and enable access to the supports and services they may require.

Key Objectives

1.1 Support Albertans to get back to work through the Alberta Jobs Now Program by training new workers and reducing job creators' cost to hire.

Alberta Jobs Now Program

In May 2021, Labour and Immigration launched the Alberta Jobs Now program, the single largest jobs training program in Alberta's history. Demand for the program was significant, with 2,501 applications during the first intake (May 20, 2021 to July 23, 2021) and 2,843 applications during the second intake (November 10, 2021 to December 17, 2021.)

Under the program, employers can apply for a grant equal to 25 per cent of the new hire's salary up to \$25,000 per employee, whichever is less. Employers hiring a person with disabilities can apply for a grant up to 37.5 per cent of the new hire's salary up to \$37,500 per employee, whichever is less.

Approximately \$152.5 million out of the budget of \$263 million was committed to support 12,678 new hires from 4,257 applications from 3,367 employers. Funding for the Alberta Jobs Now Program was provided through the Canada-Alberta Workforce Development Agreement. Changes were made to the program design for the second intake to support increased employer use, be more inclusive of new employers and spread funding to more employers to support broad economic recovery. Ministry staff continued to work with industry partners to increase awareness about the program's accessibility and benefits of hiring persons with disabilities.

The Alberta Jobs Now Program encouraged employers to hire and train new staff to gain current and updated skills. Recent labour market developments reinforce the need to address the mismatch in skills demand and supply in the province. Employers indicated that, as vacancies rose, they struggled to fill certain vacancies and to retain workers. Changes to the program for the second intake helped employers with flexibility in hours, opening the program to new Alberta businesses and organizations, and supporting the hiring of workers into part-time positions to make it more inclusive and accessible for all Albertans. While the program remained focused on supporting the hiring of unemployed Albertans, employers were also able to fill available positions with employed Albertans if there was a business need.

The third intake launched in June 2022.

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

Key Priority Two:
Protecting Livelihoods

Objective One:
Building on our province's strengths by growing key and emerging sectors, and ensuring pipeline access

In May 2021, the Alberta Jobs Now Program was launched, the single largest jobs training program in Alberta's history. The program is funded through the Canada-Alberta Workforce Development Agreement.

Alberta Jobs Now Program	
	2021-22
Applications received	6,344
Applications approved	6,055
Applications active at year end	4,257
Unique employers	3,367
New Hires	12,678
Funds committed	\$152.5 million

1.2 Deliver responsive workplace training and employment programs for unemployed and underemployed Albertans that support job creators in developing and retaining a skilled and diverse workforce and getting 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 program was launched in two phases. The Government of Alberta allocated \$466 million in funding for the benefit program with \$244.4 million of that amount allocated to Labour and Immigration for distribution to private sector workers.

Phase 1 of the program was delivered between February 17 and March 19, 2021. During Phase 1, Labour and Immigration approved 5,853 employer applications, distributing \$121.3 million to 93,959 private sector workers. Additional funds were distributed through other ministries, including Health, Education, Children's Services, Community and Social Services and Seniors and Housing. The benefit was distributed to workers in health care, social services, education and the private sector who delivered critical basic services to Albertans or supported food and medical supply chains.

Phase 2 of the program was delivered from June 22 to September 17, 2021. During Phase 2, Labour and Immigration approved 5,133 employer applications, distributing \$63.6 million to 49,404 private sector workers. The benefit was distributed to select private sector workers who supported the delivery of critical services to Albertans in response to the COVID-19 pandemic, including: security guards, cleaners, taxi and limousine drivers, as well as eligible workers in crop production, animal production or aquaculture, funeral homes, cemeteries and crematoria, full-service restaurants and limited services eating places, and workers in select occupations in truck transportation. Additional funds were distributed through other ministries, including Children's Services, Community and Social Services and Seniors and Housing.

Over the course of phases one and two, partner ministries worked to carefully deliver a program that allowed the government to recognize as many eligible workers as possible. Across all ministries, a total of approximately \$432 million was distributed to eligible workers out of the total funding allocation of \$466 million. While Labour and Immigration implemented public communication activities and targeted outreach to employers and industry associations to encourage program uptake, the number of eligible workers across all eligible sectors was ultimately lower than the best estimates available to partner ministries. The Critical Worker Benefit program was funded by both the federal and provincial government with approximately \$322 million in federal and \$110 million in provincial funding being spent in all.

Labour Market Transfer Agreements

Labour Market Transfer Agreements 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 Labour Market Transfer Agreements in place: the Canada-Alberta Labour Market Development Agreement and the Canada-Alberta Workforce Development Agreement. The agreements provide flexibility related to eligible clients and focus on stable employment as the primary outcome.

Skills 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.

Labour Market Development Agreement and Workforce Development Agreement funding supports programs and services delivered by the ministries of Advanced Education, Community and Social Services, Indigenous Relations, Labour and Immigration and Transportation. Labour and Immigration programs include, but are not limited to, the Alberta Jobs Now Program, the Canada-Alberta Job Grant, Training for Work (Workplace Training, Immigrant Bridging, Self-Employment, Transition to Employment Services, and Integrated Training), and the Alberta Settlement and Integration Program.

Canada-Alberta Job Grant

The Canada-Alberta Job Grant 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. An example of training that may be covered under the grant is a 10-hour software skills training course and an 18-hour project management course for one trainee, totalling 28 hours of training and taken within two months of being approved.

Canada-Alberta Job Grant

	2020-21	2021-22
Applications received	6,404	11,812
Applications approved	5,031	9,024
Albertans approved for training ¹	6,902	11,991
Funds committed	\$14.4M	\$31.3M
Unique employers	2,023	3,271

¹ An individual Albertan may have participated in more than one training course.

Employers in all areas of the province and across all industries such as oil and gas, construction, manufacturing and technical services can apply for the Canada-Alberta Job Grant.

In 2021-22, the Canada-Alberta Job Grant saw increased uptake. This was attributed to post-pandemic economic recovery needs and program eligibility changes implemented in February 2021. An additional \$18 million was allocated to the program during the year to support increased program demand. Approximately \$31.3 million in funding supported 11,812 applications, resulting in 11,991 Albertans being approved for training. Funding for the program is provided by the federal government.

In 2021-22, payments were processed within an average 71 business days compared to 64 days in 2020-21 – meaning employers waited longer to receive funds; however, over 5,500 payments (approximately \$16.3 million) were processed in 2021-22, compared to 3,700 payments in 2020-21 (approximately \$11.4 million.)

Training for Work Programs for unemployed or underemployed Albertans

Training for Work programs provide training opportunities to help Albertans gain skills in order to find work; improve their employment situation and/or increase their ability to cope with changing labour market conditions. There are five streams under Training for Work, including: Workplace Training, Immigrant Bridging, Self-Employment, Transition to Employment Services, and Integrated Training.

In 2021-22, as part of Alberta's Recovery Plan, specific programs supported the labour market participation of youth (age 18-24), older workers (age 40+), newcomers, women and skilled professionals. New training and employment programs were added in Red Deer, Calgary, Edmonton, Lethbridge, Brooks and Medicine Hat. These programs aimed to provide unemployed Albertans with the training and skills they need to obtain jobs within the supply chain, agriculture, tech, construction, and business sectors.

Offering a hybrid approach to Training for Work programming support – combining both classroom and on-line options for participants – allowed for services to continue during the pandemic and promoted increased client participation in programming. For 2022-23, most programs will return to in-person delivery, but three new Transition to Employment Services programs will deliver services on-line, allowing eligible participants residing in any location across Alberta to attend.

Training for Work programs invested \$25.9 million in over 55 urban and rural communities across Alberta. In total, 71 contracted training and employment programs were offered.

In 2021-22, almost 4,000 unemployed or underemployed Albertans accessed training for work programs compared to almost 3,800 the previous year. Over 75 per cent of participants were employed or in further training or education 90 days after training, compared to 67 per cent in the previous year.

Program success is impacted by the engagement of individuals, business and industry, training providers, communities, and other levels of government. Training for Work programs measure employment outcomes through established program performance evaluation criteria to satisfy both provincial requirements as well as federal requirements as part of the Labour Market Transfer Agreements.

Providing frontline workers with training in relation to government's Restrictions Exemption Program

In 2021-22, Labour and Immigration provided a \$1.0 million grant to ARETE Safety and Protection Inc., under the labour market partnerships program, to provide Alberta's frontline workers with access to safety training in relation to government's Restrictions Exemption Program. During the first four months of the program, more than 4,500 employees completed the training. Although the Restrictions Exemption Program has ended, the training provides valuable skills and strategies applicable to challenging situations that may arise during regular business operations. Training will continue to November 30, 2022.

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 and adjustments to the 'refusal to process a labour market impact assessment list' for Temporary Foreign Workers.

Labour and Immigration also regularly updates the Sector Intelligence Models for the 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 Sector Intelligence Models were put on hold. The next Short-Term Employment Forecast is expected to be finalized in July 2022. Alberta's Occupational Outlook, 2021-2030 was published in March 2022, and the Alberta Wage and Salary Survey is expected to be published in June 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 compliments the government's 10-year long-term labour forecast: Alberta's Occupational Outlook, 2021-2030.

Alberta's Occupational Outlook, 2021-2030 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.

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's third party training and 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.

Program interest in 2021-22 was high due to the impacts of the COVID-19 pandemic. In 2021-22, 13,761 clients interacted with the program, representing a 41 per cent increase from the previous year. Of the total client interactions, approximately 20 per cent indicated that they were interested in further services, which may include employment services, referral to employment programs and individual meetings, among other services. Approximately 80 per cent indicated they were not interested in further services. For those that provided a reason it was primarily because they identified as not needing help or had found another job or returned to previous employment.

Targeting, Referral and Feedback Service

	2020-21	2021-22
Number of clients	9,736	13,761
Number of clients interested in further services	2,075 (21%)	2,795 (20%)
Number of clients not interested in further services	7,661 (79%)	10,966 (80%)
Number of service providers	28	33
Participating municipalities	275	318

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 and referrals to help affected workers find and retrain for alternate employment or transition to retirement.

Workforce Adjustment Committees develop a plan and provide tailored strategies to meet the unique needs of the impacted workers. In 2021-22, there were three active Workforce Adjustment Committees (versus five in 2020-21), representing approximately 291 workers (1,306 in 2020-21) that 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 impacted by the government decision to 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 2021-22, the program provided \$10.9 million in financial support for employees affected by the phase-out of coal-fired electricity generation (\$9.9 million in 2020-21). The amount distributed each year varies depending on the upcoming plans for closures and conversions and the associated workforce impacts. In the past year, 97 Albertans received a Bridge to Reemployment grant (compared to 76 in 2020-21), while 77 Bridge to Retirement grants were issued (compared to 63 in 2020-21). No relocation grants were issued in 2020-21 or 2021-22.

Workforce Partnership Program grants

Workforce Partnerships Program grants 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 2021-22, 37 Workforce Partnerships Program grants (26 in 2020-21), totaling over \$4 million (\$3.9 million in 2020-21) supported Alberta's economic recovery through a variety of industry and community driven initiatives.

Projects 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 in 2021-22 included:

- Electricity Human Resources Canada was provided \$98,800 for the Peer Learning Hub. This project addressed an issue identified during the implementation of their Illuminate Opportunity project in 2020, which provided human resource tools and resources to support a diverse workforce. Human resource practitioners suggested that a community of practice should be developed, where they could share experiences and resources to assist in the creation of a supportive and diverse workforce. The Peer Learning Hub creates an online community of practice for human resource practitioners to build industry and employer capacity to increase and enhance workforce participation of newcomers, youth, Indigenous peoples, women, mature workers, and people living with a disability. The project will be completed by September 2023.
- Edmonton Flying Club was provided a \$100,000 grant for the Pilot Pipeline project. Alberta is home to three international airports and 420 registered business aircraft. Prior to the pandemic, the aviation industry faced significant commercial pilot shortages that have worsened due to COVID-19. Over the course of 18 months, Edmonton Flying Club and its eight industry partners will work to streamline pilot training to create a pipeline of career-ready pilots to meet the hiring needs of industry, enabling not only the sector's recovery, but supporting its growth as a key economic driver. The project will be completed by April 2023.
- The Special Areas Board was provided \$25,000 for their Workforce Development Strategy project which covers the communities of Veteran, Consort, Oyen, Acadia Valley, Empress and Special Areas 3 and 4. This project includes an analysis of the region's labour supply and demand, a skills inventory, best practices for workforce development and a corresponding action plan and recommendations.
- The Fort McMurray Chamber of Commerce was provided \$37,500 for a 2022 Job Fair series in Wood Buffalo. This project will provide four job fair events, with both virtual and in-person formats to share opportunities locally and outside the region. The job fairs will support local employers to address current labour shortages, promote labour market needs and recruit employees in and to the region.

Partnership grant timelines may cross fiscal years as recipients are allowed up to 24 months for completion of the grant project.

First Nations Training to Employment and Aboriginal Training to Employment

The First Nations Training to Employment Program and Aboriginal Training to Employment Program fund Indigenous-led training and work experience projects helping unemployed or underemployed Indigenous people gain the necessary training, skills and experience to be successful in the workplace and maintain long-term employment.

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

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, Métis Settlements, and Indigenous employers. In 2020-21, Labour and Immigration provided funding for 22 First Nations Training to Employment Program and five Aboriginal Training to Employment Program projects. Grant recipients collaborated with 126 other partners, such as industry associations, government, employers, training institutions and other Indigenous communities. Projects ending in 2021-22 have successfully graduated 416 out of 594 participants.

On April 1, 2022 the FNTEP and ATEP programs were combined into one program, the Indigenous Training Partnership.

Examples of funded projects in 2021-22 are outlined below.

- An Aboriginal Training to Employment Program partnership with the Métis Nation of Alberta Association-Region 1, the Mobile Pipeline Construction Labour Training Program began with 10 participants from the Lac La Biche region. The program prepares trainees for entry-level positions in the pipeline construction industry. The program is well-supported through a partnership with the Métis Nation of Alberta Association-Region 1, Rupertsland Institute, the Alberta Labourers' Training Trust Fund (as the trainer), Local 92 and pipeline construction employers in the local area, including AECON, Worley, Waschuk Pipeline and Fort McKay Group of Companies. This program is in progress with outcomes expected in summer 2022.
- A First Nations Training to Employment Program partnership with Alexis Nakota Sioux Nation delivered the Log Home Building Skills project. The program provided Indigenous participants with the skills needed to build four new log homes to various stages of completion in the community. Industry partners Weyerhaeuser and West Fraser Mills donated the logs for this project. This project linked 11 graduates to a range of post training employment opportunities in and around the community. The nation is continuing to further explore the potential to create a new custom log home building business.

Alberta-Blackfoot Confederacy Protocol Agreement

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 feasibility of a Blackfoot Confederacy Business Association is also being explored.

A new work plan was drafted and signed by Blackfoot Confederacy Chiefs and the Minister of Labour and Immigration on February 18, 2022. The work plan content was led by Blackfoot Confederacy members and developed in partnership with government. The work plan reflects the needs and priorities of the community.

Miyo Pimatisiwin – Indigenous Knowledge Mobilization Project

Miyo Pimatisiwin, an Indigenous Knowledge Mobilization project, developed a comprehensive set of resources to facilitate knowledge by Indigenous employment and training agencies that serve Indigenous clients. The toolkit includes materials for either in-person or virtual delivery of relevant OHS information for workers and employers.

Step-by-step speaking notes cover off the rights and responsibilities of worksite parties, reporting OHS incidents to employers, supports for workers beyond the workplace and example activities that embed Indigenous teachings to incorporate a story telling approach to the content. Release of the toolkit is expected in summer 2022.

1.3 Ensure labour legislation, regulation, programs and policies are responsive to meet the needs of job creators to enable economic recovery while minimizing regulatory burden and protecting workers' rights.

Employment Standards (COVID-19 Vaccination Leave) Amendment Act, 2021

The *Employment Standards (COVID-19 Vaccination Leave) Amendment Act, 2021* took effect on April 21, 2021. The act amended the *Employment Standards Code* to allow all provincially-regulated employees access to three hours paid, job-protected leave to get each dose of the COVID-19 vaccine, without fear of penalty, loss of pay or reprisal.

Restoring Balance in Alberta's Workplace Act, 2020

As part of the *Restoring Balance in Alberta's Workplaces Act, 2020*, changes for employees paying union dues came into effect on February 1, 2022. Dues payers can choose to opt in to pay the portion of their union dues that go towards political activities, social causes, charities, non-governmental organizations, or organizations supportive of a political party. Dues payers will continue to pay dues for core activities under Alberta's labour relations legislation or those that directly benefit dues payers in the workplace. Unions have until July 31, 2022 to provide employees with an opportunity to choose whether to pay non-core dues.

As of August 1, 2022, unions must provide financial statements to their members as soon as possible following the end of the union's fiscal year. The ministry developed the Election of Union Dues Regulation and the Financial Disclosure Regulation to provide additional guidance to stakeholders in applying the new requirements.

Single Site Order – COVID-19

On February 16, 2022, the Single Site Order, restricting staff from working across multiple long-term care and designated supportive living facilities was rescinded. Labour and Immigration amended the *Labour Relations Code* in December 2021 to assist in facilitating the return of employees to multiple worksites.

Occupational Health and Safety Act

An updated *Occupational Health and Safety Act* and regulations came into effect on December 1, 2021. The new act eliminates duplication and simplifies language to make OHS laws easier to understand and follow, resulting in healthier and safer workplaces and supporting investment attraction and job creation. Workers continue to have the same rights and protections under the revised OHS laws. Changes were also made to the Occupational Health and Safety Code that simplified health and safety committee requirements, added flexibility on committee training and consolidated radiation requirements.

Labour Mobility Act

Alberta's new *Labour Mobility Act* received royal assent on December 2, 2021. The act allows highly skilled Canadian certified professional workers to easily and quickly get work in Alberta by removing barriers and creating a consistent approach to recognizing out-of-province credentials.

The act allows for the seamless movement of these certified professional workers to Alberta from other provinces in more than 100 regulated occupations, including optometrists, engineers and accountants. The act supports Alberta's Recovery Plan to help attract skilled workers, support economic growth and create jobs now and into the future.

1.4 Support job creators in supplementing their workforce by leveraging targeted attraction, retention and settlement strategies and implementing foreign qualification and labour mobility priorities.

