

GOVERNMENT OF ALBERTA

Annual Report

Jobs, Economy and Northern Development 2022-2023

Ministry of Jobs, Economy and Northern Development, Government of Alberta | Jobs, Economy and Northern Development 2022–2023 Annual Report

©2023 Government of Alberta | Published: June 2023

ISBN: 978-1-4601-5745-9

ISSN: 2817-4623

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

Table of Contents

Table of Contents	1
Preface	2
Minister’s Accountability Statement	3
Message from the Minister	4
Management’s Responsibility for Reporting	6
Results Analysis	8
Ministry Overview	9
Discussion and Analysis of Results	15
Performance Measure and Indicator Methodology	73
Financial Information	79
Reporting Entity and Method Consolidation	80
Ministry Financial Highlights	81
Supplemental Financial Information	86
Financial Statements of Other Reporting Entities.....	88
Annual Report Extracts and Other Statutory Reports	126
Statutes of Alberta Chapter P-39.5 – <i>Public Interest Disclosure (Whistleblower Protection) Act</i>	126

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 ministry.

On October 24, 2022, the government announced new ministry structures. As such, some responsibilities of the former ministries of Jobs, Economy and Innovation and Labour and Immigration were transferred to the Ministry of Jobs, Economy and Northern Development. The 2022-23 Annual Report reflects the 2022-25 ministry business plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2022-23 fiscal year, which ended on March 31, 2023.

The Annual Report of the Government of Alberta contains Budget 2022 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 Jobs, Economy and Northern Development 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 Jobs, Economy and Northern Development. 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.

All ministry annual reports 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, 2023, 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 5, 2023 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Matt Jones
Minister of Jobs, Economy and Trade

Message from the Minister



The Ministry of Jobs, Economy and Northern Development worked to strengthen and diversify Alberta's economy while ensuring safe, fair and healthy workplaces – making the province a great place for job creators to set up shop and Albertans to call home. In 2022-23, the ministry led many initiatives to support employers, workers, business associations and investors, with the goal of making Alberta an attractive option to start and grow a business.

With one of the lowest corporate tax rates in North America and a highly-skilled workforce, along with regional supports to address the unique needs of Alberta's diverse communities, corporations and large companies are investing throughout Alberta. This included providing new funding to the Regional Economic Development Alliances, or REDAs, to foster regional growth across the province. The ministry also updated Alberta's Economic Dashboard so that investors and economic developers continue to have timely and relevant information to make investment decisions; in addition, the ministry offers wayfinding and concierge services and customized supports that help businesses invest and grow in Alberta.

To ensure Alberta businesses have the workers needed to keep up with economic growth, the ministry offers programs to support current workers as well as Albertans ready to enter the workforce. Through Alberta at Work, a \$700-million investment over multiple years, we are supporting education and job training for Albertans with programs like the Canada-Alberta Jobs Grant, which helps thousands of people to upgrade their skills. Through the Alberta Jobs Now program, 19,000 Albertans are now working in positions that help businesses expand their operations, while the Northern Alberta Development Council Bursary helps attract and retain skilled professionals to grow and diversify the northern economy. The ministry also led the Alberta is Calling campaign to attract skilled workers to the province. The campaign highlighted Alberta's economic advantages, highest weekly earnings and lowest taxes in Canada, and high-quality, affordable lifestyle. Since launching the campaign, the province experienced record quarterly in-migration growth in Q3 and continued to lead Canada in interprovincial net migration in Q4.

As we see the economy and population grow, the ministry also remains focused on keeping workers healthy and safe on the job. In March of 2023, changes to the Occupational Health and Safety Code came into effect. The updates aligned the code with our modern workplaces and made it easier to understand. These updates, along with the Employment Standards Code, which set out the rights and obligations of employers and employees, helps ensure Albertans have the resources and training they need to work in a safe, healthy and fair environment.

Alberta has a highly-skilled workforce, business-friendly policies, diversified economy and affordable and exceptional lifestyle - this is the Renewed Alberta Advantage and it is strengthening communities and economies in our province. I look forward to continuing the work of our ministry and the Government of Alberta as we remain focused on creating jobs, attracting skilled workers, and keeping people safe at work.

[Original signed by]

Honourable Matt Jones
Minister of Jobs, Economy and Trade

Management's Responsibility for Reporting

The Ministry of Jobs, Economy and Northern Development includes:

- The Department of Jobs, Economy and Northern Development;
- Workers' Compensation Board – Alberta;
- Northern Alberta Development 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 Jobs, Economy and Northern Development. 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 2022-25 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 2022*.

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 Jobs, Economy and Northern Development 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]

Christopher McPherson
Deputy Minister of Jobs, Economy and Trade
June 5, 2023

Results Analysis

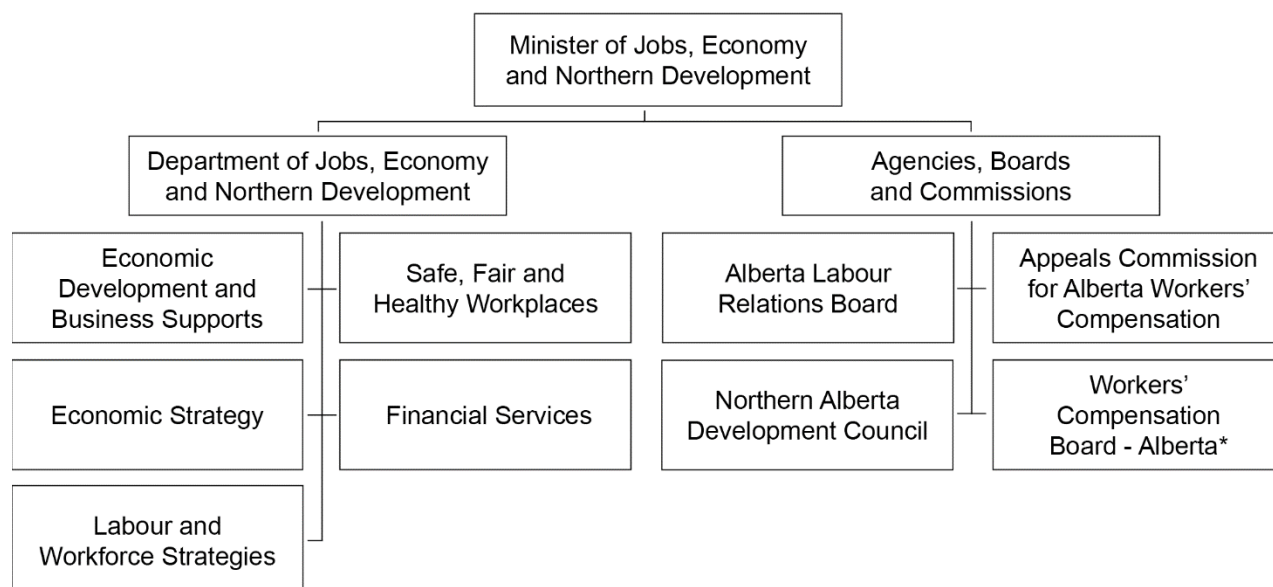
Table of Contents

Ministry Overview.....	9
Organizational Chart	9
Department of Jobs, Economy and Northern Development	10
Agencies, Boards and Commissions.....	11
Business Plan Outcomes	12
Key Highlights and Results	13
Key Highlights – Financial Results.....	14
Discussion and Analysis of Results.....	15
Actions that support the priorities of the Government of Alberta Strategic Plan.....	15
Red Tape Reduction.....	16
COVID-19/Recovery Plan.....	16
Jobs, Economy and Innovation Outcome One: Alberta’s economy is recovered and growing.....	17
Jobs, Economy and Innovation Outcome Two: Investment and trade are driving Alberta’s economic recovery and growth.....	29
Jobs, Economy and Innovation Outcome Three: Technology and innovation are enabling Alberta to build on its strengths	29
Labour and Immigration Outcome One: Alberta has a skilled and resilient labour force to support economic recovery, growth and diversification	30
Labour and Immigration Outcome Two: Albertans are safe at work and treated fairly in the workplace.....	44
Labour and Immigration Outcome Three: Better services for workers and employers through streamlined rules and effective service delivery	62
Performance Measure and Indicator Methodology.....	73

Ministry Overview

Organizational Chart

The Ministry of Jobs, Economy and Northern Development enhances Alberta's competitive advantage by attracting investment to grow and diversify the economy, attracting and developing a highly skilled workforce, and promoting safe, fair and healthy workplaces. The ministry's agencies, boards and commissions support the fair resolution of disputes among work site parties; support a sustainable workers' compensation system through delivery of independent adjudication services; and support northern Alberta communities in realizing their rich potential to strengthen their diverse economies.



* The Workers' Compensation Board – Alberta is a separate entity that is also accountable to the minister. The WCB has its own budget and reporting processes.

Department of Jobs, Economy and Northern Development

The Department of Jobs, Economy and Northern Development 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.

Economic Development and Business Supports

The Economic Development and Business Supports division is focused on driving and operationalizing the department's economic development agenda through policies, strategies and programs that help create jobs and diversify Alberta's economy. The division ensures oversight and alignment between the operations and strategic direction of the Northern Alberta Development Council and the department. The division establishes connections and networks to facilitate regional and Northern economic growth through the development and retention of businesses and communities contributing to the economy. The division also delivers programs that foster economic growth and entrepreneurship and develops policy to attract investment and support the vibrancy of small business.

Economic Strategy

The Economic Strategy division is focused on ensuring that the Government of Alberta's strategies and policies support economic growth and job creation. The division engages with industry to inform strategies, policies and initiatives that support Alberta's future prosperity and builds strategic capacity and coordination related to economic development. It also provides pathfinding and concierge services to businesses and other industry stakeholders to support their investment and growth objectives. The division also undertakes economic modelling and data analytics to identify sectoral and regional opportunities, estimate economic impacts and guide thinking regarding future strategies and policies for Alberta. This work informs the work of multiple departments across government. Further, the division publishes accessible and timely economic data to support private sector investment decision making and the economic development work of agencies across the province. Where identified, the division also develops and delivers on economic and industry-focused strategies and policies designed to encourage the growth of priority sectors.

Labour and Workforce Strategies

The Labour and Workforce Strategies division develops significant labour laws and policies, helps maintain settled labour relations and informs and delivers employment and training programming supports for workers and employers. The division develops policies and strategies to align labour supply and demand and to ensure Alberta's workplaces are safe and healthy and operate within a fair legislative framework. The division works with other provincial departments and the federal government to coordinate labour market programming, including overseeing the implementation of provincial Labour Market Transfer Agreements and the Alberta at Work suite of initiatives, and monitoring the labour market to adjust programming as needed. The division also provides mediators and arbitrators to assist unions and employers in resolving disputes and provides the ministry's legislative services, public accountability functions and corporate services for facilities and administration, emergency management and business continuity.

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 Occupational Health and Safety (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.

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.

Agencies, Boards and Commissions

The Ministry of Jobs, Economy and Northern Development includes the following agencies, boards and commissions:

Alberta Labour Relations Board

The Alberta Labour Relations Board is an independent and impartial tribunal responsible for the day-to-day 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 consists of an independent tribunal that is the final level of appeal for the Workers' Compensation Board (WCB), and two independent programs: the Advisor Office, which provides free-of-charge advice and advocacy services to workers and employers in Alberta, and the Medical Panels Program, which convenes medical professionals to answer medical questions posed by the Appeals Commission or WCB. All components of the Appeals Commission are supported by an internal Secretariat which provides shared services and supports cost savings. The Appeals Commission is committed to a fair, client focused appeal experience. The Appeals Commission's mission is to understand its client's needs, offer them user-friendly resources, and guide them through the appeal process, while creating a safe and respectful place to be heard and providing clear, timely, independent and unbiased decisions.

Northern Alberta Development Council (NADC)

The Northern Alberta Development Council identifies, promotes and advises on practical measures to advance economic and social development in northern Alberta. It provides a northern lens on existing and proposed government services and programs, while facilitating opportunities for stakeholders to connect and collaborate on northern issues of common interest.

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.

Business Plan Outcomes

In 2022-23, the ministry supported the achievement of the following outcomes from the following 2022-25 ministry business plans:

Jobs, Economy and Innovation:

1. Alberta's economy is recovered and growing

Labour and Immigration:

1. Alberta has a skilled and resilient labour force to support economic recovery, growth and diversification
2. Albertans are safe at work and treated fairly in the workplace
3. Better services for workers and employers through streamlined rules and effective service delivery

Key Highlights and Results

Jobs, Economy and Innovation Outcome One: Alberta's economy is recovered and growing

- Invested \$5 million in grant funding for the aviation sector and established the foundation for a future aviation skills grant to support the growth of more highly-skilled jobs in the aviation and aerospace sector.
- Provided \$5.1 million in Northern and Regional Economic Development Program grants to support 70 community driven projects that promote regional economic development and diversification in 136 communities.
- Authorized 68 productions to participate in the Film and Television Tax Credit program with expected investments totalling \$353 million.
- Provided \$10 million in funding to support downtown revitalization efforts in Edmonton and Calgary.