International Qualification Assessment Service

International Qualification Assessment Service (IQAS) assessments support the recognition of international credentials, helping those with an international education connect to Alberta's job market and register for education programs, or with professional regulatory organizations. In 2021-22, the International Qualifications Assessment Service issued 17,993 assessment certificates, compared to 19,068 in 2020-21. This includes 4,806 assessments for newcomers in Alberta seeking jobs, professional certification or further education, representing a 1.3 per cent increase from the 4,742 certificates issued to Albertans in 2020-21.

Satisfaction of IQAS applicants			
	2019-20	2020-21	2021-22
Percentage of IQAS applicants satisfied with IQAS services ¹	88%	Not available	86%
Assessment Certificates Issued	22,516	19,068	17,993

¹ The survey is conducted bi-annually.

In support of the implementation of the *Fair Registration Practices Act* and to support efficient processes for newcomers, the International Qualifications Assessment Service maintained a 15-business day processing time for applicants who needed assessment to apply for professional licensure. Assessments for Albertans with tentative job offers are completed within five business days. Processing times for Albertan applicants were maintained at an average of six weeks and for prospective immigrant applicants at an average of 14 weeks.

During the year, the International Qualifications Assessment Service introduced new efficiencies through the use of automation, whereby a bot handles 75 per cent of client email inquiries. This has significantly improved response times, with the majority of inquiries addressed in less than 24 hours. In addition, in April 2021, the International Qualifications Assessment Service implemented an electronic application process for Albertans, removing the need to mail any documents. The program also expanded options for prospective immigrants to provide electronic applicants with secure digital transcripts.

A survey of Albertans who obtained international education and applied for International Qualifications Assessment Service assessments is conducted every two years. The survey is completed to assess satisfaction with the service and how the assessment of international education credentials supported applicants' employment, educational and professional goals. The latest survey was conducted in 2021-22 and results indicate that 86 per cent of surveyed applicants reported satisfaction with the services, compared to 88 per cent in 2019-20. Beyond overall satisfaction, 82 per cent of survey respondents indicated that International Qualifications Assessment Service application fees were reasonable (83 per cent in 2019-20) and 85 per cent stated that the service was easy to access (89 per cent in 2019-20.)

Domestic labour mobility

Reducing barriers to domestic labour mobility, to help attract skilled workers who can support economic growth and job creation for Albertans, is a key part of Alberta's Recovery Plan. In addition to the new *Labour Mobility Act*, the department works with other Canadian jurisdictions to reduce barriers and streamline recognition processes for Canadians licenced in other provinces/territories.

Alberta's 2020 Labour Mobility survey was completed and collected information from 73 professional regulatory organizations, representing more than 100 regulated occupations. Survey results show that the percentage of out-of-province certified workers applying for Alberta certification increased from 20 per cent in 2019 to 30 per cent in 2020. The average processing time for applicants to have their credentials recognized decreased by 40 per cent, from 10 business days in 2019 to six in 2020.

Alberta Advantage Immigration Strategy

The Alberta Advantage Immigration Strategy is a flexible new strategy to attract and support skilled newcomers. With global skills and talent, these international entrepreneurs and skilled professionals will help diversify the provincial economy and create jobs. The strategy focuses on economic immigration and covers the entire immigration continuum from pre-arrival to settlement. The strategy guides immigration-related policy and programs for Alberta.

Premier's Summit on Fairness for Newcomers

The Premier's Summit on Fairness for Newcomers was held to ensure Alberta's immigration approach meets the needs of newcomers and Alberta's job creators and communities. On February 16, 2022, the inaugural Premier's Summit on Fairness for Newcomers brought together immigration stakeholders from across Alberta, in-person and online, to discuss actions to support newcomer success and drive economic growth. Presentations and panel discussions highlighted important issues and challenges faced by Alberta's newcomers, such as foreign qualification recognition, labour mobility, supports for integration and settlement, and the importance of immigration to Alberta's workforce and economy. Over 370 participants from immigrant serving organizations, professional regulatory organizations, newcomers and community development organizations attended.

Immigration supports and pre-arrival services

Labour and Immigration provides pre-arrival services and immigration outreach to prospective and newly landed newcomers that complements the supports provided by the federal government. In 2021-22, immigration and newcomer clients were able to access resources and information through a variety of self-assisted channels, such as internet, portals and application services.

The Opportunity Alberta immigration website provides coordinated, streamlined and easy-to-find information for newcomers and prospective immigrants about living and working in Alberta. The ministry's foreign qualifications recognition webpage is also linked to the national Pre Arrival Partners' Portal. This national portal allows settlement organizations across Canada to direct their newcomer clients to the portal for accurate, updated and relevant information on obtaining recognition of their credentials.

The new Entrepreneur Support Service provides prompt and tailored services to prospective applicants enquiring about and/or applying for the Alberta Advantage Immigration Program entrepreneur immigration streams. This service is also responsible for coordinating targeted outreach activities to promote these new streams. In 2021-22, a total of 11 outreach sessions were conducted reaching 591 interested clients, compared to 10 outreach sessions reaching 322 interested clients in 2020-21.

This increase reflects other outreach efforts performed by Labour and Immigration to support newcomers' pre-arrival needs, which also saw an increase in the number of clients.

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

Key Priority Two:
Protecting Livelihoods

Objective Five:
Making Alberta more dynamic, innovative and sustainable

In February 2022, at the inaugural Premier's Summit on Fairness for Newcomers, two new Alberta Advantage Immigration Program streams were announced to help rural communities grow by attracting skilled newcomers: the Rural Renewal stream and the Rural Entrepreneur stream.

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. 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, and 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.
- English as a Second Language (ESL) Drop-in Centres: provides flexible English language training options for permanent residents and naturalized Canadian citizens.

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 2021-22, approximately \$2.3 million (\$4.8 million in 2020-21) in provincial funding was utilized to extend existing agreements for an additional six months to the end of the fiscal year to support newcomers' integration through settlement and language support services. This included strengthening settlement services in French provided to Francophone newcomers under the Government of Alberta's French Policy Action Plan. Approximately 6,000 newcomers were targeted to benefit from these services during the extension for a total of 12,000 newcomers served in 2021-22, the same number as in 2020-21.

In addition, approximately \$1.6 million in federal funding (\$3 million in 2020-21) helped newcomers create social networks, obtain Canadian job experience, and understand Canadian work culture to improve their labour market attachment to find jobs.

In 2021-22, approximately \$3.4 million (\$1.5 million in 2020-21) 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 issues.

In November 2021, the 2022-2024 settlement and language services call for proposals was issued. This is the first time that these services grants can provide multi-year agreement funding for fiscal years 2022-23 and 2023-24. Predictable multi-year funding, through longer grant agreements, can better support newcomers' settlement and language needs as well as organizational capacity to deliver ongoing services.

Alberta Refusal to Process Pilot Project

Alberta reached an agreement with the Government of Canada regarding the 'Refusal to Process a Labour Market Impact Assessment list'. As of April 30, 2022, the 'Refusal to Process a Labour Market Impact Assessment list' will no longer be in effect, removing limitations on the number and types of jobs that employers are able to fill by hiring temporary foreign workers. This will support sectors of Alberta's economy that are experiencing labour shortages and help employers meet their workforce needs. Alberta will monitor impacts and make adjustments to make sure the Temporary Foreign Worker Program continues to support Alberta's economy.

1.5 Support economic growth, job creation and diversification by launching new AAIP* streams to attract job-creating entrepreneurs and specialized skills and talent to support Alberta's economy.

* The Alberta Immigrant Nominee Program (AINP) was renamed the Alberta Advantage Immigration Program (AAIP) in 2021-22.

Alberta Advantage Immigration Program

On February 16, 2022, the Alberta Immigrant Nominee Program was renamed the Alberta Advantage Immigration Program to help promote Alberta's reputation and benefits as an attractive place when choosing where to work and raise a family.

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 Advantage Immigration Program 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.

Alberta Advantage Immigration Program			
	2019	2020	2021
Number of applications received ¹	7,557	5,675	6,428
Number of applications assessed ²	7,517	5,155	7,616
Number of certificates issued ³	6,002	4,000 ⁵	6,249 ⁶
Number of individuals	11,206	7,952	12,588
Number of nominees landed ⁴	6,423	4,345	n/a ⁷
Number of individuals landed ⁴	10,973	7,583	n/a ⁷
¹ 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 AAIP and the quality of applications. ² Applications are not always assessed in the same year they are received. ³ Includes certificates that were re-used and re-allocated to another nominee under a new certificate number. ⁴ 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. ⁵ In 2020, as a result of the COVID-19 pandemic, Alberta decided to use only 4,000 of the AAIP nomination certificates allocated to Alberta by the Government of Canada 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'. ⁶ At the end of the 2021 calendar year, the AAIP had issued 6,250 certificates, however in April 2022, a clerical error was identified which resulted in one certificate that was not actually issued. The error has been corrected and the individual was nominated in 2022. ⁷ The number of landed nominees and individuals is not currently available due to technical issues in receiving this information from the federal government.			

In 2021, the program issued 6,249 certificates to nominees to allow them to apply for permanent residency. Of the 6,249 nomination certificates issued, 5,059 were for newcomers already working in Alberta. An additional 1,190 nomination certificates were issued to individuals outside the province and Canada who had job offers to fill existing skilled job shortages or who have direct experience in in-demand skilled occupations. The nominee certificates issued resulted in 12,588 individuals (including the applicant, their spouse/common law partner, and dependent children) having the opportunity to apply to become permanent residents of Alberta.

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.

Due to technical issues with information received from Immigration, Refugees and Citizenship Canada, the Alberta Advantage Immigration Program does not have data for nominees landed in 2021. Most who landed in 2021 were nominated in previous years. The number of individuals who land in Alberta is not equal to the number of certificates issued as not every nominee completes the immigration process. For example, an applicant may decide not to immigrate to Canada, their immigration application may be denied by Immigration, Refugees and Citizenship Canada, or they may apply to immigrate to Canada through an alternate immigration stream.

New Alberta Advantage Immigration Program streams

In 2022, at the Premier’s Summit on Fairness for Newcomers, two new Alberta Advantage Immigration Program streams were announced to help rural communities grow by attracting skilled newcomers: the Rural Renewal Stream and the Rural Entrepreneur Stream.

In late 2021, the Alberta Advantage Immigration Program also launched the Accelerated Tech Pathway under the existing Express Entry Stream. This pathway will expedite applications for tech sector workers in specific occupations with job offers from Alberta tech sector employers. The new pathway will provide dedicated support to enable this growing sector to access the international talent it needs to thrive.

Alberta Advantage Immigration Program Applications Approved by Stream	
	2021
Alberta Opportunity	3,953
Alberta Express Entry	2,294
Rural Renewal	n/a ¹
Rural Entrepreneur	n/a ¹
Graduate Entrepreneur	0 ²
Farm	2
Foreign Graduate Entrepreneur	0 ²
¹ These streams were announced in February 2022. Information on number of applications approved will be available beginning in 2022. ² Improvements were made to both the Graduate Entrepreneur and Foreign Graduate Entrepreneur streams at the end of 2021 which should result in increased uptake in 2022.	

Current Alberta Advantage Immigration Program streams for workers include:

- Alberta Opportunity: Qualified candidates who live and work in Alberta and have a job offer from an Alberta employer who can apply for nomination;
- Alberta Express Entry: Qualified candidates with an Express Entry Profile may be invited by the Alberta Advantage Immigration Program to apply for nomination for permanent residence. Tech workers can qualify for expedited processing under the Accelerated Tech Pathway; and
- Rural Renewal: Qualified candidates who have a job offer from an Alberta employer to work in a designated rural Alberta community can apply for nomination.

Current Alberta Advantage Immigration Program streams for entrepreneurs include:

- Rural Entrepreneur: Entrepreneurs who want to start a business or buy an existing business in a rural Alberta community can submit an Expression of Interest;
- Graduate Entrepreneur: International graduates of approved Alberta post-secondary institutions who want to start a business or buy an existing business can submit an Expression of Interest;
- Farm: Experienced farmers who plan to buy or start a farm in Alberta can apply for permanent residence; and
- Foreign Graduate Entrepreneur: Foreign Graduates from outside of Canada who launch start-up enterprises and innovative businesses in Alberta can apply for permanent residence.

Alberta Advantage Immigration Program retention

The number of Alberta Advantage Immigration Program 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

Alberta Advantage Immigration Program nominees. 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 Alberta Advantage Immigration Program to ensure it contributes to the development of a skilled, resilient and productive labour force that supports a diversified economy for Alberta. Those that landed in 2019 were surveyed in 2021 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.

Alberta Advantage Immigration Program Retention

	Year Landed		
	2019	2020	2021
Percentage of Alberta Advantage Immigration Program nominees who are still residing and working in Alberta one year after obtaining permanent residency	85.92%	n/a	n/a

1.6 Ensure Alberta's professional regulatory bodies adhere to the principles in the *Fair Registration Practices Act* and continue to implement the *Fairness for Newcomers Plan*.

Fair Registration Practices Act

The *Fair Registration Practices Act* aims to ensure registration and assessment practices of professional regulatory organizations are transparent, objective, impartial and procedurally fair. The act applies to 72 professional regulatory organizations that oversee the licensing and certification of more than 170 regulated professions and designated trades in Alberta. It requires professional regulatory organizations to be clear on the 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. Professional regulatory organizations are also required to submit reports to the Minister when requested regarding alignment and changes made to their registration practices, by way of the Fairness for Newcomers Office.

Fairness for Newcomers Office

The Fairness for Newcomers Office helps ensure that domestically and internationally trained qualified applicants entering regulated professions or designated trades do not face unfair processes or barriers to accreditation and credential recognition. The office does this by working directly with Alberta's professional regulatory organizations to improve, or speed up, existing registration and assessment processes (where possible) without compromising Alberta's well established practice standards, which are in place to protect and ensure public safety. In 2020, to gain a better understanding of professional regulatory organizations' registration practices and their alignment to the *Fair Registration Practices Act*, a baseline questionnaire was conducted. A public report of this questionnaire was released in December 2021 and is available on the Open Government portal. Analysis of the self-reported responses revealed that while Alberta's professional regulatory organizations are mainly compliant, further review, assessment and evaluation is needed. The Fairness for Newcomers Office also identified three priority areas to work on with professional regulatory organizations:

1. Improving registration information for newcomers applying to regulated professions, occupations and trades.
2. Ensuring interim registration decisions are made within six months, after receiving all the information required from the applicant.
3. Ensuring training on assessments and decision-making is provided to regulatory body staff, assessors and decision makers.

In 2021-22, the Fairness for Newcomers Office provided individualized results to each professional regulatory organization on alignment to the act. The office also delivered four training workshops covering the act's requirements, including understanding and applying the act, an overview of the results of the 2020 baseline questionnaire, information on newcomer supports (micro-loans and the International Qualifications Assessment Service), and introductory training on unconscious bias.

In 2022-23, continued collaboration and evaluation of professional regulatory organizations registration assessment practices will be ongoing.

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 Foreign Qualification Recognition Contribution Agreement focuses on connecting internationally-trained individuals to meaningful employment. In 2021-22, 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 internationally-trained individuals work in occupations that match their skills and knowledge.

Bridge financing to support 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 was launched in November 2020 to provide low-interest micro loans of up to \$15,000 to newcomers to Alberta. 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 2021-22, more than 150 applications (40 in 2020-21) were screened and assessed by Bredin and 48 applicants (eight in 2020-21) were approved by Servus for micro loans.

Micro loans were also available through Windmill Microloans, an established non-profit organization that provides micro loans to newcomers to cover expenses related to training, examination, skills upgrading or licensing fees required for professional/occupational licensure. The ministry contributed to Windmill's operating costs through a three-year funding agreement that expired in March 2022. In 2021-22, Windmill provided micro loans to 255 newcomer professionals.

Alberta Immigrant Mentorship Innovation Grant

In December 2021, the Alberta Immigrant Mentorship Innovation Grant call for proposals was issued. This grant is intended to support immigrants to use their professional skills and contribute to Alberta's economy. The grant also aims to increase employer and community capacity to provide mentorship programming to have a positive effect on labour attraction and retention efforts of employers and communities across Alberta. The ministry received 55 proposals and eight grant agreements were signed in March 2022.

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

Prior Years' Results				2021
2017	2018	2019	2020	
66.3%	66.6%	66.0%	60.7%	63.2%

The employment rate provides an indicator of labour market performance. The employment rate represents the number of employed persons, expressed as a percentage of the population 15 years of age and over (working-age population).

According to Statistics Canada's Labour Force Survey, the employment rate in Alberta remained steady between 2016 and 2019, hovering around 66 per cent. High unemployment due to the COVID-19 pandemic and low oil prices led to significant drops in employment in 2020 and the employment rate fell to 60.7 per cent.

In 2021, Alberta's labour market started to recover from the COVID-19 pandemic with the employment rate rising to 63.2 per cent as unemployment fell and the economy began to recover. With business conditions starting to improve, Alberta's recovery pace and employment growth was remarkable in overcoming the pandemic's impact. In 2021, the employment rate improved for both males and females compared to 2020. The employment rate for males was up 2.0 percentage points from 65.6 per cent in 2020 to 67.6 per cent in 2021. The employment rate for females increased by 3.0 percentage points from 55.8 per cent in 2020 to 58.8 per cent in 2021.

Regionally, the employment rate in 2021 increased across all of Alberta's Economic Regions. The leading regions with the highest employment rate were the Wood-Buffalo and Cold Lake region at 68.5 per cent followed by the Banff, Jasper, Rocky Mountain House and Athabasca, Grande Prairie, Peace River region at 64.7 per cent. The Edmonton and Calgary regions were above the provincial average at 64.1 per cent and 63.6 per cent, respectively. The Red Deer region was below the provincial average at 60.9 per cent. The two regions with the lowest employment rate in 2021 were the Lethbridge, Medicine Hat region at 57.9 per cent and the Camrose, Drumheller region at 57.3 per cent.

In response to challenges in 2020 and 2021, 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 needed to get back to work. Programming dollars were aligned with the need to support Albertans through the pandemic and the early recovery phase and the Canada-Alberta Job Grant introduced changes to reduce red tape and assist with economic recovery. The Alberta Jobs Now program was designed to help employers offset the cost of hiring and training Albertans in new or vacant positions.

In 2022, Alberta committed to a \$600 million investment over the next three years through Alberta at Work initiatives, which aim to help individuals develop new skills, attract workers to the province and help all Albertans find employment. Over the next three years, Alberta will make incremental investments in programs and supports to assist employers to attract, skill-up and retain staff, as well as to assist the unemployed find and secure employment.

**Performance Measure 1.b:
Outcomes for Training for Work Clients**

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20	2020-21		
66.7%	71.9%	75.1%	67.2%	70%	75.5%

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 and/or training programs encourage attachment to the labour market.