Labour and Immigration Outcome One: Alberta has a skilled and resilient labour force to support economic recovery, growth and diversification

- Committed more than \$600 million over three years across multiple ministries (\$94 million to Jobs, Economy and Northern Development) to support the Alberta at Work series of workforce development initiatives. JEND coordinated the collective effort to address current and longer-term labour market challenges.
- Approved 13 grants under the new Workforce Strategies Grant Program to help Albertans develop new skills and assist employers and industry to grow their workforce.
- Streamlined Canada-Alberta Job Grant processes to reduce red tape and decrease processing times. Application and payment processing times were decreased by almost 50 per cent.

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

- Implemented an updated and easier-to-understand OHS Code to help keep workers healthy and safe and support Alberta's economy; new requirements to improve health and safety were added in eight parts of the code and 7,955 regulatory requirements were removed from the OHS Code as part of the changes that came into effect on March 31, 2023.
- Conducted 9,571 occupational health and safety inspections and 4,146 re-inspections as part of an evidence-based compliance approach.
- Completed 93 per cent of the 3,259 employment standards complaints within 180 days.

Labour and Immigration Outcome Three: Better services for workers and employers through streamlined rules and effective service delivery

- Achieved a 41 per cent reduction in regulatory requirements since the red tape reduction initiative began in May 2019, significantly exceeding the target of 33 per cent.
- Provided efficient, timely, effective and consistent services for the 626 hearings conducted by the Alberta Labour Relations Board.
- Provided a fair, client-focused appeal experience for the 592 appeals received by the Appeals Commission for Alberta Workers' Compensation.

Key Highlights – Financial Results

In 2022-23, the ministry's consolidated expense was \$341 million, \$237 million lower than 2021-22 and \$77.1 million lower than budgeted.

- \$189.5 million for Workforce Strategies, including \$78.5 million for Alberta Jobs Now Program helping over 7,500 new hires from over 1,400 employers; \$29.8 million for the Canada-Alberta Job Grant resulting in more than 12,600 Albertans approved for training; and \$36.8 million for Training for Work which served almost over 4,000 Albertans.
- \$70 million for Strategic Economic Partnerships, including \$10 million for Edmonton and Calgary downtown revitalization; \$5.1 million for the Northern and Regional Economic Development program supporting 70 projects in 136 communities; \$150 thousand for the Northern Alberta Development Council Bursary helping over 200 northern Alberta students; and \$26.7 million for the Film and Television Tax Credit supporting 24 productions.
- \$44.7 million for the occupational health and safety program. Approximately 9,600 inspections and 4,100 re-inspections were conducted and over 9,100 OHS orders issued.
- \$11.4 million for the employment standards program. 93 per cent of the approximately 3,300 complaints received were completed within 180 days.
- \$16.9 million for the Appeals Commission for Alberta Workers' Compensation. 592 appeals were received and the average number of days from the hearing to the decision issued date was 29.
- \$3.3 million for the Alberta Labour Relations Board. The Board received 688 applications and conducted 626 hearings during the year.

In 2022-23, the ministry's revenue was \$158.4 million, \$207.3 million lower than 2021-22 and \$19.2 million higher than budgeted.

Further details related to the results of the ministry in 2022-23 can be found in the analysis below.

Discussion and Analysis of Results

Actions that support the priorities of the Government of Alberta Strategic Plan

Key Priority two:

Growing Alberta's economy

Objective: Attracting Investment

Detailed reporting found on pages 17-26.

Key Priority two:

Growing Alberta's economy

Objective: Connecting Albertans with family-supporting jobs

Detailed reporting found on pages 30-40.

Key Priority two:

Growing Alberta's economy

Objective: Reducing Red Tape

Detailed reporting found on pages 64-65 and page 71.

Red Tape Reduction

The Ministry of Jobs, Economy and Northern Development remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasizes outcomes to improve access to government services, attract investment, support innovation and competitiveness and grow Alberta businesses. 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 41 per cent since the red tape reduction initiative began in May 2019. In 2022-23, the department reduced 8,364 net regulatory requirements and the ministry's agencies, boards and commissions reduced net regulatory requirements by 739.

Specific information on the ministry's red tape reduction efforts in 2022-23 can be found under Labour and Immigration key objective 3.1 and performance measure 3.a. of this annual report.

COVID-19/Recovery Plan

The Ministry of Jobs, Economy and Northern Development continued to devote significant resources to Alberta's economic recovery from the COVID-19 pandemic. These efforts supported Albertans, businesses and investors. Throughout this extraordinary time, the ministry also delivered on its core work in health and safety. Highlights of the ministry's work to support economic recovery and the COVID-19 pandemic can be found below. More details related to these initiatives can be found throughout this annual report.

- **Alberta's Recovery Plan:** The ministry continued to focus on strategic markets and sectors aligned with the Alberta Recovery Plan and where Alberta has a competitive advantage to generate the highest impact to Alberta's economy. For more information see page 17 of this report.
- **Small and Medium Enterprise Relaunch Grant program:** Two post-payment audits of the Small and Medium Enterprise Relaunch Grant program were conducted during the year to demonstrate the effectiveness of the program's design in delivering timely benefits. Analysis of the audit results will continue in 2023-24. For more information see page 23 of this report.
- **Occupational Health and Safety COVID-19 pandemic response:** The ministry conducted 362 inspections, 103 re-inspections and nine reportable incident investigations related to COVID-19 in the workplace. For more information see page 49 of this report.
- **COVID-19 temporary layoff provisions:** Extended temporary layoff rules related to COVID-19 were repealed on February 16, 2023. For more information see page 66 of this report.

Jobs, Economy and Innovation Outcome One: Alberta's economy is recovered and growing

The ministry led Alberta's economic recovery efforts in the wake of the COVID-19 pandemic and global economic recession that followed. The ministry was focused on getting Albertans back to work by delivering policies, strategies and programs aimed at restoring investor confidence in Alberta. Increasing investment, growing and diversifying key sectors of the province's economy and laying the foundation for an innovative and competitive economy help position the province for growth over the short and longer-term.

Key results and highlights during 2022-23 include:

- Invested \$5 million in grant funding for the aviation sector and established the foundation for a future aviation skills grant to support the growth of more highly-skilled jobs in the aviation and aerospace sector.
- Provided \$5.1 million in Northern and Regional Economic Development Program grants to support 70 community driven projects that promote regional economic development and diversification in 136 communities.
- Authorized 68 productions to participate in the Film and Television Tax Credit program with expected investments totalling \$353 million.
- Provided \$10 million in funding to support downtown revitalization efforts in Edmonton and Calgary.

Key Objectives

1.1 Lead the execution of Alberta's Recovery Plan and work with partner ministries to build on Alberta's strengths to create jobs, grow key sectors and diversify Alberta's economy through initiatives such as the creation of the Clean Hydrogen Centre of Excellence.

Alberta's Recovery Plan

Alberta's Recovery Plan focuses on providing immediate relief and support for Albertans during the COVID-19 pandemic, creating jobs, investing in infrastructure, and diversifying the economy over the longer term.

Throughout the year, the ministry continued to focus on strategic markets and sectors aligned with the Alberta Recovery Plan and where Alberta has a competitive advantage to generate the highest impact to Alberta's economy.

Alberta's aerospace, aviation and logistics sectors

Alberta's aviation industry is growing with recent investments or expansions from companies including De Havilland Aircraft of Canada Ltd., WestJet, Condor, Lynx Air, Flair Airlines, and Porter Airlines. In October 2022, the Government of Alberta signed a Memorandum of Understanding with WestJet Airlines to grow and diversify Alberta's aviation sector and establish Calgary as WestJet's single global connecting hub.

The aviation industry's rapid growth means the industry is experiencing challenges filling positions. In 2022-23, government committed \$5 million in grant funding for the aviation sector and established the foundation for a future aviation skills grant. This program will provide \$5 million in 2023-24 to offset training costs and support the growth of more highly skilled jobs in the aviation and aerospace sector, while promoting the aviation sector as an appealing and rewarding career choice for all genders and diverse groups.

Petrochemical and hydrogen sectors

Jobs, Economy and Northern Development works collaboratively with the Ministry of Energy and others to implement the National Gas Vision and Strategy, engaging with industry stakeholders to advance investment and growth in the petrochemicals and hydrogen sectors.

The ministry is currently providing concierge service to the proponent of a major new petrochemicals investment that includes plans for billions of dollars invested in Alberta and the creation of thousands of construction jobs and hundreds of full-time operational jobs. Key supports include:

- workforce analysis and development of solutions to address anticipated labour strategies;
- identifying and addressing policy barriers to investment;
- cross-ministry coordination of services and supports;
- facilitating connections to industry and other levels of government; and
- regulatory pathfinding, which includes providing information and facilitating contacts with regulators to ensure companies and investors understand the regulatory approvals and permits their project requires, have clarity on application processes and timelines and have access to applicant advisory services offered by regulators.

Clean Hydrogen Centre of Excellence

Responsibility for Alberta Innovates and the Clean Hydrogen Centre of Excellence transferred to the Ministry of Technology and Innovation with the government of Alberta reorganization in October 2022.

Mission to the Republic of Korea and Memorandum of Understanding

The Minister of Jobs, Economy and Northern Development, along with the Minister of Trade, Immigration and Multiculturalism, visited the Republic of Korea from February 25 to March 3, 2023. The mission was consistent with the ministry's mandate to create an environment that attracts investment and job creation opportunities from across Canada and around the world. The ministers met with engineering firms, industry representatives and government officials to discuss opportunities in Alberta's growing energy sector and the joint potential of responsible energy initiatives to power industry and reduce emissions. The mission led to a Memorandum of Understanding, signed on April 18, 2023, with the Korea Atomic Energy Research Institute to explore the use of small modular reactor technologies in Alberta.

Manufacturing sector

During the year, the ministry led efforts to support and grow manufacturing in the province, including engagement with manufacturing stakeholders, to understand opportunities and challenges facing the industry. The province continued to work to improve efficiencies and create a more favourable environment for investors in the manufacturing industry. During the year, the ministry provided customized concierge services for two large scale manufacturing investments.

Alongside active engagement with industry, the ministry continued to support the manufacturing sector through a range of economy-wide employment and training programs to help address ongoing labour challenges. The ministry also provided resources for Alberta communities and regions, such as Regional Economic Development Specialists, to support local efforts to diversify and grow their economies.

Manufacturing activities across Alberta continued to benefit from supports and measures implemented by other ministries such as: the Job Creation Tax Credit; the Alberta Export Expansion Program, the Alberta Petrochemicals Incentive Program; the Food Processing Development Centre; investment attraction activities; red tape reduction industry panels; and the International Technology Partnership Program.

Regional economic development

Regional economic development continued to focus on leveraging inter-municipal collaboration to address common regional priorities such as economic development enabling infrastructure; support for labour force and skills development; community capacity building; accessibility and connectivity; and resource and environmental management. Northern economic development also worked to address additional challenges due to low population, less developed transportation networks and remoteness.

The ministry worked with other federal, provincial and territorial governments, through the Northern Development Minister's Forum, to advance the interests of northern communities. It also worked with other provincial ministries, including Agriculture and Irrigation, to support general rural economic development and specific initiatives such as the Economic Development in Rural Alberta Plan.

The Ministry has Regional Economic Development Specialists (REDS) located throughout the province that have local knowledge of the economic opportunities and challenges facing Alberta's regions. This allows them to provide economic development practitioners and economic development focused organizations with targeted advice and support. Through one-on-one consultation, regional and community meetings, webinars, and collaborative roundtable discussions, REDS continued to offer the following core services: advisory services and outcome-based planning; economic information and best practices; pathfinding support; and tools and resources. As of March 31, 2023, there were eight REDS located across the province.

Regional Economic Development Alliances

Regional Economic Development Alliances (REDAs) are an asset in strengthening Alberta's economy by attracting investment, building capacity to attract and retain workers and advancing northern and regional economic development. REDAs are independent, non-profit organizations made up of member municipalities and regional stakeholders. Working together, the members of each REDA promote long-term economic development and prosperity in their region and collaborate on projects that they could not necessarily do on their own.