In 2021, 75.5 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 8.3 percentage points higher than the 2020 result and exceeds the target by 5.5 percentage points. Participation in Training for Work programs increased by five per cent between 2020-21 and 2021-22 due in part to Alberta's Recovery Plan. 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 2020 and August 2021, the unemployment rate decreased from 12.2 per cent to 7.9 per cent. 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 2021-22 in whether participants could find a job or were inclined to seek additional training opportunities.

Outcome Two: Albertans are safe at work and treated fairly in the workplace

Labour and Immigration is focused on ensuring all Albertans can return home safely from work while helping Alberta to be a more attractive and competitive place to work and do business. The ministry collaborates with workers, job creators, health and safety associations, industry associations, and labour groups to promote an informed and knowledgeable workforce regarding both rights and responsibilities while providing the tools necessary to be self-sufficient. The ministry monitors compliance with employment standards and OHS legislation using risk-based approaches, and responding to complaints, incidents and injuries. The ministry also uses an evidence-based approach to deliver proactive inspections programs to job creators and industries that would benefit from regulatory intervention. 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 2021-22 include:

- reviewed the Occupational Health and Safety Code to improve health and safety outcomes while enabling innovation, competitiveness and streamlining regulatory requirements. Changes to part 13 and part 20 of the code took effect on December 1, 2021;
- expedited responses to OHS complaints related to COVID-19, continued to adapt processes due to the changing COVID-19 situation and conducted 3,639 inspections, 830 re-inspections and 72 reportable incident investigations related to COVID-19 in the workplace;
- reduced red tape for the Certificate of Recognition (COR) program by streamlining and combining program standards and eliminating redundant and obsolete program requirements, representing a 22.6 per cent reduction in requirements for the program in this fiscal year alone; and
- completed 95 per cent of the 3,119 employment standards complaints received within 180 days from the date the complaint was received and significantly reduced the average days to begin an employment standards investigation to an average of 12 days.

Key Objectives

2.1 Review the Occupational Health and Safety Code to improve health and safety outcomes while enabling innovation, competitiveness and streamlining regulatory requirements.

Occupational Health and Safety Code Review

A review of the Occupational Health and Safety Code started in 2020 after updates to the act were completed. Albertans were engaged to provide feedback on priority sections of the code from multiple angles, including current industry practices, removing duplication and administrative burden and aligning with other federal, provincial, and territorial partners where feasible. Public and technical working group consultations on the first year code changes ended on May 10, 2021. Proposed changes to the code are based on evidence, stakeholder feedback, elimination of redundancy and, where possible, movement towards outcome-based requirements. Changes to part 13 and part 20 of the code took effect on December 1, 2021.

The review of the Occupational Health and Safety Code continues with the goal of cyclically updating the code to achieve a modernized, lean and clear regulation that maintains or improves the health and safety of employers and workers.

2.2 Support a coordinated provincial occupational health and safety system through education and outreach based prevention initiatives and monitor regulatory compliance through proactive evidence-based inspections and reactive inspection and investigation programs, including COVID-19 response initiatives.

Occupational Health and Safety

OHS 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.

Occupational Health and Safety			
	2019-20	2020-21	2021-22
Inspections conducted	9,624	14,502	11,798
Re-inspections conducted	2,921	3,175	3,770
OHS orders written	14,564	7,868	8,403
Unique work sites visited	8,152	12,622	9,503
New businesses contacted for the first time ¹	302	1,297	11,364
Online resources viewed	1,383,166	1,162,500	607,000+
¹ Visits to new businesses were conducted in 2019-20. With the arrival of COVID-19 in 2020-21, the program shifted from in-person visits to individual contact by phone or video conference, followed by an e-mail with an OHS and employment standards information package. For 2021-22, the program shifted focus – emails are sent to every newly registered WCB employer and any requests for more information or individual follow-up is handled by the OHS Contact Centre.			

In 2021-22, the ministry conducted 11,798 inspections and 3,770 re-inspections, compared to 14,502 inspections and 3,175 re-inspections in 2020-21. The decrease in inspections in 2021-22 was primarily due to an increase in inspections during the prior year in response to the COVID-19 pandemic. In 2021-22, almost 31 per cent of OHS inspections addressed COVID-19 related concerns. These inspections are both reactive and proactive. Proactive inspections are evidence-based work with employers or industries that have higher injury and incident rates in order to support improved OHS systems. Reactive work is in response to an injury, illness, complaint, fatality or work refusal. In 2021-22, 24 per cent of OHS inspections were proactive and 76 per cent were reactive.

In 2021-22, 57 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. The requirement for employers to submit a report on compliance was removed when changes to the *Occupational Health and Safety Act* came into effect on December 1, 2021. OHS officers may continue to use a report on compliance as needed to verify compliance with OHS orders.

OHS officers issued 8,403 orders in 2021-22, compared to 7,868 in 2020-21. 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 in 2020-21, 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 2021-22, the OHS Contact Centre received 17,075 telephone inquiries (22,331 in 2020-21) and 5,819 email inquiries (6,001 in 2020-21) from both workers and employers seeking additional information and guidance.

Occupational Health and Safety Contact Centre		
	2020-21	2021-22
Telephone inquiries	22,331	17,075
Email inquiries	6,001	5,819
Total inquiries	28,332	22,894

Tickets

Labour and Immigration's OHS officers can issue tickets to employers and workers for observed non-compliance with specific sections of OHS legislation. 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 2021-22, 32 tickets were issued totaling \$11,500, with nine tickets issued to employers, five tickets issued to supervisors and 18 tickets issued to workers. The largest ticket issued to an employer was \$575. The largest ticket issued to a worker was \$230.

Occupational Health and Safety 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 2021-22, 37 administrative penalties totaling \$314,250 were issued to employers or workers with individual fines ranging from \$500 to \$38,000. Penalty amounts are based on the severity and duration of the non-compliance.

Serious incident investigations

In 2021-22, charges were laid on 11 cases against work site parties in violation of the *Occupational Health and Safety Act*, Regulation and Code, compared to 17 in 2020-21. These charges represent the most serious OHS infractions. Convictions in the year resulted in monetary fines totaling \$1,919,000 (compared to \$1,921,000 in 2020-21). The amount of monetary fines can fluctuate based on the type of infractions and the number of convictions each year. These fines ranged from \$24,000 to \$500,000. 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 non-compliance and whether it can be proven that it was reasonable for the work site party 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 work site parties. Having regard for 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, work site parties are also placed on enhanced regulatory supervision with probation-like conditions that can include public acknowledgement of the offense, specific health and safety training courses and an external audit of their health and safety management program.

Creative sentencing was used four times in 2021-22. From these sentences, a total of \$1,218,000 (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 2021-22, five work site parties were placed on enhanced regulatory supervision. OHS has been recognized by and worked with other jurisdictions who currently use or are considering similar models, including New Brunswick, Nova Scotia, Ontario and British Columbia.

Occupational Health and Safety – disciplinary action complaint

The *Occupational Health and Safety Act* includes provisions to protect workers by prohibiting any person from taking disciplinary or discriminatory action against them for exercising their rights or duties under the legislation. The onus is on the employer to show that disciplinary or discriminatory action was taken against a worker for a reason other than fulfilling an OHS duty or responsibility. In 2021-22, 134 disciplinary or discriminatory action complaints were received. In total, 79 files were closed and 55 are still under investigation.

Response to the COVID-19 pandemic

Since spring 2020, the ministry has provided an expedited response to complaints related to COVID-19. Throughout the year, OHS adapted its response to the changing COVID-19 situation. OHS officers continued to respond to work site complaints including work refusals and disciplinary 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.

OHS initiatives in response to COVID-19 include the development of a multiagency response to outbreaks, development of a K-6 school program and child care program, World Juniors Hockey event inspections, and re-entry plan initiatives. Throughout the pandemic, OHS officers responded to workplaces that experienced outbreaks. During inspections, OHS officers provided information about measures employers and workers can take to limit the spread of COVID-19 and help provide a healthy and safe workplace. OHS officers use a combination of education and enforcement tools such as issuing compliance orders to ensure workplaces are taking measures to contain the spread of COVID-19. The ministry conducted 3,639 inspections, 830 re-inspections and 72 reportable incident investigations related to COVID-19 in the workplace. In 2021-22, 31 per cent of OHS inspections addressed COVID-19 related concerns.

Twenty-two COVID-19 specific resources were updated and one new resource was created. Additionally, one special edition of OHS eNews was produced to give stakeholders relevant information.

Occupational Health and Safety 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 2021-22, the ministry published 90 new resources and updated 60 resources. Resources, posted on an online portal, received more than 607,000 views. Examples of resources published/updated include: *Occupational Health and Safety Act* change highlights, health and safety committees and representatives, and health and safety programs. The ministry also maintains an e-newsletter, OHS eNews, with approximately 18,300 subscribers who received 12 monthly and one special edition e-newsletters in 2021-22.

Heroes' Fund

The \$1.5 million per year Heroes' Fund recognizes 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 police officers, firefighters, paramedics, sheriffs, and provincial correctional officers. Payments administered from the Heroes' Fund are separate from regular workers' compensation fatality benefits. The Heroes' Fund supported seven families in 2021-22, compared to 20 families in 2020-21. The fund allows for up to 15 awards annually, but was increased in 2020-21 for an additional \$1 million to allow all eligible families to receive the funding. The budget for 2021-22 returned to \$1.5 million. The change in budget reflects the number of families supported each year.

Proactive Occupational Health and Safety programs

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 best use of OHS resources and the best opportunity to effect change that makes workplaces safer. Over the long term, this approach can save these employers and others in their WCB rate group on premium costs if there are fewer claims.

Occupational Health and Safety proactive inspection program

The proactive inspections program provides support to high-risk sectors or employers. The initiative focuses on selected industries 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*, Regulation and Code. 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 2021-22, the ministry conducted 2,100 proactive inspections, resulting in 2,548 orders issued. Some proactive programs were paused in 2021 to provide a focus on pandemic response and have been extended for completion in 2022.

Service Sector

The following industry sectors were identified and received work site inspections: Restaurant and Catering; Trucking Services; Food/Convenience Stores; and Hotels/Convention Centres. The inspections had a vulnerable worker focus as well as ensuring effective controls were in place to address common workplace hazards. In total, 395 work sites received an inspection and 695 orders were issued.

Manufacturing, Processing and Packaging

OHS carried out proactive inspections in the manufacturing, processing and packaging sector. The inspections focused on common hazards identified to the sector, and monitoring that work site parties had effective controls in place to eliminate, mitigate and control hazards. In total, 538 work sites received inspections and 899 orders were issued.

Construction Sector

OHS carried out proactive inspections in construction sectors. The program focused on specific sub-sector industries to address health and safety hazards associated with a diverse, high hazard industry. In total, 685 work sites received an inspection and 772 orders were issued.

Health Care

The inspections focused on the most common hazards for this sector, including musculoskeletal disorders, slips, trips and falls and psycho/social hazards including, but not limited to, violence and harassment in the workplace. In addition, OHS monitored work sites for controls against COVID-19. In total, 181 work sites received an inspection and 125 orders were issued.

Mining

The mining proactive inspections program uses an evidence-based approach intended to reduce injury and illness at Alberta mine sites by addressing high hazard activities. High hazard activities are identified through industry injury data and emerging industry trends. In total, 80 inspections were conducted and 57 orders were written.

Occupational Health and Safety 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. Three emerging trends were identified for 2021-22, which included increased potential for injuries and fatalities in petroleum industries; compassion fatigue, moral injury and resiliency in health care workers; and hazards in body rub centres. However, no inspections were conducted under the emerging trend program in 2021-22. Activities that resulted from the identification of these emerging issues included consultation with industry stakeholders and other jurisdictions, and considerations around OHS enforcement policy implications.

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;
- 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
- 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 with 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.

In August 2021, the musculoskeletal disorder working group launched new resources that help prevent workplace injuries or disorders of the muscles, nerves, tendons, joints, cartilage, and spinal discs. These resources address important issues identified by those on the front-lines that continue to make musculoskeletal disorders prevalent. Campaign materials and information resources included web content, video tutorials and presentations, posters, postcards and bulletins. Campaign resources have received thousands of views online and requests have been made to use the information as part of employer OHS training programs. Additionally, other jurisdictions have requested information on the initiative. Injury statistics in the three priority areas will be analyzed in the coming years to assess the impact and effectiveness of the initiative.

Engaging new businesses

Contacting newly established businesses provides an opportunity to proactively engage and educate employers on OHS and employment standards requirements and build effective programs. The new employer contact program was changed for 2021-22 to focus on contacting all newly registered WCB employers by email. The email includes an information package with important OHS and employment standards legislated requirements for new businesses. Employers are invited to contact the OHS Contact Centre if they have questions or need more information. A total of 11,364 emails were delivered to new employers in 2021-22.

Supporting Psychological Health in First Responders Grant program

The Supporting Psychological Health in First Responders Grant program provides grants to improve services for first responders who are living with or are at risk of developing post-traumatic stress injuries. Services the grants support include 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 post-traumatic stress injuries. The budget for the program is \$1.5 million per year.

In 2021-22, 33 applications were received and nine projects received funding, totaling \$1,504,149, compared to 40 applications received and 11 projects receiving funding, totaling \$1,483,694 in 2020-21. The projects supported by the grant program in 2021-22 were:

Services:

- Alberta Critical Incident Advisory Council: A Comprehensive Asynchronous Resilience Training Program for EMS (\$168,105) – Funding will support the development, implementation, and evaluation of a resiliency training program to mitigate post-traumatic stress injuries in Alberta’s emergency medical services. Targeting paramedic students at the beginning of their training is an opportune time to proactively foster individual, team, and organizational resilience.
- Alberta Municipal Health and Safety Association: The Working Mind First Responder (\$163,335) – Funding will support the virtual delivery of a novel iteration of The Working Mind First Responder from the Mental Health Commission of Canada to underserved, at risk rural/remote fire service members. The resources developed will reinforce training from The Working Mind First Responder and help activate learnings to make self-care a regular part of work life, and address operational stress injuries, clinically diagnosed post traumatic stress disorder, anxiety, and depression.
- Lloydminster Fire Department (City of Lloydminster): City of Lloydminster First Responder Peer-to-Peer Support (\$45,000) – Funding will support the development of a peer-to-peer support program and subsequent program training designed specifically for first responders at risk of post-traumatic stress injuries: fire department, 911 dispatch, and peace officers. The ultimate project goal is for the peer-to-peer support program to create a strong, resilient network of first responders equipped to support one another and thereby ensure team members dealing with, or at risk of, post-traumatic stress injuries have the needed assistance to deal with those challenges.

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

Key Priority One:
Protecting lives

Objective One:
Delivering cost effective, sustainable, client-centred healthcare to all Albertans

Provided \$1.5 million in funding for nine projects, through the Supporting Psychological Health in First Responders Grant program, to improve services for first responders who are living with or are at risk of developing post-traumatic stress injuries.

- IMPACT (Town of Wainwright): Supporting Psychological Health in First Responders in Rural Communities (\$78,776) – The overarching goal for this proposal is to focus on “building wellbeing and resiliency” to mitigate the impacts of post-traumatic stress injuries on first responders by creating an access point along with training opportunities for everyone within these rural regions to find means that will support their overall wellness in a sustainable manner. The project covers communities throughout the East Central Region including: Municipal District of Wainwright, Municipal District of Provost, County of Vermilion River, Beaver County and Flagstaff County. The training will be offered separately to leaders, frontline staff, family and friends, which will include community information sessions, first stage training, second stage training and peer support group development.

Applied Research:

- Archibald (University of Ottawa): Immersive Virtual Reality for Self-Management of Post-traumatic Stress Injuries in First Responders (\$277,637)
- Brémault-Phillips (University of Alberta): Work reintegration for trauma-affected healthcare providers and public safety personnel (\$210,286)
- Debert (University of Calgary): Treatment of Post-traumatic Stress Injury in First Responders using transcranial magnetic stimulation (\$309,826)
- Malloy (King's University College at the University of Western Ontario): Compromised Conscience: An exploration of moral injury in police officers and dispatchers in Alberta (\$113,775)
- Malloy (King's University College at the University of Western Ontario): A view of moral injury: Examining the effect of moral complexities on PTSI and occupational impairment (\$137,410)

Certificate of Recognition Program

Partnerships in Injury Reduction is a voluntary program where Certifying Partners/safety associations, 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 ten 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 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, 2022, there are 10,265 Certificate of Recognition holders across Alberta covering about 43.9 per cent of the total Alberta workforce reported to the WCB in 2021. Holding a Certificate of Recognition contributes to reduced workplace injury and illness and is often a requirement to bid on jobs with larger employers and project owners in Alberta.

The Certificate of Recognition program continued to reduce red tape by streamlining/combining program standards and eliminating redundant/obsolete program requirements. This resulted in a reduction of 1,208 requirements for 2021-22, equal to a 22.6 per cent reduction. This brings the total over the combined 2020-21 and 2021-22 period to 1,854 requirements reduced, equal to a 34.6 per cent overall reduction in requirements, and exceeds the red tape reduction target.

A key process improvement was the implementation of paperless Certificates of Recognition in February of 2022. Once a Certificate of Recognition is approved, it is now produced as a secure pdf, rather than as a printed paper certificate. Employers can access the pdf and/or reprint their Certificate of Recognition directly through the WCB's on-line services. This change both significantly decreased red tape and increased efficiency, as employers no longer have to wait for their Certificate of Recognition to arrive in the mail.

The Certificate of Recognition program continued to support employers through the COVID-19 pandemic by limiting required audit techniques to only documentation review and interviews, both conducted remotely. The use of on-site observations was optional, and suspended during the mandatory working from home public health order. Even with these restrictions, employers remained eligible for normal three-year Certificate of Recognition certification. In addition, employers could request Certificate of Recognition expiry date extensions to remain certified while dealing with COVID-19 related business interruptions.

2.3 Work with employers and employees to promote compliance with employment standards by providing timely complaint resolution, effective enforcement and assistance to vulnerable workers.

Employment Standards Code

The *Employment Standards Code* establishes minimum standards for employment relationships in Alberta, with the exception of those 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. Individual employers, a group of employers, or an employer association may apply to the Director of Employment Standards for a variance or exemption to certain minimum standards under special circumstances. 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 a complaint resolution process or an investigation.

Employment standards complaint resolution

The ministry received 3,119 employment standards complaints, completed 2,919 complaints and concluded 3,411 complaints in 2021-22 (complaints are not always resolved in the same fiscal year they are received). In 2020-21, 3,310 employment standards complaints were received, 4,129 complaints were completed and 4,353 complaints were concluded.

Employment standards officers support workers and employers to resolve complaints if minimum standards are believed to have not been met. Officers work to resolve complaints in a timely manner focusing on voluntary resolution while ensuring quality investigations that are administratively fair. In 2021-22, 95 per cent of employment standards complaints received were completed within 180 days of the received date. This represents a four percentage point increase when compared to 2020-21. The average number of days to begin an investigation was reduced from an average of 26 days in 2020-21 to 12 days in 2021-22. The average time for complaints to be resolved was an average of 60 days (compared to an average of 78 days in 2020-21). In 2021-22, the ministry concluded 106 complaint related inspections compared to 150 in 2020-21.

Each complaint is unique and complex. Very complex investigations take additional time and resources. While the ministry strives for timely completion, officers must ensure in all cases that investigations are thorough, of high quality and fair to all parties.

A complaint is considered complete when the investigation phase is no longer under the control of an officer. A complaint is considered concluded 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, issuing an order or decision, the appeal process, or the conclusion of the collections process.

Voluntary resolution

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 involvement of an officer. 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 Voluntary Resolution

	2019-20	2020-21	2021-22
Percentage of employment standards complaints resolved voluntarily	79%	81%	74%
Number of employment standards complaints eligible for voluntary resolution	4,790	3,982	3,152
Number of employment standards complaints resolved voluntarily	3,783	3,231	2,342
¹ The tracking system was enhanced in December 2021. The upgrade allows for identifying voluntary conclusion more accurately, which attributes to decrease in voluntary conclusion rate year-over-year to some degree.			

Employment standards concluded more than 3,400 complaints in 2021-22. Of those, 3,152 were eligible for voluntary resolution and 2,342, or 74 per cent, were resolved voluntarily. The 2021-22 result represented a seven percentage point decrease in performance from 2020-21.

In general, Alberta's economic conditions can influence how many employment standards complaints are resolved through voluntary resolution 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.

Employment Standards Contact Centre

The Employment Standards Contact Centre makes information and education readily accessible for Albertans. In 2021-22, the contact centre received a total of 70,826 inquiries (telephone and email) from employees and employers seeking information and guidance, reflecting a decrease of 16 per cent from 2020-21 when 84,299 inquiries were addressed. Many inquiries were related to compensation. Generally, when there is an economic downturn there are lower volumes of inquiries. Conversely, changes to legislation tend to increase the number of inquiries.

Employment Standards Contact Centre

	2019-20	2020-21	2021-22
Telephone inquiries	116,047	70,116	58,506
Email inquiries	15,142	14,183	12,320
Total inquiries	131,189	84,299	70,826

Suspected human trafficking

In 2021-22, the ministry investigated 102 human trafficking related situations compared to 95 in 2020-21. Approximately 15 employment standards staff are trained to identify incidences of human trafficking and to provide victim support. These staff investigate potential non-compliance with employment standards legislation where indicators of human trafficking exist and coordinate a 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.

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 58 foreign workers with permit applications in 2021-22.

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 may begin at \$500 and are issued in a progressive manner for repeated contraventions. Administrative penalties can also be issued for economic benefits derived from non-compliance. In 2021-22, employment standards issued three administrative penalties; the largest was \$1,500.

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 2021-22, 25 inspections of chronically non-compliant employers were completed, compared to 12 in 2020-21.

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

Key Priority Two:
Protecting livelihoods

Objective Three:
Supporting Albertans most in need

The ministry provided wraparound supports to victims of human trafficking and investigated 104 human trafficking related situations.

Employment standards anonymous tips and inspections

The ministry received 943 anonymous tips in 2021-22, compared to 887 in 2020-21. Anonymous tips are triaged by employment standards staff and, where vulnerable workers or chronic non-compliance are identified, are selected for in-person inspection.

Employment Standards Anonymous Tips and Inspections

	2019-20	2020-21	2021-22
Anonymous tips received	1,347	887	943
Inspections conducted	609	663	871

The ministry conducted 871 inspections in 2021-22 compared to 663 in 2020-21. 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.

2.4 Support injured workers and employers through a review of the Workers' Compensation Board medical and appeals processes.

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. 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. The review is underway.

**Performance Indicator 2.a:
Occupational Health and Safety (OHS)**

	Prior Years' Results				2021-22 Actual
	2017-18	2018-19	2019-20	2020-21	
OHS Field Activities	23,437	21,916	24,456	35,306	26,392
	Prior Years' Results				2021 Actual
	2017	2018	2019	2020	
Lost-Time Claim Rate	1.44	1.52	1.56	1.72	1.81

OHS laws are in place to ensure workers return home safely at the end of their shift. Compliance starts with education and ensuring that all worksite parties are able to follow the rules. It is everyone's responsibility to promote a safe and healthy work culture.

OHS field activities support safe and healthy workplaces. The OHS program undertakes a number of field activities based on proactive and reactive work to take a balanced approach to regulatory enforcement and help workplaces become more self-reliant.

In 2021-22, the ministry conducted 26,392 OHS field activities, compared to 35,306 in 2020-21, representing a 25 per cent decrease. The decrease was primarily due to an increase in field activities during the prior year in response to the COVID-19 pandemic. In fact, the 2020-21 result was the second highest in the last five years. OHS field activities include: inspections, re-inspections, investigations, continuation of investigations, presentations, meetings, and publications delivered.

OHS Field Activities Breakdown

	2017-18	2018-19	2019-20	2020-21	2021-22
Inspections	11,917	10,484	9,628	14,502	11,798
Re-inspections	2,383	4,106	2,920	3,175	3,770
Investigations	5,166	2,245	1,092	1,138	856
Continuations of Investigations	0	217	816	899	736
Presentations	149	174	55	8	21
Meetings	2,628	3,245	3,140	2,489	1,202
Publications Delivered	1,194	1,445	6,805	13,095	8,009
Total OHS Field Activities	23,437	21,916	24,456	35,306	26,392

The lost-time claim rate is the number of lost-time claims per 100 person-years worked. Fluctuation in the lost-time claim rate speaks to the challenge of reducing and maintaining the rate at such a low level.

The lost-time claim rate increased by five per cent to 1.81 in 2021 from 1.72 in 2020. In the last five years, there appears to be an upward trend, with the 2021 lost-time claim rate being the highest rate since 2012. COVID-19 had an impact on the lost-time claim rate; approximately 21 per cent of the lost-time claims received in 2021 were COVID-19 related claims. Additionally, there were 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 personal protective equipment). Between 2020 and 2021, COVID-19 claims increased by 14 per cent. In addition, the 10 per cent increase of lost-time claims in 2021 outpaced the gain in employment (i.e., 5 per cent). All of these factors contributed to the increase of the lost-time claim rate in 2021.

Many factors influence the lost-time claim rate and disabling injury rate. 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 Workers' Compensation Board – Alberta. 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.

Supplemental Information:

The disabling injury rate, 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

Disabling Injury Rate				
2017	2018	2019	2020	2021
2.69	2.76	2.69	2.66	2.84

modified work. The disabling injury rate increased to 2.84 in 2021 from 2.66 in 2020. The 2021 disabling injury rate was the highest rate in the last five years. However, without COVID-19 claims, the disabling injury rates were 2.32 and 2.46 for 2020 and 2021, respectively. This demonstrates another example of unexpected challenges that the occupational health and safety system faces as it endeavors to protect the health and safety of Albertans.

In 2021, 136 workers died as identified in WCB accepted fatality claims. Within these claims, 39 fatalities were the result of traumatic workplace incidents, which is the same as the 2020 result.

Outcome Three: Efficient and effective program delivery and labour laws support workers and reduce regulatory burden on job creators

Labour and Immigration is focused on implementing legislative changes to reduce the costs of employment for employers, while maintaining protections for workers. A balanced, stable and responsive set of labour laws enhances Alberta's competitive advantage, supports economic recovery, protects workers, reduces regulatory burden and promotes ease of access to services for Albertans. Labour laws not only maintain Alberta's high standards for safe, fair and healthy workplaces, but they also promote the free movement of labour. In addition, legislation promotes excellence for professional regulatory organizations.

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

Mediation services provided by the ministry support a healthy and robust labour climate in Alberta by supporting unions and employers. The ministry is also responsible for promoting positive labour and management relations throughout Alberta. In addition, the Appeals Commission for Alberta Workers' Compensation and its programs are committed to fair, efficient and client-focused services, which are independent of the Workers' Compensation Board.

Key results and highlights during 2021-22 include:

- reduced regulatory requirements by 16.9 per cent since the red tape reduction initiative began in May 2019;
- 767 hearings conducted by the Alberta Labour Relations Board for labour relations matters and appeals under employment standards and occupational health and safety legislation; and
- received 517 appeals to the Appeals Commission for Alberta Workers' Compensation for independent, impartial and fair assessment where employers and workers disagreed with decisions from the WCB.

International Labour Organization convention no. 190, violence and harassment convention, 2019 (C190)

The International Labour Organization convention C190 sets out standards for workplace law and policy respecting violence and harassment. Compliance with C190 requires jurisdictions to maintain mechanisms to address and prevent violence and harassment in all workplaces. For Canada to ratify an International Labour Organization convention it requires provincial and territorial engagement to determine if each jurisdiction's laws, policies and programs are in conformity with the convention. If provinces and territories support ratification then the federal government undertakes the ratification process with the International Labour Organization. In fall 2021, Alberta completed a technical review of C190 with input from external ministries and determined that Alberta is largely compliant with C190. In May 2022, Alberta notified the federal government that we support Canada's ratification of C190. Once the federal government has support from all provinces and territories they will ratify C190.

Ministry-appointed mediation services

In Alberta, there are approximately 1,300 collective bargaining relationships covering just under 476,000 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 335 collective bargaining agreements are negotiated each year; the majority, approximately 80 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 2021-22, of the 74 mediations that were concluded with the assistance of a ministry-appointed mediator, 96 per cent were settled without a work stoppage.

In 2021-22, the number of mediation appointments increased to 101 from 68 the previous year. The increase in the number of appointments represents a number of files that were initially on hold due to the pandemic in 2020-21. The typical number of mediation appointments has resumed as the parties started participating in virtual mediation and are now returning to in-person mediation. The number of applications from the post-secondary sector has seen a significant increase with the majority of those agreements expiring on June 30, 2020.

Mediation			
	2019-20	2020-21	2021-22
Number of mediations concluded where a ministry-appointed mediator was engaged to assist the parties in their negotiations	99	66	74
Number of mediations with a ministry-appointed mediator that were settled without a work stoppage	97	64	71
Percentage of collective bargaining agreements with the assistance of a ministry-appointed mediator settled without a work stoppage	98.0%	97.0%	96.0%

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, which were launched in March 2021, for clients to view availability of grievance mediators. 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.

Key Objectives

3.1 Review and revise legislation, regulation and policy to reduce red tape and regulatory burden by at least one-third.

Red tape reduction

The ministry is committed to reducing its regulatory burden by at least one-third by March 31, 2023 to support the government-wide red tape reduction initiative. Labour and Immigration, including agencies, boards and commissions has reduced regulatory requirements by 16.9 per cent net since the red tape reduction initiative began in May 2019.

The department's updated baseline count is 24,166 regulatory requirements, including 13,046 regulatory requirements under legislation and regulation and 11,120 in forms and policies. Legislation and regulations account for 54 per cent of the department's requirements, while forms and policies account for 46 per cent. The baseline count for applicable Labour and Immigration agencies, boards and commissions is 6,833 requirements. The ministry's total regulatory requirements (department and agencies, boards and commissions) is 30,999.

The department engaged with various industry panels and stakeholders to collect their insight and suggestions for potential red tape reduction items. To date, all applicable industry panels submissions were pursued, and 98 out of the 103 have been completed (95 per cent).

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

Key Priority Two:
Protecting livelihoods

Objective Two:
Reducing Red Tape

The ministry has reduced regulatory burdens by 16.9 per cent since May 2019.

Red Tape

The ministry's baseline count (including agencies, boards and commissions) is 30,999 regulatory requirements including 13,046 regulatory requirements under legislation and regulation and 17,953 in forms and policies.

Department red tape reduction activities

In 2021-22, the department reduced 1,812 net regulatory requirements. Highlights of initiatives undertaken include:

- Economic growth and job creation
 - o Alberta's new *Labour Mobility Act* allows highly skilled Canadian certified professional workers to easily and quickly get work in Alberta by removing barriers and creating a consistent approach to recognizing out-of-province credentials. Previously, out-of-province certified professional workers faced additional educational, examination and practice-hour requirements in order to use their credentials in Alberta. The act supports Alberta's Recovery Plan to help attract skilled workers, support economic growth and create jobs now and into the future.
 - o Undertook a review of the Occupational Health and Safety Code to improve health and safety outcomes while enabling innovation, competitiveness and streamlining regulatory requirements. Both a health and safety lens and red tape reduction lens are being applied to the ongoing code review. Further significant regulatory requirement reductions are anticipated as result of the review.
 - o A number of regulatory amendments were made to bring the *OHS Act* into force. Consequential amendments to the OHS Code were also made to move some provisions from the *OHS Act* to the OHS Code in a more streamlined form that reduces administrative burden. This work resulted in a reduction of 83 requirements.
 - o The Pan Canadian Occupational Health and Safety Reconciliation Agreement was signed by Alberta on January 24, 2022 with the purpose of harmonizing seven different types of fall protection equipment. When the agreement is fully implemented, businesses operating across multiple Canadian jurisdictions will have certainty that a listed common standard for fall protection equipment will be accepted in each of the jurisdictions and remove the need to purchase multiple sets of fall protection equipment. The agreement also enables the addition of new items for harmonization in the future.
- Smart regulation
 - o The *Red Tape Reduction Implementation Act, 2021* eliminated the requirement for employers to record an employee's hours daily, to shift from a prescriptive to outcome-based approach. Now, employers have the flexibility to record hours at intervals that work with their business operations. The amendment did not impact an employee's minimum entitlements or the department's ability to enforce minimum standards and resulted in a reduction of 365 requirements.
 - o A review and streamlining of professional legislation and red tape for professional regulatory organizations was undertaken to further reduce any unnecessary barriers to practicing occupations in Alberta. It is expected that this will result in streamlined legislation and efficiencies for professional regulatory organizations.

- Improved service delivery
 - The Partnerships in Injury Reduction program simplified and modernized the Partnerships Standards, resulting in an improved Certificate of Recognition program for all stakeholders. The reductions included rescinding Certificate of Recognition options that were complex and expensive for employers, and reducing duplication within standards, such as eliminating the out-of-province employer health and safety performance report. As a result of this work, the department's requirements were reduced more than 1,200.
 - Land Agents Licensing completed an in-depth review of all forms and policies to identify areas for reducing burden while maintaining program standards and compliance. The review incorporated historic feedback and program knowledge of areas that land agents historically have struggled with and needed updating. Land Agents Licensing was able to reduce 163 requirements for both applicants and the general public who interact with the office.
 - Rules governing the radiation protection program have been consolidated from a mix of legislation and policy into a single program guide, which has been significantly streamlined. Changes reduce burden for existing radiation agencies and clarify program requirements for potential new agencies. In addition, these changes eliminated 67 requirements for radiation agencies.
 - The employment standards portal eliminated the need for paper permit and variance applications. The education, outreach and partnerships outreach form was streamlined to require only essential information and allows stakeholders to indicate their specific preferences.
- Internal processes related to speeding up approvals
 - The Alberta Advantage Immigration Program expanded services available to online applicants via an online portal creating an one-stop service shop for clients. This work resulted in efficiencies that allow for more expedited processing of applications. Streamlined application assessment processes reduced time spent on assessing files and resulting in more timely decisions for clients, while still maintaining program integrity.
 - Paperless Certificates of Recognition are now produced as a secure electronic form, rather than as a printed paper certificate. Employers can access the document and/or reprint their Certificate of Recognition directly through the WCB's on-line services. This change significantly decreases red tape and increases efficiency, as employers no longer have to wait for their Certificates of Recognition to arrive in the mail.
 - Certificate of Recognition expiry date extensions – Employers may now apply to have their Certificate of Recognition or Small Employer Certificate of Recognition expiry date extended for up to 90 days should extenuating circumstances prevent the completion of their scheduled recertification audit. This helps employers remain Certificate of Recognition certified should they experience certain situations such as a business interruption.

Agencies, boards and commissions red tape reduction activities

Labour and Immigration's agencies, boards and commissions reduced net requirements by 610 from reviews of forms and policies and undertook a number of initiatives to reduce administrative burden:

- Improved service delivery
 - o The Appeals Commission remains committed to reducing administrative burden for Albertans where possible. While red tape reduction related technology improvement projects are anticipated in the coming year, the Appeals Commission's focus during 2021-22 was on successfully transitioning the Fair Practices and Medical Panels Office's select services to the Appeals Commission.
 - o The Alberta Labour Relations Board completed its integration of OHS appeals into its client relationship management system. While this will primarily result in internal efficiencies, it will also improve overall process efficiency which is anticipated to have a positive impact on response times to stakeholders. It will also allow the Board to more accurately capture statistics with respect to its performance measures relating to Occupational Health and Safety appeals.

3.2 Review and streamline professional legislation and regulatory requirements for professional regulatory organizations to further reduce any unnecessary barriers to practicing occupations in Alberta.

Streamlining professional legislation review

To support Alberta's Recovery Plan, Labour and Immigration began a review of legislation pertaining to professional regulatory organizations to promote consistency and create efficiencies in core areas across professional regulatory organizations (PROs). The review involves two phases.

Phase one of the review involved reviewing the registration requirements for an association to become a self-governing professional regulatory organization under the *Professional and Occupational Associations Registration Act*. This phase established the foundation required to reduce unnecessary government oversight of the department's professional regulatory organizations. A key legislative change made to the *Professional and Occupational Associations Registration Act* in January 2021 was that a profession must protect both public safety as well as public interest by safeguarding life, health, environment, property and economic interests of the public to be considered for registration under the *Professional and Occupational Associations Registration Act*. As part of the implementation of this change, all 13 professional regulatory organizations registered under the *Professional and Occupational Associations Registration Act* were reviewed in spring 2021 to ensure they met the new legislative requirements. In fall 2021, it was decided that the results of this review would be revisited at the conclusion of phase two of the review, targeted for early 2023.

Phase two of the review involved reviewing all of Labour and Immigration's professional legislation and supporting regulations to determine the most effective ways of reducing red tape, regulatory burdens and eliminating unnecessary government oversight by streamlining legislation and creating efficiencies in core areas. Proposed legislative amendments were introduced in 2022-23, as part of Bill 23, *Professional Governance Act*, however, the bill did not receive approval before the legislative session ended.