As of March 31, 2023, there were nine REDAs located across the province. Under grant agreements that began in 2020-21, government provides each REDA with \$50,000 in operational funding each year, for a total investment of \$450,000. In 2022-23, the ministry provided eight of the nine REDAs with an additional \$25,000 project grant for an additional \$200,000 in total to enhance operational capacity.

In 2022-23, REDA operations grant agreements were executed for 2023-24 fiscal year to ensure the continuity of REDA activities. The 2023-24 grant agreement for each REDA was increased to \$125,000 per year to improve operational capacity and provide flexibility in leveraging project funding which in turn leads to longer-term projects and higher impacts for regions. This \$1.25 million investment was supported jointly by Agriculture and Irrigation and Jobs, Economy and Northern Development.

Northern and Regional Economic Development Program

During the year, the ministry worked to promote economic development across the province, recognizing the unique environment of northern Alberta. The Northern and Regional Economic Development Program was launched in December 2022 to support community driven projects that promote regional economic development and diversification. Alberta municipalities, Indigenous communities and non-profit organizations with a mandate of economic development were able to apply for program funding through one of two funding streams:

- Northern Development and Indigenous Stream: open to eligible projects based in northern Alberta and to Indigenous applicants across Alberta, including First Nations and Metis Settlements.
- Regional Development Stream: open to eligible projects based outside of northern Alberta.

Applicants were encouraged to work with municipal partners to identify projects in the priority areas of investment in economic development infrastructure; business supports; labour force attraction and retention; tourism planning, capacity building and infrastructure; and economic development capacity building.

In 2022-23, program grants provided \$5.1 million in funding for 70 projects in 136 communities. Examples of projects funded under the grant program include:

- Developing a business feasibility study and investment outreach strategy for Indigenous landowners on the Frog Lake First nation to determine the viability of a manufacturing facility.
- Delivering economic development training and supports for businesses at the Power Up North Conference organized by Community Futures Lakeland.

- Delivering business support and training for entrepreneurs to create new jobs in the tourism industry led by the Go East Regional Tourism Organizations.
- Supporting the Alberta Information and Communications Technology Council with the development of a pan-provincial network for rural regional connectivity.
- Supporting the City of Medicine Hat with the development of a regional economic development strategy to improve capacity to attract and retain economic growth in southeast Alberta.

To build on the success of the first year of the program, as part of Budget 2023, the Government of Alberta is investing \$9 million in the program over the next three years to support even more Alberta municipalities, Indigenous communities and non-profit organizations in growing and diversifying their local economies.

1.2 Deliver programs and tools to support Alberta's economic recovery, growth and diversification, including the Alberta Film and Television Tax Credit.

Film and Television Tax Credit

The Film and Television Tax Credit continues to support a thriving Alberta film and television industry. To participate in the program, productions must first apply to the program and be authorized to participate. Once filming is complete, the production then applies for their tax credit certificate. In 2022-23, the Film and Television Tax Credit program authorized 68 productions (30 in 2021-22) to participate in the program with expected investments totalling \$353 million (\$485 million in 2021-22). Due to timing in project completion, in 2022-23, 24 productions were approved for \$26.7 million in tax credits during the year (\$16.4 million for 19 productions in 2021-22). Tax credit approvals may not occur in the same year in which a production is authorized to participate in the program.

Film and Television Tax Credit		
	2021-22	2022-23
Number of productions authorized	30	68
Total value of Alberta investment expected	\$485 million	\$353 million
Number of productions approved for tax credits	19	24
Total value of tax credits approved during the year	\$16.4 million	\$26.7 million

Since the program's launch in 2020, the program has been successful in attracting numerous large productions to the province. Notable productions include: The Last of Us Season 1, Fargo Season 5, Under the Banner of Heaven, and Joe Pickett Seasons 1 and 2. Once completed, these five productions combined are expected to have invested more than \$450 million in the Alberta economy and supported thousands of jobs.

Women's Economic Recovery Project

Launched in 2021-22, the Women's Economic Recovery Project helps to address the negative impact the pandemic had on women's economic participation, which threatened both gender equality and Alberta's economic recovery. In 2022-23, an additional \$2 million was invested into the Capital Growth Initiative of the recovery project, allowing Alberta Women Entrepreneurs and the Community Futures Network of Alberta to continue offering loan financing and business support to women entrepreneurs who face challenges in accessing loans through conventional lending institutions. The initial \$6 million in funding provided under the Capital Growth Initiative prior to the start of the 2022-23 year allowed these two organizations to provide business loans to over 160 women entrepreneurs across Alberta. The additional \$2 million provided at the end of 2022-23 will provide an estimated 46 additional loans to Alberta's women entrepreneurs over the course of 2023-24.

Alberta Economic Data Dashboard

In March 2023, the government released a newly redesigned and upgraded Alberta Economic Dashboard. The new dashboard provides Albertans, businesses and investors with a single source of economic data and insights. The dashboard provides a snapshot of the province's current economic state and provides users with the ability to build custom dashboards as well as explore indicators in more detail. In the first seven weeks after the relaunch, the site was accessed by over 27,000 users. Traffic was up 35 per cent in the first two weeks of the relaunch compared to two weeks before the relaunch.

Calgary and Edmonton Downtown Revitalization

In 2022-23, the ministry provided \$10 million in funding towards downtown revitalization efforts in Edmonton and Calgary to help ensure these communities remain vibrant, diverse, and a safe place for businesses and community members to succeed for years to come.

The City of Calgary received \$4 million, which was invested in programming that provides gathering spaces for cultural activities and entertainment options, supports the recovery of the business community to promote Calgary as a destination city, and enhances vibrancy to make downtown living more attractive. The Calgary Downtown Association received \$1 million in support of projects set to improve the overall cleanliness of the downtown core, including overnight street sweeping and seasonal beautification projects. The funding also supports an incentive program to encourage increased support of street retail and put more spending in the local economy as well as a project to help downtown businesses implement digital solutions to grow and stay competitive.

The City of Edmonton received \$4 million, which is set to improve the downtown core as an attractive destination through activities like live events, branding and promotion, graffiti removal and enhanced cleaning and snow removal as well as supporting the Edmonton Downtown Business Association's program to help downtown retailers with marketing, start-up expenses and contracting consultants. The Edmonton Downtown Business Association received \$1 million, which will be used to host a major public event to attract more visitors to the downtown core, develop murals to help beautify the area, and support retail pop-up spaces, marketing and start-up expenses for retailers in the downtown core.