3.3 Provide efficient, timely, effective and consistent services through the Alberta Labour Relations Board.

Alberta Labour Relations Board

In 2021-22, the Alberta Labour Relations Board continued to provide efficient, timely, effective and consistent services to Alberta's labour relations community.

In response to the COVID-19 pandemic, the Board introduced the ability to file applications and submissions

electronically and conducted virtual hearings. In 2021-22, the Board maintained these measures, ensuring the continued efficient operation during the COVID-19 pandemic.

The Alberta Labour Relations Board remains committed to scheduling matters in a timely fashion. In 2021-22, the average number of days from the acceptance of an application to the date of the first hearing was 109 days, compared to 82 days in 2020-21. A number of factors impacted this measure, including the availability of parties during the pandemic, the introduction of a case management meeting in advance of virtual hearings, and an increase in the complexity of matters coming before the Board, particularly in relation to certification applications.

Alberta Labour Relations Board			
	2019-20	2020-21	2021-22
Number of applications	803	709	709
Number of hearings	647	748	767
Number of certification applications received by the Alberta Labour Relations Board	173	85	119
Average number of days from acceptance of an application to first hearing	57	82	109

Alberta Labour Relations Board			
	2019-20	2020-21	2021-22
Percentage of applications, with Board involvement, settled before reaching a formal hearing	68%	73%	62%

In 2021-22, the number of applications filed with the Board remained stable with 709 applications, compared to 709 applications in 2020-21. This number includes 18 appeals under the *Occupational Health and Safety Act* and 34 appeals under the *Employment Standards Code*. The number of certification applications increased to 119 in 2021-22 from 85 in 2020-21. This represents a 40 per cent increase. The number of hearings the Board conducted increased from 748 in 2020-21 to 767 in 2021-22. New legislation often results in an increase in matters proceeding to hearing as parties test new provisions. This can also affect settlement rates as parties are less likely to settle a matter when they are seeking an interpretation of a new provision from the Board.

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 2021-22, the Board's settlement rate was 62 per cent. This is a decrease from 73 per cent in 2020-21 but still above the Board's target of 57 per cent. As indicated above, recent legislative change likely had an impact on this measure.

Key decisions of the Alberta Labour Relations Board

During the 2021-22 fiscal year, the Alberta Labour Relations Board released a broad range of decisions interpreting different aspects of Alberta's labour legislation. Due to the COVID-19 pandemic, the Board continued to hold its hearings presumptively online, unless the Board otherwise directed that a hearing proceed in-person. 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 2021-22 included:

- Ruling that a lockout notice was not premature, and considering the definition of "lockout" in circumstances where the lockout notice was served after the employer's business had been closed for over a year due to the pandemic and ongoing economic uncertainty: *United Food and Commercial Workers Canada Union, Local No. 401 and Gateway Casinos & Entertainment Limited* [2021] Alta. L.R.B.R. LD-053.
http://www.alrb.gov.ab.ca/decisions/GE_08547.pdf
- Developing a procedure and adjudicative framework for settlement offers made under section 153(3.1) of the *Labour Relations Code* for the purposes of resolving duty of fair representation complaints without a hearing: *Samuel Howell, International Association of Heat and Frost Insulators and Allied Workers, Local 110 and Aluma Systems*: [2021] Alta. L.R.B.R. not yet reported.
http://www.alrb.gov.ab.ca/decisions/GE_08005.pdf
- Deciding that the City of Calgary did not violate the statutory freeze provisions of the *Labour Relations Code* when, during collective bargaining, it adopted a mandatory COVID-19 vaccination policy for employees in the bargaining unit: *Amalgamated Transit Union, Local No. 583 and The City of Calgary* [2022] Alta. L.R.B.R. LD-023.
http://www.alrb.gov.ab.ca/decisions/GE_08596.pdf
- Determining, in response to recent legislative amendments, the standard of review applicable to reviews of arbitration decisions under section 145(2) of the *Labour Relations Code*: *AltaSteel Ltd. and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers), Local Union No. 5220* not yet reported, but available on the Board's website at:
http://www.alrb.gov.ab.ca/decisions/AR_00037.pdf
- Finding that certain sections of the *Police Officers Collective Bargaining Act* did not prevent the City of Calgary from hiring civilian investigators to conduct some investigations into police officer conduct: *Calgary Police Association and The City of Calgary* [2022] Alta. L.R.B.R. LD-026.
http://www.alrb.gov.ab.ca/decisions/GE_08412.pdf

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

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, 15 full-time hearing chairs, and 30 part-time commissioners. Approximately 74 per cent of appeals are held in person by a three-person adjudication panel (includes teleconference and videoconference hearings).

Appeals Commission for Alberta Workers' Compensation			
	2019-20	2020-21	2021-22
Number of appeals received	507	467	517
Number of appeals concluded	475	443	457
Number of decisions successfully challenged	4	11	2
Average number of days from the date the appeal is filed to the first hearing date offered	170	170	143
Average number of days from the hearing to the decision issued date	46	28	31
Percentage of decisions not challenged, or if challenged, supported by the Appeals Commission's reconsideration process, the Court of Queen's Bench, the Court of Appeal, the Alberta Ombudsman	99.2%	97.5%	99.6%

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, and the rate of resolution at the WCB. The Appeals Commission received 517 appeals in 2021-22, compared to 467 appeals in 2020-21. The amount of time to prepare and schedule an appeal was 143 days in 2021-22, compared to 170 days in 2020-21. The average number of days from the hearing date to the decision issued date was 31 days in 2021-22, compared to 28 days in 2020-21. In 2021-22, 99.6 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, or the Alberta Ombudsman.

Advisor Office for Alberta Workers' Compensation

The Advisor Office for Alberta Workers' Compensation offers employers and injured workers free advice, information, and advocacy services throughout the WCB appeals process. This office was established on April 1, 2021. The Advisor Office is an independent program of the Appeals Commission and is separate from the WCB.

In 2021-22, the Advisor Office received a total of 1,275 applications for service and closed 1,766 files.

Advisor Office Statistics	
	2021-22
Number of applications for service from workers	1,131
Number of applications for service from employers	144
Number of worker files closed	1,633
Number of employer files closed	133

Medical Panels for Alberta Workers' Compensation

The Medical Panels Program for Alberta Workers' Compensation provides a medical panel convened by the Medical Panels Commissioner at the request of the Workers' Compensation Board or the Appeals Commission. Medical Panels consist of three independent medical experts appointed by the Medical Panels Commissioner to address differences in medical opinion or other medical questions related to a workers' compensation claim. This office was established on April 1, 2021. The Medical Panels Program is an independent program of the Appeals Commission and is separate from the WCB.

In 2021-22, the Medical Panels Program received a total of 11 requests for a medical panel and closed nine files.

Medical Panels Program Statistics	
	2021-22
Number of Medical Panel files open between April 1, 2021 and March 31, 2022	27
Number of new Medical Panel requests received from the WCB or the Appeals Commission between April 1, 2021 and March 31, 2022	11
Number of Medical Panel files closed	9

Performance Measure 3.a: Red Tape Reduction

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20*	2020-21		
n/a	n/a	3.62%	9%	20%	16.9%

* Results for 2019-20 reflect the department only, as the ministry's agencies, boards and commissions 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 department's updated baseline count is 24,166 regulatory requirements, including 13,046 regulatory requirements under legislation and regulation and 11,120 in forms and policies. Applicable Labour and Immigration agencies, boards and commissions 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 30,999.

Through the execution of a comprehensive action plan, the ministry reduced 2,834 regulatory requirements in 2021-22, but added 412 requirements through the implementation of platform and other government priorities, for a net reduction of 2,422 requirements. The above includes a reduction of 610 requirements, in 2021-22, by Labour and Immigration's agencies, boards and commissions through reviews of forms and policies. The ministry has achieved a cumulative reduction of 16.9 per cent since May 2019. The 2021-22 result does not meet the target of 20 per cent, primarily due to some planned project work being moved to the 2022-23 fiscal year to allow the ministry to focus on supporting Albertans through the ongoing COVID-19 pandemic.

Further details on Red Tape Reduction initiatives completed in 2021-22 can be found in key objective 3.1 of this annual report.

Regulatory Requirements	2021-22
Department	24,166
Agencies, Boards and Commissions	6,833
Total	30,999

Red Tape Reduction Initiatives completed in 2021-22 (including ABCs)	Reduction
Partnerships in Injury Reduction Program RTR Review	1,208
ABCs Review of Forms	610
Bill 62, the <i>Red Tape Reduction Implementation Act, 2021</i>	365
Land Agents Licensing RTR Review	163
Employment Standards Review of Forms	141
OHS Review of Forms	137
<i>OHS Act</i> Implementation Amendments	83
Updates to Radiation Protection Program	67
Other (combined)	60
Additions of regulatory requirements	(412)
Net 2021-22 Reduction in Regulatory Requirements	2,422

**Performance Measure 3.b:
Alberta Labour Relations Board decisions rendered within 90 calendar days**

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20	2020-21		
79%	70%	80%	68%	85%	67%

This performance measure reflects the Alberta Labour Relations Board's commitment to issue decisions in a timely fashion. In 2021-22, 67 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.

In response to the COVID-19 pandemic, the Board switched from in-person to virtual hearings in 2020. In its ongoing efforts to address procedural issues surrounding the conduct of virtual hearings, the Board continued to use case management conferences prior to formal hearings. These prehearing conferences continue to require preparation and further increased the number of hearings conducted by the Board's adjudicators. This provisional operational change, while providing practical benefits for the hearing process, impacts the time available to write decisions.

In addition, changes to the Board's jurisdictional mandate continue to impact this performance measure. For example, employment standards and occupational health and safety appeals resulted in an additional 52 applications to the Board in 2021-22. 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 experienced some adjudicative vacancies which also impacted this measure.

Performance Measure and Indicator Methodology

Performance Measure 1.a: Employment Rate

Statistics Canada's Labour Force Survey is the primary source of statistics on employment and unemployment in Canada and the provinces. The Labour Force Survey is conducted by Statistics Canada in all provinces and territories. The current survey sample size for Canada is approximately 80,000 households, representing just over 130,000 people. Alberta's sample size corresponds to its share of the national population, approximately 5,800 Alberta households and 9,600 people each month. The coefficient of variation (the standard error as a percentage of the reported result) for the estimated 2,452,400 Albertans in the labour force (as of 2021) is 1.0 per cent.

The Labour Force Survey 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 employment rate represents the number of employed persons expressed as a percentage of the population 15 years of age and over. This is calculated as a 12-month average for the calendar year.

The employment rate is calculated as:

$$\text{Employment Rate} = \frac{\text{Number of persons employed}}{\text{Total population}} \times 100$$

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 1.b: Outcomes for Training for Work clients

The results for this measure are obtained through the Work Outcomes Reporting Project Survey. This project 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.

The Work Outcomes Reporting Project uses a census approach for Labour and Immigration clients who have attended Training for Work programs, meaning all clients who took 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, 2020 and August 31, 2021.

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 2021 result is 1,229. The survey response rate was 39.7 per cent. The margin of error is 2.77, at the 95 per cent level of confidence. With a result of 75.5 per cent, Labour and Immigration is confident that the population percentage of people employed, self-employed or in school or further training lies between 72.8 per cent and 78.3 per cent, 19 times out of 20.

Performance Indicator 2.a: Occupational Health and Safety

OHS Field Activities

The OHS program undertakes a number of field activities based on proactive and reactive work to take a balanced approach to regulatory enforcement and help workplaces become more self-reliant.

The Data and Statistics Hub tracks all data related to OHS work processes. For this performance measure, a report is created from the Data and Statistics Hub that identifies all in-scope OHS field activities.

Types of OHS Field activities:

- **Inspection:** an assessment of a worksite and/or associated documentation for compliance with the OHS Act, Regulation and Code.
- **Re-Inspection:** a follow up assessment of a worksite for compliance with the OHS Act, Regulation and Code.
- **Investigation:** An investigation is conducted on any workplace incident that is defined as 'reportable' under the *OHS Act* section 40(1) prior to December 1, 2021 and the OHS Act Section 33(1) after December 1, 2021.
- **Continuation of Investigation:** This refers to an investigation that has commenced and is still underway.
- **Presentation:** is an activity that is used when an officer completes a presentation to a work site party/parties.
- **Meeting:** is an in person, video or telephone conversation with a regulated party for the purpose of education regarding the OHS Act, Regulation and Code, or as an escalation from previous compliance activities.
- **Publications Delivered:** is an activity that is used when the officer provides Government of Alberta authored documents to the work site party while on site.

Lost-time claim rate

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

$$\text{Lost-time claim rate} = \frac{\text{Number of lost-time claims}}{\text{Estimated person-years}} \times 100$$

$$\text{Disabling injury rate} = \frac{\text{Number of disabling injuries}}{\text{Estimated person-years}} \times 100$$

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 3.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 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 is 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. The baseline count was updated in 2021-22 and identified 24,166 regulatory requirements, which comprised 13,046 regulatory requirements in acts and regulations and 11,120 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 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 is 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 3.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 system tracks all data related to hearings and decision timelines. For this performance measure, a report is created from the customer relationship management 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 day 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 customer relationship management system went live in November 2019 following rigorous testing and development of new procedures. Employment standards appeals were integrated into the system in September 2020. Occupational health and safety (OHS) appeals were integrated into the system near the end of the 2021-22 fiscal year and as a result OHS appeals are not included in the 2021-22 reporting period.

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

Financial Information

Year Ended March 31, 2022

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[Original signed by]

Shawn McLeod, Deputy Minister
June 1, 2022

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.

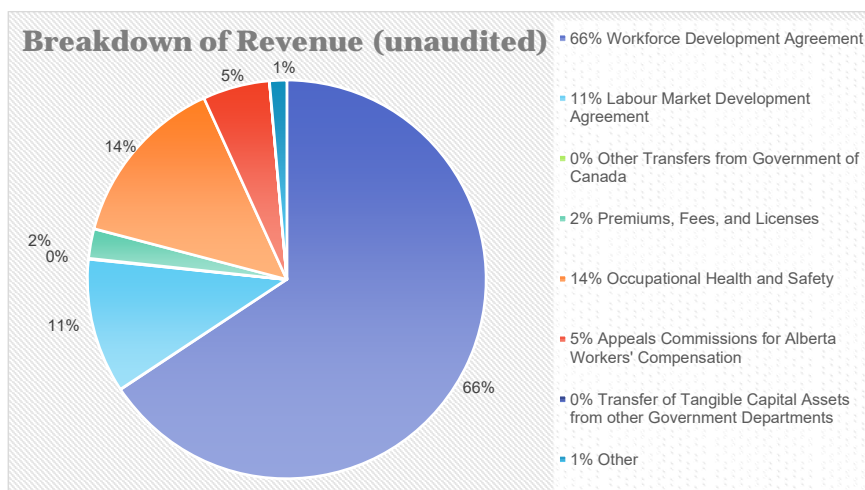
Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

Ministry Financial Highlights
Statement of Revenue and Expenses (unaudited)
Year Ended March 31, 2022

	2022		2021	Change from	
	Budget	Actual	Actual (Restated)	Budget	2021
	<i>(in thousands)</i>				
Revenues					
Government Transfers					
Workforce Development Agreement	\$ 157,108	\$ 192,504	\$ 43,450	\$ 35,396	\$ 149,054
Labour Market Development Agreement	21,984	31,984	10,984	10,000	21,000
Other Transfers from Government of Canada	186	186	466	-	(280)
Premiums, Fees and Licences	8,286	7,063	4,711	(1,223)	2,352
Other Revenue	68,602	61,253	66,224	(7,349)	(4,971)
	<u>256,166</u>	<u>292,990</u>	<u>125,835</u>	<u>36,824</u>	<u>167,155</u>
Inter-ministry consolidation adjustments	-	(20)	-	(20)	(20)
Adjusted ministry total	256,166	292,970	125,835	36,804	167,135
Expenses - Directly Incurred					
Programs					
Ministry Support Services	4,723	4,461	4,382	(262)	79
Workforce Strategies	239,242	272,505	101,123	33,263	171,382
Safe, Fair and Healthy Workplaces	65,314	54,283	67,609	(11,031)	(13,326)
Labour Relations Board	3,968	4,144	4,991	176	(847)
Appeals Commission for Alberta Workers' Compensation	17,278	15,899	17,939	(1,379)	(2,040)
Emergency Isolation Support	-	1	63,863	1	(63,862)
Workers Compensation Board Premium Support	-	-	245,815	-	(245,815)
Critical Worker Benefit Program	1,863	65,722	122,365	63,859	(56,643)
	<u>332,388</u>	<u>417,015</u>	<u>628,088</u>	<u>84,627</u>	<u>(211,072)</u>
Inter-ministry consolidation adjustments	(2,000)	(1,728)	(3,197)	272	1,469
Adjusted ministry total	330,388	415,287	624,891	84,899	(209,603)
Annual Surplus / (Deficit)	<u>\$ (74,222)</u>	<u>\$ (122,317)</u>	<u>\$ (499,056)</u>	<u>\$ (48,095)</u>	<u>\$ 376,738</u>

Breakdown of Revenues (unaudited)

	2022		2021
	Budget	Actual	Actual (Restated)
<i>(in thousands)</i>			
Revenues			
Government Transfers			
Workforce Development Agreement	\$ 157,108	\$ 192,504	\$ 43,450
Labour Market Development Agreement	21,984	31,984	10,984
Other Transfers from Government of Canada	186	186	466
	<u>179,278</u>	<u>224,674</u>	<u>54,900</u>
Premiums, Fees, and Licenses	8,286	7,063	4,711
Other Revenue			
Occupational Health and Safety	51,324	41,283	46,299
Appeals Commissions for Alberta Workers' Compensation	17,278	15,878	17,626
Transfer of Tangible Capital Assets from other Government Departments	-	20	-
Other	-	4,072	2,299
	<u>68,602</u>	<u>61,253</u>	<u>66,224</u>
Total Revenues	<u>\$ 256,166</u>	<u>\$ 292,990</u>	<u>\$ 125,835</u>



Government Transfers

The Ministry of Labour and Immigration received just over 77% 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 2021-22, 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 2021-22 was \$34 million.

Labour Market Development Agreement - In 2021-22, the Government of Alberta received \$210 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 2021-22 was \$22 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 2021-22 was \$186 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.

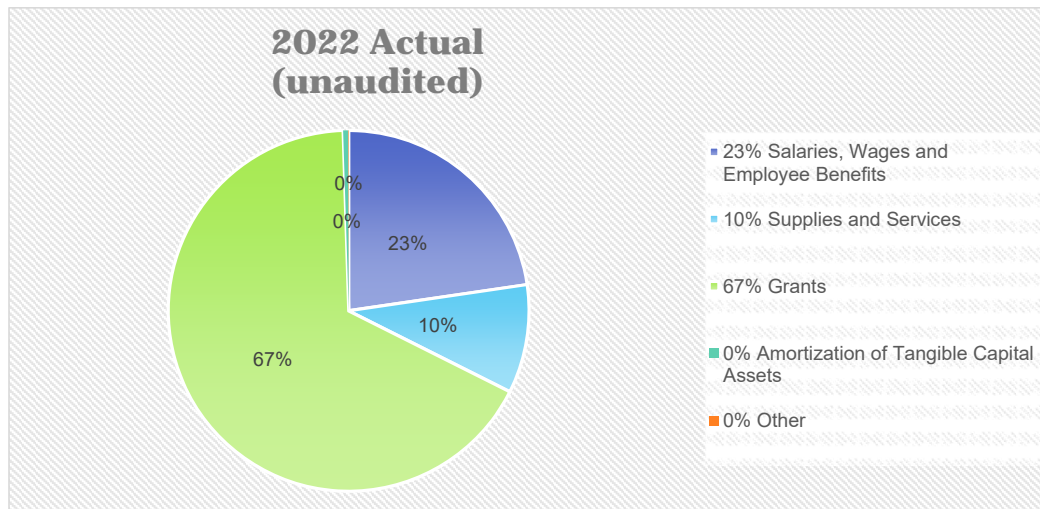
Other Revenue

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.

Expenses - Directly Incurred Detailed by Object (unaudited)

	2022		2021
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 106,219	\$ 94,554	\$ 99,825
Supplies and Services	49,856	40,604	39,424
Grants	175,443	279,815	479,334
Amortization of Tangible Capital Assets	800	1,859	9,442
Other	70	183	63
Total Expenses	<u>\$ 332,388</u>	<u>\$ 417,015</u>	<u>\$ 628,088</u>



Salaries, Wages and Employee Benefits

The Ministry's salaries, wages and employee benefits accounted for 23% of its total expenditures. In 2021-22, these expenses were lower than budgeted due to vacant positions across the ministry.

Supplies and Services

Supplies and Services accounted for 10% of the ministry's total expenditures. In 2021-22, 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 67% of the ministry's total expenditures. In 2021-22, these expenses were higher than budgeted primarily due to increased spending for the Critical Worker Benefit, Alberta Jobs Now and Canada-Alberta Job Grant programs.

Statement of Credit or Recovery (unaudited)
Year Ended March 31, 2022

2022				
Authorized	Actual Revenue Recognized	Deferred Revenue	Total Revenue Received/ Receivable	(Shortfall)/ Excess ⁽¹⁾
<i>(in thousands)</i>				
4,325	3,566	-	3,566	(759)
4,325	3,566	-	3,566	(759)

International Educational Assessment Services ⁽²⁾

⁽¹⁾ Shortfall is deducted from current year's authorized spending.

⁽²⁾ 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, 2022

	Voted Estimate ⁽¹⁾	Supplementary Supply	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	(Unexpended) Over Expended
(in thousands)						
Program - Operating Expense						
1.0 Ministry Support Services						
1.1 Minister's Office	609	-	-	609	897	288
1.2 Deputy Minister's Office	615	-	-	615	656	41
1.3 Corporate Services	3,499	-	-	3,499	3,095	(404)
	4,723	-	-	4,723	4,648	(75)
2.0 Workforce Strategies						
2.1 Settlement and Integration	8,891	-	-	8,891	7,971	(920)
2.2 Workforce Development Partnerships	7,031	-	-	7,031	7,927	896
2.3 Policy and Labour Market Information	6,330	-	-	6,330	5,239	(1,091)
2.4 Labour Attraction and Retention	4,281	-	-	4,281	4,173	(108)
2.5 Labour Qualifications and Mobility	10,162	-	-	10,162	9,280	(882)
2.6 Labour Market Programs	15,754	-	-	15,754	17,670	1,916
2.7 Summer Temporary Employment Program	-	-	-	-	-	-
2.8 Skills and Training Support	40,575	-	-	40,575	35,541	(5,034)
2.9 Coal Workforce Transition Program	18,550	-	-	18,550	10,864	(7,686)
2.10 Alberta Jobs Now Program	127,500	-	-	127,500	15,507	(111,993)
	239,074	-	-	239,074	114,172	(124,902)
3.0 Safe, Fair and Healthy Workplaces						
3.1 Labour Relations	1,598	-	-	1,598	1,403	(195)
3.2 Occupational Health and Safety	50,661	-	-	50,661	41,137	(9,524)
3.3 Employment Standards	12,588	-	-	12,588	11,616	(972)
	64,847	-	-	64,847	54,156	(10,691)
4. Labour Relations Board						
	3,968	-	-	3,968	3,448	(520)
5. Appeals Commission for Alberta Workers' Compensation						
	17,113	-	-	17,113	15,872	(1,241)
6. Emergency Isolation Support						
	-	-	-	-	1	1
7. Workers' Compensation Board Premium Support						
	-	-	-	-	-	-
8. Critical Worker Benefit						
	1,863	-	-	1,863	1,054	(809)
(Credit or Recovery) Shortfall						
	-	-	-	-	-	759
Total	\$ 331,588	\$ -	\$ -	\$ 331,588	\$ 193,351	\$ (137,478)
(Lapse)/Encumbrance						\$ (137,478)

**LAPSE/ENCUMBRANCE (unaudited)
YEAR ENDED MARCH 31, 2022**

	Voted Estimate ⁽¹⁾	Supplementary Supply	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	(Unexpended) Over Expended
Program - Capital Investment						
2 Workforce Strategies	150	-	50	200	114	(86)
3 Safe, Fair and Healthy Workplaces	900	-	-	900	34	(866)
8. Critical Worker Benefit	52	-	-	52	110	58
Total	\$ 1,102	\$ -	\$ 50	\$ 1,152	\$ 258	\$ (894)
(Lapse)/Encumbrance						\$ (894)
CONTINGENCY⁽³⁾						
2.6 Labour Market Programs	-	-	15,251	15,251	15,251	-
2.10 Alberta Jobs Now Program	-	-	142,500	142,500	142,500	-
8. Critical Worker Benefit	-	-	64,593	64,593	64,593	-
Total	\$ -	\$ -	\$ 222,344	\$ 222,344	\$ 222,344	\$ -
(Lapse)/Encumbrance						\$ -

⁽¹⁾ As per "Expense Vote by Program," "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" pages 166 and 167 of 2021-2022 Government Estimates.

⁽²⁾ As per the Order in Council 075/2022 dated March 23, 2022, the Lieutenant Governor authorized the transfer of \$222.344 million of the Contingencies (Contingency and Disaster and Emergency Assistance) supply vote of the Department of Treasury Board and Finance for the fiscal year ending March 31, 2022 to the Minister of Labour and Immigration, for administration; authorized the Minister of Labour and Immigration to spend the amount transferred for the purpose of funding Labour Market Programs, Alberta Jobs Now Program and Critical Worker Benefit program. This disclosure is made pursuant to section 30 of the *Financial Administration Act*.

⁽³⁾ Actuals exclude non-voted amounts such as amortization and valuation adjustments

Statement of Remissions, Compromise and Write-Offs (unaudited)
Year Ended March 31, 2022

(in thousands)

Compromises - Coal Workforce Transition Program (CWTP)	220
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CWTP provides financial supports to workers affected by the legislated phase out of coal-fired electricity generation by 2030. CWTP provides relief grants to eligible coal workers for re-employment, retirement, and relocation.

WCB-Alberta

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For the year ended December 31, 2021

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Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board – Alberta were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with International Financial Reporting Standards.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2021 operated effectively with no material weaknesses in the design or operation of the controls.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the annual report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, internal and external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Eckler Ltd. has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial practice.

The Office of the Auditor General, the independent auditor of the WCB, has performed an independent audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Independent Auditor's Report outlines the scope of this independent audit and the opinion expressed.



Erna Ference
Chair, Board of Directors
Workers' Compensation Board – Alberta



Trevor Alexander
President & Chief Executive Officer
Workers' Compensation Board – Alberta



Ron J. Helmhold, FCPA, FCA
Chief Financial Officer
Workers' Compensation Board – Alberta



Independent Auditor's Report

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

Report on the Financial Statements

Opinion

I have audited the financial statements of Workers' Compensation Board — Alberta (the Board), which comprise the statement of financial position as at December 31, 2021, and the statements of comprehensive income, changes in funded position, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2021, 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 Financial Statements* section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the 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 2021 Annual Report*, but does not include the financial statements and my auditor's report thereon.

My opinion on the 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 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 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 the 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 financial statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the 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 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 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 Board'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 Board'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 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 26, 2022
Edmonton, Alberta

ECKLER

Actuarial statement of opinion

on the valuation of the claim benefit liabilities of the Workers' Compensation Board – Alberta as at December 31, 2021

I have completed the actuarial valuation of the claim benefit liabilities of the Workers' Compensation Board – Alberta (WCB) for the financial statements of the WCB as at December 31, 2021 (the "valuation date").

In my opinion, the claim benefit liabilities of \$11,102.4 million make reasonable provision for future payments for short-term disability, re-employment services, long-term disability, survivor and health care benefits with respect to claims which occurred on or before the valuation date, and for all occupational disease claims expected to arise after the valuation date as a result of exposures incurred in the workplace on or before the valuation date in respect of occupational diseases with a long latency period that are recognized by the WCB. This amount provides for future claim administration costs, but does not include a provision for benefits and payments that are on a self-insured basis.

The valuation is based on the provisions of the *Workers' Compensation Act* of Alberta and on the WCB's policies and administrative practices in effect at the time of the valuation.

The data on which the valuation is based were provided by the WCB; I applied such checks of reasonableness of the data as I considered appropriate, and have concluded that the data are sufficiently reliable to permit a realistic valuation of the liabilities and that the data are consistent with WCB's financial statements. In my opinion, the data on which the valuation is based are sufficient and reliable for the purpose of the valuation.

The economic assumptions adopted for purposes of computing the liabilities are consistent with the WCB's funding and investment policies. For this valuation, a real rate of return of 2.50% per annum was used to discount expected payments subject to inflation. Other economic assumptions underlying the calculations include annual changes in the Consumer Price Index (CPI) of 2.00%, as well as wage and health care escalation at annual rates of respectively 1.00% and 1.50% (previously 2.00%) in excess of CPI. The annual increase for benefits subject to cost of living adjustments (COLA) is assumed at CPI minus 0.45%; the previous assumption was CPI minus 0.47%.

The assumptions and methods employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. Projections of future claim payments and awards have been made using factors developed from the WCB's claims experience, mortality, and other assumptions. The increase of \$705.7 million in the claim benefit liabilities, from \$10,396.7 million at the end of 2020 to \$11,102.4 million as at December 31, 2021, includes an amount of \$34.4 million resulting from changes to the actuarial methods and assumptions: changes to valuation basis for short-term wage loss and re-employment services represented an increase of \$172.7 million, and the review of economic assumptions caused liabilities to decrease by \$138.3 million. In my opinion, the methods and the assumptions employed in the valuation are adequate and appropriate for the purpose of the valuation.

Details of the data, actuarial assumptions, valuation methods and results are set out in my actuarial report as at the valuation date, of which this statement of opinion forms part.

In my opinion, the amount of the claim benefit liabilities makes appropriate provision for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.



Richard Larouche, FSA, FCIA
Actuary, Eckler Ltd.
April 25, 2022

Workers' Compensation Board – Alberta Statement of Financial Position

As at December 31

(\$ thousands)	Notes	2021	2020
ASSETS			
Cash and cash equivalents	20(a)	\$ 412,255	\$ 479,293
Trade and other receivables	20(b)	82,290	881,714
Investments	5	13,100,778	11,472,346
Property, plant and equipment	8	70,417	71,223
Intangible assets	9	48,147	50,916
		<u>\$ 13,713,887</u>	<u>\$ 12,955,492</u>
LIABILITIES			
Trade and other liabilities	20(c)	\$ 83,080	\$ 55,031
Employer liabilities	20(d)	31,798	8,422
Safety rebates	20(e)	74,728	74,843
Employee benefits	12	99,323	199,884
Claim benefits	13	11,102,400	10,396,700
		<u>11,391,329</u>	<u>10,734,880</u>
FUNDED POSITION			
Fund Balance	4	<u>2,322,558</u>	<u>2,220,612</u>
		<u>\$ 13,713,887</u>	<u>\$ 12,955,492</u>
COMMITMENTS	11		
CONTINGENCIES AND INDEMNIFICATION	19		

Approved by the Board of Directors on April 26, 2022



Erna Ference
Chair, Board of Directors
Workers' Compensation Board – Alberta



Trevor Alexander
President and Chief Executive Officer
Workers' Compensation Board – Alberta

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

Workers' Compensation Board – Alberta Statement of Comprehensive Income

Year ended December 31

(\$ thousands)	Notes	2021		2020
		Budget	Actual	Actual
REVENUE				
Premium revenue	16	\$ 1,178,760	\$ 1,146,753	\$ 1,074,149
Investment income	6(a)	507,432	1,183,162	1,087,603
		<u>1,686,192</u>	<u>2,329,915</u>	<u>2,161,752</u>
EXPENSES				
Claim benefit expense	14	1,250,560	1,276,119	1,208,788
Interest expense on claim benefit liabilities	13	463,300	452,500	434,500
Remeasurement of claim benefit liabilities	13	-	376,326	51,028
Corporate administration	17	84,962	84,282	80,799
Injury reduction	20(f)	73,897	65,530	68,614
Investment management expense	6(b)	56,051	79,004	41,545
Interest on employee benefit and other liabilities		5,472	5,214	4,797
		<u>1,934,242</u>	<u>2,338,975</u>	<u>1,890,071</u>
OPERATING SURPLUS (DEFICIT)		(248,050)	(9,060)	271,681
Funding policy distributions	4	-	11	(20)
NET FUNDING SURPLUS (DEFICIT)		(248,050)	(9,049)	271,661
OTHER COMPREHENSIVE INCOME				
Remeasurement of employee benefit liabilities	12	-	110,995	(37,623)
TOTAL COMPREHENSIVE INCOME		<u>\$ (248,050)</u>	<u>\$ 101,946</u>	<u>\$ 234,038</u>

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

Workers' Compensation Board – Alberta Statement of Changes in Funded Position

Year ended December 31

(\$ thousands)	Notes	2021	2020
FUND BALANCE			
Accumulated surplus			
Balance, beginning of year		\$ 2,297,721	\$ 2,026,060
Net funding surplus/(deficit)		(9,049)	271,661
		<u>2,288,672</u>	<u>2,297,721</u>
Accumulated other comprehensive income			
Balance, beginning of year		(77,109)	(39,486)
Other comprehensive gain/(loss)		110,995	(37,623)
		<u>33,886</u>	<u>(77,109)</u>
Fund Balance, end of year		<u>\$ 2,322,558</u>	<u>\$ 2,220,612</u>

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

Workers' Compensation Board – Alberta Statement of Cash Flows

Year ended December 31

(\$ thousands)	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Cash inflows (outflows) related to business operations		
Employer premiums	\$ 2,008,115	\$ 246,162
Benefits to claimants and/or third parties on their behalf	(1,254,715)	(1,127,102)
Administrative and other goods and services	(236,789)	(228,084)
Injury reduction program	(33,926)	(68,614)
Net cash from/(used for) operating activities	<u>482,685</u>	<u>(1,177,638)</u>
INVESTING ACTIVITIES		
Cash inflows (outflows) related to investment assets		
Interest income received	553	76,002
Dividend income received	45,380	47,398
Fund distributions received	112,506	236,789
Settlement of derivatives	160,028	(28,479)
Investment management expenses	(83,454)	(41,462)
Proceeds from sale of investments, net of cash purchases	(678,553)	1,315,356
Purchase of investments through reinvestment of income received	(85,184)	(209,460)
Cash outflows related to operating assets		
Purchase of property, plant and equipment	(6,846)	(9,620)
Purchase of computer software	(10,641)	(12,483)
Net cash from/(used for) investing activities	<u>(546,211)</u>	<u>1,374,041</u>
FINANCING ACTIVITIES		
Cash outflows related to financing activities		
Payments on lease and other liabilities	(3,512)	(8,032)
Net cash used for financing activities	<u>(3,512)</u>	<u>(8,032)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,038)	188,371
Cash and cash equivalents, beginning of year	<u>479,293</u>	<u>290,922</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 412,255</u>	<u>\$ 479,293</u>

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

Notes to the Financial Statements

For the year ended December 31, 2021 with comparatives for the year ended December 31, 2020
(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 workplace injuries or disease in the course of employment.

2. SIGNIFICANT ACCOUNTING POLICIES

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

GENERAL ACCOUNTING POLICIES

Basis of preparation

These 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, 2021.

These 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 financial statements are set out below.

Basis of consolidation

For the year ended December 31, 2020, the financial statements were prepared on a consolidated basis, including WCB and its two wholly owned subsidiaries, WCB Real Assets Ltd. and WCB Global Real Assets Ltd. All intercompany transactions and balances were eliminated on consolidation.

As a result of the completion of the investment management transition to Alberta Investment Management Corporation (AIMCo) during the year, as discussed in Note 18 *Related Party Transactions*, these entities are no longer subsidiaries of WCB. As a result, the financial statements as at December 31, 2021 are no longer on a consolidated basis.

Financial statement presentation

WCB presents its 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 do not satisfy the critical condition of a legally enforceable right of set-off against those with debit balances, they are reclassified and presented as employer liabilities.

The 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 management and claim benefit liability valuation. Administration expense is presented in the 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 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 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*.

Foreign currency translation

WCB's 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 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 within pooled funds 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 financial statements, specific accounting policies are disclosed in the related notes:

Note	Topic	Page
5	Investments	56
6	Investment income and expense	58
8	Property, plant and equipment	61
9	Intangible assets	63
10	Leases	64
12	Employee benefits	66
13	Claim benefit liabilities	69
16	Premium revenue	74

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

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB approved narrow scope amendments to IAS 1 to require companies to disclose their material accounting policy information, rather than their significant accounting policies. The amendments clarify the definition of 'material' and provide guidance on applying the new definition in practice. The amendments to IAS 8 introduce a new definition of accounting estimates, clarifying the relationship between an accounting policy and the related accounting estimates, and distinguishing the treatment between changes in accounting policies and changes in accounting estimates.