Small and Medium Enterprise Relaunch Grant Program

The Small and Medium Enterprise Relaunch Grant program, which was launched in 2021-22, supported Alberta's job creators, including businesses, cooperatives and non-profit organizations, to help offset the impact of public health measures. Eligible organizations received an average of \$18,000 (out of a \$30,000 maximum) from the program. The funding was based on the reduction in revenue each business experienced as a result of being required to close or curtail their operations due to the pandemic.

In 2022-23, the program completed two post-payment audits to demonstrate the effectiveness of the program's design in delivering timely benefits. The audits followed a value-for-effort approach. The first audit focused on the highest risk applicants and the second employed a random sample of all approved applications. Analysis of the audit results will continue in 2023-24.

Business Stakeholder Relations Supports

Department staff provide pathfinding supports to Alberta businesses and business associations to assist them in identifying and accessing government information and resources to inform business decisions on investment and growth. Supports include providing information on regulatory processes, government policies, funding programs and fiscal incentives from all orders of government and facilitating connections to post-secondary institutions, research institutions and industry associations.

Northern Alberta Development Council

The Northern Alberta Development Council (NADC) identifies, promotes and advises on practical measures to advance economic and social development in northern Alberta. It provides a northern lens on existing and proposed government services and programs, while facilitating opportunities for stakeholders to connect and collaborate on northern issues of common interest.

In 2022-23, the Northern Alberta Development Council (NADC) focused on the need for economic corridors such as an east-west connector (expansion of Highway 686) to support northern connectedness and market availability. The NADC prioritized in-demand skills development such as healthcare professionals in the north and NADC members contributed to the selection processes of NADC bursary programs.

Northern Alberta Development Council Bursary Program

The NADC bursary encourages students to train for jobs that are in demand in northern Alberta and include a return service component as a condition of support. The bursary program is administered by Jobs, Economy and Northern Development in partnership with Education and Advanced Education. Applicants can apply to the NADC bursary, the First Nations, Métis and Inuit (FNMI) bursary or to one of the following speciality bursaries: Medical & Dental, Nurse Practitioner, Pharmacy, Veterinary Student, Northern Student Teacher, or Bursary Partnership.

In 2022-23, there were 556 applications for NADC bursaries with \$1.52 million in bursaries approved supporting 239 northern Alberta students. The return service rate for 2022-23 was 83 per cent. Funding for the NADC bursary program is shared between Jobs, Economy and Northern Development, Education and Advanced Education.

Health care practicum recipients are not considered part of the NADC bursaries but are administered by Jobs, Economy and Northern Development. The health care practicum program reimburses students for actual costs incurred while completing their practicum in a northern Alberta Health Services facility. As such, funding of \$50,000 is provided by Alberta Health Services and recipients are not counted in the total funding above.

Of particular interest is the NADC Bursary Partnership program, which encourages employers to invest in the future of northern Alberta by sponsoring a return service bursary for post-secondary students. Bursary partners may select eligible students they wish to sponsor, specify the type of training they need a student to have to meet their own or local needs and contract with a student to work in northern Alberta for a specified time after graduation. In 2022-23, there were 62 bursaries approved for funding through the Bursary Partnership Program.

Northern Alberta Development Council Bursary		
	2021-22	2022-23
Total recipients	254	239
Total funds distributed	\$1,558,350	\$1,522,450
NADC bursary recipients	84	77
First Nations, Métis and Inuit bursary recipients	63	67
Specialty bursaries		
Medical & Dental recipients	3	2
Nurse practitioner recipients	1	2
Pharmacy recipients	2	1
Veterinary Student recipients	1	1
Northern Student Teacher recipients	29	27
Bursary Partnership program	71	62
Health Care Practicum recipients*	47	52
* The Health Care Practicum Program is administered by Jobs, Economy and Northern Development not the Northern Alberta Development Council. Funding is provided by Alberta Health Services and recipients are not counted in the NADC bursary totals.		

1.3 Continue to support the recovery of Alberta's tourism sector by developing and implementing policies and programs with Travel Alberta to position the sector for growth.

Responsibility for this key objective transferred to the Ministry of Forestry, Parks and Tourism in October 2022.

1.4 Remove barriers and support growth for entrepreneurs and small businesses, including red tape through digital transformation and improved service delivery.

Additional results for red tape reduction can be found under Labour and Immigration Outcome 3, Key Objective 3.1 of this annual report.

Small Business Engagement

Between January 30 and February 15, 2023, the Parliamentary Secretary for Small Business, along with Jobs, Economy and Northern Development staff, conducted two virtual and six in-person stakeholder engagement sessions in Edmonton, Calgary, Red Deer, Lethbridge, Fort McMurray and Grande Prairie with participation from 126 stakeholders. Participants included representatives from small business associations, chambers of commerce, academics and regional economic development organizations. These engagement sessions helped to develop a better understanding of the challenges small businesses across Alberta are facing and to identify strategic opportunities to both support small businesses and increase their awareness of the current supports available to them.

BizConnect – Wayfinding support for small business

BizConnect is a wayfinding service that provides support to Alberta's entrepreneurs and helps small businesses start, grow and succeed. The BizConnect team helps business owners navigate over 300 organizations offering business supports to them. The team helps streamline these supports by providing relevant and timely referrals to partner organizations like business associations, chambers of commerce, financial institutions, venture capital organizations, post-secondary institutions, non-profit organizations offering loans, and all levels of government. In 2022-23, the BizConnect team received 278 inquiries, more than half of which were related to entrepreneurship, start-up and business development. The remainder were related to funding and access to capital, Indigenous businesses and other requests.

BizConnect serves as a direct line of communication between small businesses and the department, ensuring businesses are provided with guidance and relevant information, including how to access advice, financing and training. For example, if a correspondent inquires about a business development matter within the real estate field, the BizConnect team may directly refer the correspondent to the Real Estate Council of Alberta (RECA) for the requested information.

Futurpreneur program

Futurpreneur is a national, non-profit organization that provides seed financing, mentoring and other support tools to young entrepreneurs aged 18 to 39. The loan program includes up to \$60,000 in collateral-free, low-interest loan financing (\$20,000 from Futurpreneur and up to \$40,000 from the Business Development Bank of Canada), available through one single application, adjudicated by Futurpreneur.

In 2022-23, the ministry extended an existing grant with Futurepreneur for another 18 months by investing an additional \$375,000 to support the provision of one-on-one business and succession planning, mentoring and workshops, and community partnership development.