The amendments to IAS 1 and IAS 8 will be effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. Adoption of these amendments are not expected to have a significant impact on WCB's financial statements.

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 judgements, 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 insurance liabilities and claim benefit expense as a result of the change in discount rate methodology.

Implementation update

WCB has finalized its accounting and actuarial positions, as well as application approaches for nearly all IFRS 17 requirements. This has allowed completion of a comprehensive gap analysis and transition work plan in 2021 for the implementation phase. Significant milestones have been achieved, including drafting of pro forma financial statements and notes, a prototype budget model on an IFRS 17 basis, analytical tools for determining the quantitative impacts of key IFRS 17 estimates, and ongoing knowledge transfer within the organization. Periodic updates 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 retrospectively.

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.

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.

(\$ thousands)

Accident Fund

	2021	2020
Total assets	\$ 13,713,887	\$ 12,955,492
Less:		
Total liabilities	11,391,329	10,734,880
Funded Position	\$ 2,322,558	\$ 2,220,612
Funded Ratio	120.4%	120.7%

5. INVESTMENTS

ACCOUNTING POLICY

WCB's portfolio investments are classified at fair value through income since its investment management objective is to hold investments for capital appreciation. The portfolio is invested exclusively in pooled funds covering various asset classes and mandates. Participants hold redeemable units in these funds with rights to a proportionate share of the fund's income and net assets, with no power to direct management of the fund. Consequently, WCB's risk exposure is limited to the amount invested in the respective fund. WCB is indirectly and proportionately exposed only to the associated economic risks and rewards of the pool, based on its share of the total units in the respective fund. Because the criteria for control of the funds are not met for consolidation or joint control accounting, WCB accounts for its investment in pooled funds as financial instruments.

As a financial instrument, the unit of the respective pooled fund is the unit of account and basis of accounting. Fund units are recognized in the statement of financial position when WCB becomes party to the contractual provisions of the fund through purchase or transfer of the units. Similarly, fund units are derecognized when WCB is no longer bound by the rights and obligations attached to the units.

WCB utilizes trade-date accounting (i.e., the date when pooled fund units are purchased or redeemed) rather than at the date of their settlement. For recognition or derecognition of investment assets, WCB measures fund units at their fair value as at the respective trade date. Transaction costs, if any, are immediately expensed.

Fair value hierarchy

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

- Level 1** Fair value is based on quoted prices in active markets for identical assets. WCB's pooled funds do not meet level 1 requirements.
- Level 2** Fair value is based on inputs, other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs based on observable market data. Level 2 includes pooled funds invested in debt and public equity securities.
- Level 3** Fair value is based on unobservable inputs that are significant to the fair value of the assets and have little or no market activity. Level 3 includes pooled funds whose fair value is determined from valuations of underlying holdings using pricing models, discounted cash flow methodologies or similar techniques that entail use of significant judgement and/or unobservable inputs. This level includes pooled funds invested in private investments in mortgages, real estate, infrastructure, and timberlands.

Fair value measurement applies primarily to WCB investments in pooled funds established and managed by AIMCo. Valuation of these funds reflects the fair value of the underlying holdings. Certain pooled funds use valuation models for estimating and discounting future cash flows, which apply judgement in designing and building such models based on appropriate quantitative methodologies, and selecting and/or customizing the key input assumptions from observable inputs.

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

(\$ thousands)	Fair value through income			2021	2020
	Level 1	Level 2	Level 3		
Fixed income					
Nominal bonds	\$ -	\$ 3,535,053	\$ -	\$ 3,535,053	\$ 2,615,309
Mortgages	-	-	245,566	245,566	315,151
	-	3,535,053	245,566	3,780,619	2,930,460
Equities					
Domestic	-	1,420,039	-	1,420,039	1,192,705
Foreign	-	3,453,826	-	3,453,826	3,269,614
	-	4,873,865	-	4,873,865	4,462,319
Inflation-sensitive					
Real estate	-	-	1,580,470	1,580,470	1,339,050
Infrastructure	-	-	1,846,693	1,846,693	1,732,769
Timberlands	-	-	95,459	95,459	97,677
Real-return bonds	-	923,672	-	923,672	910,071
	-	923,672	3,522,622	4,446,294	4,079,567
Total investments	\$ -	\$ 9,332,590	\$ 3,768,188	\$ 13,100,778	\$ 11,472,346

Transfers between levels

There were no material transfers between levels during 2021 or 2020. However, due to the completion of the investment management transition to AIMCo during the year and the nature of AIMCo pooled funds, WCB no longer holds any level 1 investments. In addition, the classification of pooled funds invested in debt securities was revised from Level 3 to Level 2 for consistency with AIMCo's policies and this revised classification has also been reflected in the comparative figures.

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

Reconciliation of Level 3 activity

(\$ thousands)					2021	2020
	Fixed Income	Real Estate	Infrastructure	Timberlands	Total	Total
Balance, beginning of year	\$ 1,028,561	\$ 1,166,456	\$ 1,284,523	\$ 96,760	\$ 3,576,300	\$ 3,494,232
Income distributions	-	-	-	-	-	15,863
Fair value changes	37,285	182,268	95,658	(1,413)	313,798	(6,194)
Purchases of Level 3 investments	262,597	1,051,657	2,082,385	93,562	3,490,201	527,920
Sale/settlement of Level 3 investments	(1,082,877)	(819,911)	(1,615,873)	(93,450)	(3,612,111)	(455,521)
Balance, end of year	\$ 245,566	\$ 1,580,470	\$ 1,846,693	\$ 95,459	\$ 3,768,188	\$ 3,576,300

6. INVESTMENT INCOME AND EXPENSE

ACCOUNTING POLICY

WCB recognizes its proportionate share of investment income, earned and distributed to participants of the pooled fund, concurrently with investment gain or loss at remeasurement of the fund. Investment income and fair value remeasurement gains and losses are recognized in income in the period in which they arise.

Investment expense comprises primarily external fund management fees and pooled fund costs, and internal investment administration expenses.

(a) Investment Income

(\$ thousands)

			2021	2020
	Income ¹	Investment Gains (Losses) ²	Total	Total
Fixed income				
Nominal bonds	\$ 38,001	\$ (50,076)	\$ (12,075)	\$ 256,705
Mortgages	14,413	(4,265)	10,148	26,292
Short-term investments	2,391	-	2,391	3,398
	54,805	(54,341)	464	286,395
Equities				
Domestic equities	22,079	276,982	299,061	19,440
Foreign equities	83,422	308,501	391,923	626,982
	105,501	585,483	690,984	646,422
Inflation-sensitive				
Real estate	34,957	191,755	226,712	(169,275)
Infrastructure	321,068	(73,249)	247,819	209,725
Timberlands	5,405	(2,545)	2,860	6,049
Real return bonds	23,206	(8,883)	14,323	108,287
	384,636	107,078	491,714	154,786
	\$ 544,942	\$ 638,220	\$ 1,183,162	\$ 1,087,603

(b) Investment Expense

(\$ thousands)

	2021	2020
External management fees	\$ 77,039	\$ 38,423
Investment administration ³	1,965	3,122
	\$ 79,004	\$ 41,545

¹ Income represents income from interest, dividends, and fund distributions earned by the respective pools and proportionately allocated to participants based on units held.

² Investment gains (losses) include realized gains and losses from disposition of securities based on average cost, and unrealized gains or losses from remeasurement of the pools at the reporting date.

³ 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 oversight of investment risks, performance, and compliance.

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

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. The Investment Policy target asset mix, and associated risk and return characteristics, have been established to provide guidelines for maintaining a well-diversified portfolio operating within a rigorous compliance framework.

As a result of the completion of the investment management transition to AIMCo, as discussed in Note 18 *Related Party Transactions*, there have been changes to risk management during the year. As passive investors in AIMCo pooled funds, participants hold units in respective pooled funds that entitle the holder only to a proportionate share of that fund's net assets. Consequently, participants' risk exposure is limited to the amount invested in the fund. WCB has no direct exposure to contractual and legal risk associated with the underlying investments, only to the economic effect of the associated investment risks.

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

Equity market risk

Equity market risk is the risk that the fair value of pooled fund units will decline due to future fluctuations in market prices of publicly traded equities held in the respective pooled funds. A change in market value of an equity pooled fund is considered significant when it exceeds one standard deviation of the normal range of its historical market values.

The table below provides an estimate of the impact on the carrying value of equity pooled fund units of a significant adverse change¹ in the key risk variable - the amount of portfolio volatility:

(\$ thousands)	2021	2020
	1 std dev	1 std dev
Equities		
% change in portfolio	(14.3%)	(14.1%)
Canadian	\$ (202,699)	\$ (168,066)
% change in portfolio	(10.9%)	(11.3%)
Global	\$ (314,310)	\$ (304,743)
% change in portfolio	(14.4%)	(15.5%)
Emerging markets	\$ (76,292)	\$ (87,401)

¹ 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. The benchmark deviations are based on 2021 data.

Interest rate risk

Interest rate risk is the risk that the fair value of pooled funds will decline due to future increases in market interest rates. The table below provides an estimate of the impact on the carrying value of fixed income pooled funds if market interest rates increased by 50 and 100 bps¹:

(\$ thousands)	2021		2020	
	+50 bps	+100 bps	+50 bps	+100 bps
Change in nominal interest rate				
Nominal bonds	\$ (146,481)	\$ (292,962)	\$ (97,946)	\$ (195,893)
Real return bonds	\$ (72,832)	\$ (145,663)	\$ (76,901)	\$ (153,802)
Mortgages	\$ (4,899)	\$ (9,798)	\$ (3,939)	\$ (7,879)

Foreign currency risk

Foreign currency risk is the risk that the fair value of pooled funds containing financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. WCB has indirect proportionate foreign currency exposures through pooled funds that are economically hedged to the Canadian dollar based on target hedge ratios (i.e., percentage of the exposure hedged to Canadian dollars) 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.

WCB's largest indirect foreign currency exposures are to the U.S. dollar and the euro which are shown in the table below. All other currencies have unhedged exposures of \$326,267 (2020 - \$427,425).

The table below presents the currency exposure and provides an estimate of the impact on the carrying value of the portfolio should the Canadian dollar appreciate 10% against the reference currency:

(\$ thousands)	2021		2020	
	Unhedged Foreign exposure	10% CAD appreciation	Unhedged Foreign exposure	10% CAD appreciation
USD	\$ 1,740,508	\$ (158,228)	\$ 1,793,212	\$ (163,019)
EUR	\$ 256,231	\$ (23,294)	\$ 312,174	\$ (28,379)

Credit risk

Credit risk refers to possible risk of loss resulting from the borrower failing to repay a loan or fulfil its contractual obligations. WCB has indirect exposure to credit risk mainly through pooled funds containing debt securities and derivative contracts.

Credit spread risk

Credit spread risk 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, which reflects the risk premium or risk-adjusted yield for specific issuers and/or instruments. WCB's investment portfolio is indirectly exposed to credit spread risk through participation in pooled funds with holdings in non-government fixed income securities.

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. Pooled funds that hold fixed income products manage credit risk by investing in securities of high credit quality. As a portfolio strategy, derivatives may be used within pooled funds to manage specific characteristics and exposures, with derivative counterparties subject to minimum credit rating requirements. For all pooled funds that hold derivatives, the maximum counterparty default risk exposure is the fair value of all derivative contracts in a favourable (i.e., receivable) position.

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

Liquidity risk

Liquidity risk is the risk that WCB will encounter difficulty in meeting obligations associated with its investment commitments and liabilities, particularly claim benefit liabilities, which are funded from cash and cash equivalents, and from investments where necessary. This risk stems from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Pooled funds that hold private investments with no active market, or subject to contractual restrictions on redemption or transfer, would be exposed to liquidity risk. In addition, these funds may have significant capital commitments that must also be funded from operating cash flows or other investments as required.

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 pooled fund units in volatile markets, and by allocating a significant portion of the investment portfolio to pooled funds holding securities with high trading volume in active markets.

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, as discussed in Note 20(b) *Trade and Other Receivables*. Funding of continuing investment commitments and operating cash shortfalls due to premium deferral required significant investment redemptions in 2020 to manage liquidity.

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 six months during the year, which has not been drawn down as at December 31, 2021 or 2020.

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.

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 (PPE) broken down between assets acquired through purchase and right-of-use assets arising from leasing.

(\$ thousands)						2021	2020
	Land/ Buildings	Leasehold Improvements	Computer Equipment	Office Furniture/ Equipment	Vehicles	Total	Total
Owned assets, at cost							
Balance, beginning of year	\$ 71,964	\$ 1,859	\$ 20,233	\$ 25,191	\$ 902	\$ 120,149	\$ 127,052
Current period activity:							
Capitalized expenditure	468	-	4,323	2,384	37	7,212	9,543
Transfer from PPE under construction	-	-	(3,029)	(806)	-	(3,835)	(3,080)
Disposals	-	-	(2,757)	(7)	(24)	(2,788)	(17,201)
PPE under construction	79	71	1,852	718	-	2,720	3,835
Balance, end of year	\$ 72,511	\$ 1,930	\$ 20,622	\$ 27,480	\$ 915	\$ 123,458	\$ 120,149
Accumulated depreciation and impairment							
Balance, beginning of year	\$ 29,291	\$ 1,617	\$ 10,374	\$ 17,334	\$ 647	\$ 59,263	\$ 65,693
Current period activity:							
Depreciation	1,525	61	3,699	1,203	87	6,575	10,771
Disposals	-	-	(2,757)	(7)	(24)	(2,788)	(17,201)
Balance, end of year	\$ 30,816	\$ 1,678	\$ 11,316	\$ 18,530	\$ 710	\$ 63,050	\$ 59,263
Carrying value, beginning of year	\$ 42,673	\$ 242	\$ 9,859	\$ 7,857	\$ 255	\$ 60,886	\$ 61,359
Carrying value, end of year	\$ 41,695	\$ 252	\$ 9,306	\$ 8,950	\$ 205	\$ 60,408	\$ 60,886
Right-of-use assets, at cost							
Balance, beginning of year	\$ 8,266	\$ -	\$ 6,236	\$ 493	\$ -	\$ 14,995	\$ 14,474
Current period activity:							
Capitalized lease commitments	446	-	2,558	-	-	3,004	2,659
Disposals	-	-	(2,319)	-	-	(2,319)	(2,138)
Balance, end of year	\$ 8,712	\$ -	\$ 6,475	\$ 493	\$ -	\$ 15,680	\$ 14,995
Accumulated depreciation and impairment							
Balance, beginning of year	\$ 1,744	\$ -	\$ 2,655	\$ 259	\$ -	\$ 4,658	\$ 3,719
Current period activity:							
Depreciation	950	-	1,864	97	-	2,911	3,077
Disposals	-	-	(1,898)	-	-	(1,898)	(2,138)
Balance, end of year	\$ 2,694	\$ -	\$ 2,621	\$ 356	\$ -	\$ 5,671	\$ 4,658
Carrying value, beginning of year	\$ 6,522	\$ -	\$ 3,581	\$ 234	\$ -	\$ 10,337	\$ 10,755
Carrying value, end of year	\$ 6,018	\$ -	\$ 3,854	\$ 137	\$ -	\$ 10,009	\$ 10,337
Total owned and right-of-use assets							
Carrying value, beginning of year	\$ 49,195	\$ 242	\$ 13,440	\$ 8,091	\$ 255	\$ 71,223	\$ 72,114
Carrying value, end of year	\$ 47,713	\$ 252	\$ 13,160	\$ 9,087	\$ 205	\$ 70,417	\$ 71,223

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 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)			2021	2020
	In Use	Under Development	Total	Total
Cost				
Balance, beginning of year	\$ 115,716	\$ 3,819	\$ 119,535	\$ 152,218
Capitalized expenditure	-	10,472	10,472	12,258
Transfers from development	12,748	(12,748)	-	-
Disposals	(4,661)	-	(4,661)	(44,941)
Balance, end of year	\$ 123,803	\$ 1,543	\$ 125,346	\$ 119,535
Accumulated amortization and impairment				
Balance, beginning of year	\$ 68,619	\$ -	\$ 68,619	\$ 102,364
Amortization	13,241	-	13,241	11,196
Disposals	(4,661)	-	(4,661)	(44,941)
Balance, end of year	\$ 77,199	\$ -	\$ 77,199	\$ 68,619
Carrying value, beginning of year	\$ 47,097	\$ 3,819	\$ 50,916	\$ 49,854
Carrying value, end of year	\$ 46,604	\$ 1,543	\$ 48,147	\$ 50,916

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 14 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, 2021.

(\$ thousands)				2021	2020
	Land / Buildings	Computer Equipment	Office Furniture / Equipment	Total	Total
Lease obligations					
Balance, beginning of year	\$ 6,980	\$ 3,636	\$ 241	\$ 10,857	\$ 11,096
Current year activity:					
Additions	446	2,558	-	3,004	2,659
Lease payments	(1,045)	(2,362)	(105)	(3,512)	(3,211)
Lease interest	225	80	7	312	313
Balance, end of year	<u>\$ 6,606</u>	<u>\$ 3,912</u>	<u>\$ 143</u>	<u>\$ 10,661</u>	<u>\$ 10,857</u>

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.

(\$ thousands)	2021	2020
2021	\$ -	\$ 2,786
2022	3,044	2,252
2023	2,371	1,477
2024	1,648	1,233
2025	1,258	1,117
2026 and beyond	3,376	3,186
	<u>\$ 11,697</u>	<u>\$ 12,051</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. Exempt lease expense for the year 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)	2021	2020
2021	\$ -	\$ 13,084
2022	17,894	3,482
2023	11,334	1,433
2024	7,276	1,422
2025	1,523	735
2026 and beyond	1,604	884
	<u>\$ 39,631</u>	<u>\$ 21,040</u>

Private investments in pooled funds managed by AIMCo have significant future capital commitments. The amount and timing of such future funding obligations of the pooled fund participants are uncertain, as they are dependent on availability of appropriate investing opportunities. Total unfunded commitments as at December 31, 2021 were \$422,882 (2020 - \$346,635).

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, 2021 and 2020, 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.

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.

	2021					2020				
	PSPP	MEPP	SERP	Post Retirement	LTD	PSPP	MEPP	SERP	Post Retirement	LTD
	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020
Economic assumptions										
Discount rate (nominal) for benefit obligation	3.3%	3.2%	3.2%	3.1%	2.9%	2.6%	2.6%	2.7%	2.4%	2.3%
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 ¹	0.0% until 3/31/21; 3.0% thereafter	2.8%	0.0%	n/a	0.0% for 4 years; 2.0% thereafter	0.0% until 3/31/21; 3.0% thereafter	2.8%	0.0%	n/a	0.0% for 5 years; 2.0% thereafter
Multi-employer plan funding assumptions										
WCB share of plan contributory payroll	4.8%	1.2%				4.6%	1.2%			
Current service cost rate on contributory payroll	15.2%	21.7%				14.2%	21.7%			
WCB's contributions for the current period (\$ thousands)	\$ 15,015	\$ 1,036				\$ 14,886	\$ 1,027			
WCB's expected contributions for the following period (\$ thousands)	\$ 14,181	\$ 1,065				\$ 15,201	\$ 1,055			

¹ 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 ¹	Other Retirement Liabilities ²	LTD	2021	2020
Change in defined benefit obligation					
Defined benefit obligation, beginning of year	\$ 556,625	\$ 17,029	\$ 21,135	\$ 594,789	\$ 524,684
Current service cost ³	20,520	903	3,108	24,531	22,422
Interest expense ⁴	14,265	449	459	15,173	15,981
Remeasurement (gains) losses ⁵	(47,211)	(2,856)	(2,563)	(52,630)	50,233
Benefit payments	(16,773)	(354)	(2,594)	(19,721)	(18,531)
Defined benefit obligation, end of year	\$ 527,426	\$ 15,171	\$ 19,545	\$ 562,142	\$ 594,789
Change in fair value of plan assets					
Fair value of plan assets, beginning of year	\$ 394,905	\$ -	\$ -	\$ 394,905	\$ 370,127
Employer contributions	16,051	354	2,594	18,999	19,202
Interest income ⁴	10,271	-	-	10,271	11,497
Remeasurement gains (losses) ⁵	58,365	-	-	58,365	12,610
Benefit payments	(16,773)	(354)	(2,594)	(19,721)	(18,531)
Fair value of plan assets, end of year	\$ 462,819	\$ -	\$ -	\$ 462,819	\$ 394,905
Net plan liability					
Defined benefit obligation	\$ 527,426	\$ 15,171	\$ 19,545	\$ 562,142	\$ 594,789
Fair value of plan assets	462,819	-	-	462,819	394,905
	\$ 64,607	\$ 15,171	\$ 19,545	\$ 99,323	\$ 199,884

¹ 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.

² Other retirement liabilities include SERP and the post-retirement benefit plan.

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

⁴ Interest expense is presented net of interest income in the statement of comprehensive income.

⁵ 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 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	2021		2020	
	+0.25%	-0.25%	+0.25%	-0.25%
Discount rate based on market yields on high-quality corporate bonds	\$ (21,495)	\$ 21,495	\$ (23,263)	\$ 23,263
General inflation rate	\$ 9,038	\$ (9,038)	\$ 9,281	\$ (9,281)
Wage inflation rate	\$ 3,497	\$ (3,497)	\$ 4,159	\$ (4,159)

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 on or 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 claim benefit liabilities arise from differences between actual claim 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.

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, 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 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 administrative practice. Health care escalation is developed from analysis of WCB health care cost experience and has been changed from the previous 4.00% to 3.50% following an experience study conducted in 2021. This escalation rate represents general inflation plus excess escalation of 1.50%, 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:

	2021	2020
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	1.55%	1.53%
Wage escalation	3.00%	3.00%
Health care escalation	3.50%	4.00%

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	2021	2020
Claim benefit liabilities, beginning of year	\$ 719,700	\$ 4,626,600	\$ 775,000	\$ 3,288,100	\$ 290,400	\$ 696,900	\$10,396,700	\$ 9,969,900
Claim costs recognized during the year								
Provision for future costs of current year injuries and exposures	180,700	315,300	43,900	261,800	90,200	98,400	990,300	935,400
Claim benefits processed in the year	116,861	2,914	1,288	112,243	2,125	50,388	285,819	273,388
Total claim costs recognized during the year	297,561	318,214	45,188	374,043	92,325	148,788	1,276,119	1,208,788
Claim payments processed during the year								
Payments for current year injuries	(116,861)	(2,914)	(1,288)	(112,243)	(2,125)	(50,388)	(285,819)	(273,388)
Payments for prior years' injuries	(252,805)	(279,047)	(52,038)	(263,527)	(165,822)	(100,187)	(1,113,426)	(994,128)
	(369,666)	(281,961)	(53,326)	(375,770)	(167,947)	(150,575)	(1,399,245)	(1,267,516)
Interest expense on the liability	28,600	204,300	34,300	144,300	11,300	29,700	452,500	434,500
Remeasurement of the liability								
Changes in valuation methods and assumptions								
Short term wage loss and re-employment services	18,400	-	-	-	142,300	12,000	172,700	-
Economic assumptions	-	7,900	1,700	(147,900)	-	-	(138,300)	-
Latent occupational disease claims	-	-	-	-	-	-	-	174,700
Assumptions related to incurred hearing loss claims	-	-	-	-	-	-	-	3,500
Changes to Act, Regulation, policies and administrative practices								
COLA indexation	-	-	-	-	-	-	-	(259,100)
Changes in claims experience								
Inflation and wage growth different than expected	800	(2,100)	(100)	20,300	(2,000)	-	16,900	(37,600)
Economic loss payments different than expected	-	2,100	-	-	-	-	2,100	(40,900)
Short-term wage loss and re-employment benefits higher than expected	116,900	-	-	-	113,500	-	230,400	170,400
Personal care, home maintenance and housekeeping allowances higher than expected	-	39,800	-	34,000	-	-	73,800	56,400
Claim administration higher than expected	-	-	-	-	-	25,500	25,500	-
Acute health care benefits higher than expected	-	-	-	23,400	-	-	23,400	-
Other experience (gains) losses	(11,395)	(9,553)	(6,362)	(1,073)	522	(2,313)	(30,174)	(16,372)
	124,705	38,147	(4,762)	(71,273)	254,322	35,187	376,326	51,028
Claim benefit liabilities, end of year	\$ 800,900	\$ 4,905,300	\$ 796,400	\$ 3,359,400	\$ 480,400	\$ 760,000	\$11,102,400	\$10,396,700

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 2012–2021. 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 statement of financial position.

(\$ millions)	Accident Year											Total
	Prior Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Estimate of cumulative claim benefits												
At end of accident year		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	1,928.5	
One year later		1,305.7	1,383.6	1,414.3	1,353.1	1,427.1	1,644.2	1,819.2	1,924.4	1,878.7		
Two years later		1,256.9	1,394.3	1,407.1	1,516.5	1,550.3	1,781.5	1,822.9	2,001.9			
Three years later		1,258.0	1,343.6	1,538.0	1,648.0	1,632.2	1,762.9	1,919.1				
Four years later		1,212.5	1,444.5	1,663.0	1,719.7	1,590.4	1,831.6					
Five years later		1,270.1	1,530.2	1,709.5	1,660.2	1,606.0						
Six years later		1,326.7	1,565.0	1,646.8	1,700.2							
Seven years later		1,425.4	1,528.1	1,648.9								
Eight years later		1,388.2	1,531.4									
Nine years later		1,391.9										
Current estimate of cumulative claim benefits		1,391.9	1,531.4	1,648.9	1,700.2	1,606.0	1,831.6	1,919.1	2,001.9	1,878.7	1,928.5	
Cumulative payments		(571.1)	(632.1)	(650.7)	(621.1)	(578.6)	(656.2)	(691.0)	(638.3)	(464.7)	(235.4)	
Outstanding benefits												
Undiscounted	\$ 7,675.8	\$ 820.8	\$ 899.3	\$ 998.2	\$ 1,079.1	\$ 1,027.4	\$ 1,175.4	\$ 1,228.1	\$ 1,363.6	\$ 1,414.0	\$ 1,693.1	\$ 19,374.8
Effect of discounting	(3,828.5)	(468.8)	(498.4)	(552.8)	(606.8)	(573.1)	(640.8)	(648.2)	(703.6)	(713.2)	(778.7)	(10,012.9)
	3,847.3	352.0	400.9	445.4	472.3	454.3	534.6	579.9	660.0	700.8	914.4	9,361.9
Claims management												
Undiscounted												1,486.3
Effect of discounting												(726.3)
												760.0
Latent occupational diseases												
Undiscounted												2,680.0
Effect of discounting												(1,699.5)
												980.5
Total claim benefits												
Undiscounted												23,541.1
Effect of discounting												(12,438.7)
Claim benefit liabilities												<u>\$ 11,102.4</u>

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)	2021		2020	
Expected timing of future payments (undiscounted)				
Up to 1 year	\$ 1,104	5%	\$ 921	4%
Over 1 year and up to 5 years	2,739	12%	2,540	11%
Over 5 years and up to 10 years	2,908	12%	2,743	12%
Over 10 years and up to 15 years	2,740	12%	2,592	12%
Over 15 years	14,050	59%	13,604	61%
Total	\$ 23,541	100%	\$ 22,400	100%

14. CLAIM BENEFIT EXPENSE

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

(\$ thousands)	2021			2020
	Current Year Injuries	Prior Years' Injuries	Total	Total
Claims expense				
Provision for future costs of current year injuries and exposures ¹	\$ 990,300	\$ -	\$ 990,300	\$ 935,400
Claim payments processed in the year				
Short-term disability	116,861	252,805	369,666	324,418
Long-term disability	2,914	279,047	281,961	265,479
Survivor benefits	1,288	52,038	53,326	51,371
Health care	112,243	263,527	375,770	343,937
Re-employment	2,125	165,822	167,947	141,247
	235,431	1,013,239	1,248,670	1,126,452
Claim payments related to prior years²	-	(1,113,426)	(1,113,426)	(994,128)
	235,431	(100,187)	135,244	132,324
	\$ 1,225,731	\$ (100,187)	\$ 1,125,544	\$ 1,067,724
Claims management³				
Claims-related administration	49,687	83,523	133,210	124,001
Appeals Commission	15	15,259	15,274	10,384
Medical Panel Office	-	252	252	955
Fair Practices Office	686	1,153	1,839	5,724
	\$ 50,388	\$ 100,187	\$ 150,575	\$ 141,064
	\$ 1,276,119	\$ -	\$ 1,276,119	\$ 1,208,788

¹ 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.

² 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.

³ Claims management represents WCB's internal functional costs related to claims processing as well as funding of the external decision review body. 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 total 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 30% 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)	2021		2020	
	+0.25%	-0.25%	+0.25%	-0.25%
+/- % change on assumed rates				
Real rate of return	\$ (346,200)	\$ 367,700	\$ (332,100)	\$ 352,900
Wage escalation rate	\$ 146,800	\$ (139,100)	\$ 133,800	\$ (126,800)
Health care escalation rate	\$ 54,500	\$ (51,400)	\$ 60,700	\$ (57,300)

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)	2021	2020
Premiums		
Assessed premium revenue for current year	\$ 1,209,636	\$ 1,147,870
Other premium-related revenue	8,408	(2,563)
	1,218,044	1,145,307
Deduct: Partnerships in Injury Reduction rebates	71,291	71,158
	\$ 1,146,753	\$ 1,074,149

Assessed premium revenue includes an accrual of \$1,715 payable (2020 – \$103,141 as a reduction to receivables) 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 claim 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.

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	2021	2020
Administration expenses				
Salaries and employee benefits	\$ 59,001	\$ 147,390	\$ 206,391	\$ 194,658
Technology	9,757	11,055	20,812	16,946
Office	2,103	919	3,022	3,111
Occupancy	2,064	4,602	6,666	7,029
Professional fees	2,459	2,749	5,208	4,621
Travel	117	88	205	385
Other	762	436	1,198	1,193
	76,263	167,239	243,502	227,943
Depreciation and amortization	10,028	12,699	22,727	25,044
	86,291	179,938	266,229	252,987
Less:				
Cost recoveries	44	12,593	12,637	11,681
Reclassifications to:				
Claims expense – rehabilitation services	-	34,135	34,135	33,384
Investment management expense ¹	1,965	-	1,965	3,122
	2,009	46,728	48,737	48,187
	\$ 84,282	\$ 133,210	\$ 217,492	\$ 204,800

¹ 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 and the Appeals Commission 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 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 transfer management of its investment portfolio to AIMCo by December 31, 2021. In 2020, fixed income investments totaling \$3.5 billion were transferred to AIMCo. In 2021, infrastructure, timberlands, and real estate investments totaling \$2.9 billion and publicly traded equities totaling \$4.7 billion were transferred, representing the remainder of WCB's investments. As at December 31, 2021, transition of the entire portfolio has been completed. There was no material impact on financial results due to the transition.

Although management fees and other expenses charged by AIMCo may not be consistent with usual commercial terms for similar services, they are significant and therefore included in Note 6 *Investment Income and Expense*. Details of investment funding commitments related to the pooled funds managed by AIMCo are disclosed in Note 11 *Commitments*.

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)

	2021				
	Base Salary ¹	Other Cash Benefits ²	Non-Cash Benefits ³	SERP ⁴	Total
Chair, Board of Directors ⁵	\$ -	\$ 34	\$ 4	\$ -	\$ 38
Board Members ⁵	-	74	9	-	83
President and Chief Executive Officer	331	19	37	86	473
Chief Financial Officer	347	20	40	94	501
Chief Technology Officer	260	11	37	14	322
Secretary and General Counsel	211	10	41	28	290
Senior Vice President, Operations & Innovation	367	6	40	107	520
Vice President, Employee and Corporate Services	285	6	43	63	397
Vice President, Millard Health and Special Care Services	211	7	36	28	282
	2020				
Chair, Board of Directors	\$ -	\$ 32	\$ 4	\$ -	\$ 36
Board Members	-	73	9	-	82
President and Chief Executive Officer	331	12	36	80	459
Chief Financial Officer	347	19	37	87	490
Chief Technology Officer	260	11	36	13	320
Secretary and General Counsel	211	10	39	27	287
Senior Vice President, Operations & Innovation	367	6	35	95	503
Vice President, Employee and Corporate Services	285	6	43	62	396
Vice President, Millard Health and Special Care Services	211	6	34	26	277

¹ Base salary is pensionable base pay.

² Other cash benefits for Board Members comprise honoraria pay for meetings attended, while other cash benefits for other key management includes car allowances and vacation payouts.

³ 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.

⁴ 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.

⁵ The Chair of the Board of Directors and the Board Members are part-time positions.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(\$ thousands)	2021				2020	
	Current Service Cost ¹	Other Costs ²	Net Cost	Accrued Obligation	Net Cost	Accrued Obligation
President and Chief Executive Officer	\$ 86	\$ (19)	\$ 67	\$ 222	\$ 91	\$ 155
Chief Financial Officer	94	(126)	(32)	1,377	182	1,409
Chief Technology Officer	14	(8)	6	25	15	19
Secretary and General Counsel	28	(25)	3	127	29	124
Senior Vice President, Operations & Innovation	107	(115)	(8)	1,802	265	1,810
Vice President, Employee and Corporate Services	63	(134)	(71)	1,003	75	1,074
Vice President, Millard Health and Special Care Services	28	(9)	19	95	32	76

¹ Current service cost represents the actuarial present value of future benefit obligations arising from employee service in the current period.

² Other costs include interest on the liability and actuarial gains and losses arising from assumption changes and/or experience, less any benefit payments.

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 financial statements in respect of these indemnifications.

20. SUPPLEMENTAL INFORMATION

(a) Cash and cash equivalents

(\$ thousands)	2021	2020
Cash equivalents	\$ 126,763	\$ 384,195
Cash in transit and in banks	285,492	95,098
	<u>\$ 412,255</u>	<u>\$ 479,293</u>

Cash equivalents are investments in a money market pooled fund holding high-quality, short- to mid-term, highly liquid fixed-income securities that generated an average annual return of 0.3% (2020 – 1.0%).

(b) Trade and other receivables

(\$ thousands)	2021	2020
Premium receivable	\$ 38,109	\$ 544,055
Government of Alberta receivable	-	313,778
Reclassified to employer liabilities – Note 20(d)	30,083	8,422
Employer accounts receivable	68,192	866,255
Other	14,098	15,459
	<u>\$ 82,290</u>	<u>\$ 881,714</u>

Included in the employer accounts receivable total above is an allowance for expected credit losses of \$7,000 (2020 - \$10,200). Substantially all receivables are collected within one year.

Impact of Covid-19 on Premiums Receivable

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 were eligible for a waiver of 50% of their 2020 premiums, with the government reimbursing WCB for the waiver in 2021. As a result, a large portion of premiums were included in Trade and other receivables at December 31, 2020.

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.

(c) Trade and other liabilities

(\$ thousands)	Trade	Other	2021	2020
Trade payables	\$ 63,480	\$ -	\$ 63,480	\$ 36,144
Lease obligations – Note 10	-	10,661	10,661	10,857
Other liabilities	-	8,939	8,939	8,030
	<u>\$ 63,480</u>	<u>\$ 19,600</u>	<u>\$ 83,080</u>	<u>\$ 55,031</u>
Current portion	\$ 63,480	\$ 2,771	\$ 66,251	\$ 38,660
Non-current portion	-	16,829	16,829	16,371
	<u>\$ 63,480</u>	<u>\$ 19,600</u>	<u>\$ 83,080</u>	<u>\$ 55,031</u>

(d) Employer liabilities

(\$ thousands)	2021	2020
Accrued premiums payable – Note 16	\$ 1,715	\$ -
Reclassified from premium receivable – Note 20(b)	30,083	8,422
	<u>\$ 31,798</u>	<u>\$ 8,422</u>

Included in employer liabilities is the reclassification from trade receivables of all outstanding employer accounts with credit balances.

(e) Safety rebates

(\$ thousands)	2021	2020
Safety rebates payable, beginning of year	\$ 74,843	\$ 79,112
Payment of prior years' rebates	(71,699)	(73,212)
	3,144	5,900
Adjustment of prior years' accruals	293	(2,215)
Outstanding balance from prior years	3,437	3,685
Rebates for the year – Note 16	71,291	71,158
Safety rebates payable, end of year	<u>\$ 74,728</u>	<u>\$ 74,843</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)	2021	2020
Occupational Health and Safety	\$ 43,168	\$ 45,981
Industry safety associations	22,362	22,633
	<u>\$ 65,530</u>	<u>\$ 68,614</u>

Injury reduction is composed of statutory funding of Occupational Health and Safety and funding of industry-sponsored safety associations.

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, 2021 to March 31, 2022. There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for the ministry.