Futurepreneur's work has been vital to helping improve the success rate and long-term survival of new businesses and helping retain young people in rural communities. Between 2020 and 2023, Futurepreneur helped young entrepreneurs launch over 320 new businesses with the support of a dedicated mentor, exceeding their target of 225 new businesses for the three-year grant period. This includes 40 black-led businesses, 11 Indigenous-led businesses, and 137 women-led businesses.

Jobs, Economy and Innovation: Performance Measure 1.a:
Net investment in Alberta film and television productions for every \$1 of Alberta Film and Television Tax Credits (\$ dollars)

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
N/A	N/A	N/A	4.0	4.2	4.4

This measure reflects the associated Alberta expenditure for every \$1 in tax credit issued to eligible production firms. This demonstrates the efficacy of Alberta's FTTC program to attract investments for every dollar in tax credit spent, indicating economic capacity and competitiveness in this sector, in alignment with government's commitment to grow cultural industries.

2022-23 represents the second full year of reporting on this measure. The target for 2022-23 was set to achieve \$4 of the corresponding investment by film and television productions for every dollar of tax credit issued in 2022-23. The actual result for 2022-23 was \$4.4, which exceeded the target for the measure. In 2022-23, the FTTC program authorized 68 film and television productions to participate in the program, which will support the creation of thousands of jobs in Alberta. The program approved tax credits for 24 productions during the fiscal year. Alberta's film and television sector were able to create jobs relatively quickly in response to a production's decision to proceed. These productions can provide substantial spillover benefits to many other sectors such as the travel and hospitality sector. This result demonstrates part of the benefit Alberta derives from providing the tax incentive for the film and television sector.

Film and Television Tax Credit		
	2021-22	2022-23
Total value of Alberta investment expected from productions with approved tax credits	\$66.6 million	\$117.4 million
Total value of tax credits approved during the year	\$16.4 million	\$26.7 million
Net investment for every \$1 of Alberta Film and Television Tax Credits (\$ dollars)	4.1	4.4

Approximately 63 per cent (15 out of 24) of these productions were eligible for a 30-per cent tax credit, which is available to Alberta-based productions that fulfill additional eligibility criteria to demonstrate their ties to the province (including a minimum threshold for Alberta ownership and Alberta production spending). The remaining nine productions were eligible for a 22-per cent tax credit, which does not have the additional Alberta-oriented criteria. Larger and higher value productions tend to be eligible for the 22 per cent tax credit rate, as they tend to be non-Alberta based productions (financed by Netflix, HBO, Paramount, etc.). When those productions receive their tax credit, they cause the ratio to rise which suggests that an increased proportion of productions were attracted to the province (compared to those that are originally based in Alberta).

Jobs, Economy and Innovation: Performance Indicator 1.b:
Year-over-year change in Alberta's economic activity (per cent)

Prior Years' Results				2021-22
2017-18	2018-19	2019-20	2020-21	
3.03	-0.17	-5.58	7.26	6.35

Alberta's economic activity has recovered its pandemic losses and grown to surpass pre-pandemic levels.

The Alberta Activity Index (AAX) combines a number of economic indicators into a single index to give a summary of Alberta's economic activity. The indicator demonstrates the ministry's success in enabling a nationally and internationally competitive investment environment. The indicator also gives context to the ministry's performance in contributing to economic growth, while providing a broad picture of the state of Alberta's economy.

For the year ending October 2022, Alberta's economic activity was 6.35 per cent higher than that of the year ending October 2021. The AAX saw a decline at the outset of the COVID-19 pandemic, due to declines in the energy sector and weakness in the general business sector. In 2021, the AAX experienced a strong rebound, as Alberta's energy sector rebounded, followed by a comeback in the business sector. By October 2021, Alberta's AAX had recovered to pre-pandemic levels. AAX gains in the early part of 2022 were led by the business sector, due to strong commodity prices and trade activity. The energy sector also contributed to the gains due to robust rigs drilling and oil production in the province.

Growth of the AAX between October 2021 and October 2022 was lower than between October 2020 and October 2021, when economic activity was regaining losses experienced during the pandemic. From May 2022 to October 2022, the AAX remained relatively stable as robust gains in the energy sector and in general business activity seen in the beginning of the year plateaued while the remaining indicators in the index remained neutral. Nevertheless, by October 2022, the AAX was 9.0 per cent higher than its February 2020 pre-pandemic level, reflecting ongoing growth in Alberta's economic activity.

Alberta Activity Index Annualized Results*

October 2018	October 2019	October 2020	October 2021	October 2022
284.6	284.1	268.2	287.7	306.0

* The base period for Alberta Activity Index values is January 1981 (i.e., January 1981=100)

Jobs, Economy and Innovation Outcome Two: Investment and trade are driving Alberta's economic recovery and growth

Responsibility for the Key Objectives and Performance Measures under this outcome transferred to the ministries of Trade, Immigration and Multiculturalism and Technology and Innovation in October 2022.

Jobs, Economy and Innovation Outcome Three: Technology and innovation are enabling Alberta to build on its strengths

Responsibility for the Key Objectives and Performance Measures under this outcome transferred to the Ministry of Technology and Innovation in October 2022.

Labour and Immigration Outcome One: Alberta has a skilled and resilient labour force to support economic recovery, growth and diversification

The ministry supports Albertans by providing training and up-skilling programs that helped them find and keep a job and succeed in the workplace. Targeted attraction and retention strategies promote Alberta as a destination of choice for skilled talent from domestic markets. 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. Robust economic and labour market intelligence facilitates efficient delivery of training programs, which help to build a workforce that meets the province's short and long-term labour market needs.

Key results and highlights during 2022-23 include:

- Committed more than \$600 million over three years across multiple ministries (\$94 million to Jobs, Economy and Northern Development) to support the Alberta at Work series of workforce development initiatives. JEND coordinated the collective effort to address current and longer-term labour market challenges.
- Approved 13 grants under the new Workforce Strategies Grant Program to help Albertans develop new skills and assist employers and industry to grow their workforce.
- Streamlined Canada-Alberta Job Grant processes to reduce red tape and decrease processing times. Application and payment processing times were decreased by almost 50 per cent.

Key Objectives

1.1 Implement Alberta at Work initiatives to address current and longer-term labour market challenges by supporting Alberta's workforce through responsive programming, attracting talent, and advocating for Albertans.

Alberta at Work

Alberta at Work initiatives provide a framework to address current and longer-term labour market challenges including attracting talent, delivering responsive programming and ensuring businesses have access to the skilled workforce required to grow and diversify Alberta's economy. Beginning in 2022, the Government of Alberta committed to investing more than \$600 million over three years, from 2022-2025, to support workers with skills development, training and wage programs as well as enhanced labour market information. Budget 2023 extended Alberta at Work funding, with an additional \$176 million in funding for the 2025-26 fiscal year. \$94 million is allocated to JEND.

Alberta at Work funding through Jobs, Economy and Northern Development supports skills development and training programs, ensures robust data and analytics are available to support operational and policy improvements and supports workforce attraction initiatives such as Alberta is Calling.

Alberta at Work has five key pathways to support Albertans:

- Building Foundations – The path to a rewarding career begins early in life with a strong foundation. Alberta’s K to 12 system supports Albertans to become lifelong learners inspired to pursue their interests and contribute to their future and the economy. Funding also supports investments in charter and collegiate schools.
 - Under this pathway, the ministry is working to improve labour market information available to students, employees and employers, including regularly reviewing and updating labour market programs to meet the needs of today and adapt to the needs of tomorrow.
- Developing Skills – Targeted supports through Alberta’s adult learning system can help individuals find training opportunities and pursue rewarding careers. Developing skills is critical to addressing existing gaps in our labour market. Specialized skills also enable our youth and other under-represented segments of the workforce to maximize their participation in the economy.
 - Work under this pathway is being led by Advanced Education and Skilled Trades and Professions. It also includes commercial truck driver training delivered by Transportation and Economic Corridors.
- Seeking Employment – Key investments in job-training will help Albertans if they find themselves out-of-work and in need of support. Assisting those seeking employment is essential to help address emerging labour supply challenges.
 - The ministry’s work under this pathway includes additional funding for the Canada-Alberta Job Grant program, which helps employers hire Alberta workers and helps businesses develop the skills they need to grow and diversify. It also includes funding for Workforce Strategies Grants.
 - Additional work under this pathway is being led by Advanced Education and Seniors, Community and Social Services.
- Advancing Your Career – This pathway helps Albertans looking to advance their careers. Shifts in the nature and structure of work are driving the need for diverse and adaptable skills. Enabling employers and employees to fulfill emerging needs by supporting already employed individuals to gain these skills will help reduce current skill gaps and keep individuals employed.
 - Work under this pathway is being led by Advanced Education.
- Workforce and Investment Attraction – This pathway helps bring Albertans into the labour market and attract people to Alberta. Attracting investment to Alberta is critical to creating jobs for Albertans. At the same time, some employers are already finding it tough to address existing skill shortages. Attracting more individuals to participate in Alberta’s labour market while providing more opportunities will help to rebalance our labour market.
 - Initiatives such as the Alberta is Calling campaign create awareness of the benefits of living, working and investing in Alberta.
 - Additional work under this pathway is being led by Technology and Innovation and Trade, Immigration and Multiculturalism.

Enhanced Labour Market Information

In 2022-23, the department initiated the Alberta Labour Market Information Enhancement project to enhance the collection, dissemination and analysis of labour market information in Alberta. The goal of this three-year project is to ensure Albertans have the information they need to make informed labour market decisions.

As part of this project, the department is in the process of developing a new public labour market information web portal that will be available to the public in 2024.

The portal will:

- help students and workers to make informed career path and training decisions;
- assist employers to have an adequate supply of skilled workforce and the ability to connect with these workers more easily; and
- help policymakers and educational institutions and training providers to design and develop programs that are more responsive to labour market needs.

More information on the ministry's labour market information products can be found under Labour and Immigration Key Objective 1.3.

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.

The ministry released Alberta's Short-Term Employment Forecast in October 2022. The 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 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.

The ministry released Alberta's Occupational Outlook, 2021-2030 in March 2022. The outlook contains information on forecasted labour shortages and surpluses for occupations in Alberta for the next 10 years and assesses future or expected job openings and how they compare to job seekers in the province. The outlook is used by educational institutions, industry and non-profit organizations, governments, businesses and the general public to learn about occupational imbalances and to inform workforce planning.

The ministry released the 2021 Alberta Wage and Salary Survey in September 2022. The 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.

Workforce Strategies Grants

Launched in 2022-23, Workforce Strategies Grants help Albertans develop new skills and assist employers and industry to grow their workforce. The program has three funding streams:

- Skills Development Stream: This stream supports unemployed Albertans by providing them training and/or services to develop skills and acquire employment.
- Regional and Employer-focused Stream: This stream supports projects that address regional workforce challenges experienced by regions and/or employers in hiring Albertans.
- Industry-focused Stream: This stream supports industry-led projects that address provincial workforce needs.

During the year, \$12 million in funding was provided for 13 projects across three streams. Projects support a range of industries including food service and hospitality, supply chain, forestry, technology and trucking. Funding provided under the grants spans the next two to three fiscal years.

Examples of projects funded under the grant program include:

- A Virtual Reality (VR) Soft Skills Training Program via NorQuest College (\$1.1 million) will provide rapid critical upskilling through tailored VR simulations designed to build and refine the soft skills needed to succeed in today's workplace. Participants will include students nearing the completion of their program, the public who are unemployed and looking for work, and employers wanting to improve their human resource (HR) skills and methods.
- The Long-Term Unemployment and the Shifting Labour Market Program via Prospect Human Services Society (Prospect) and the Alberta Hotel and Lodging Association (\$1.2 million). The project will address long-term unemployment through an industry partnership designed to deliver a multi-pronged, integrated workplace learning and employability skill development program, while simultaneously demonstrating an alternative pathway for the hospitality industry to address labour shortages.

1.2 Deliver responsive training and employment programs and employer supports tailored to serving Albertans, including underrepresented groups and Indigenous people.

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 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 support programs and services delivered by the ministries of Advanced Education; Agriculture and Irrigation; Indigenous Relations, Jobs, Economy and Northern Development; Seniors, Community and Social Services; Skilled Trades and Professions; Trade, Immigration and Multiculturalism; and Transportation and Economic Corridors. Jobs, Economy and Northern Development administers the Canada-Alberta Job Grant; Training for Work programs (Workplace Training, Immigrant Bridging, Self-Employment, Transition to Employment Services, and Integrated Training); the Alberta Jobs Now program; labour market information; the Labour Market Partnerships program; and the Indigenous Employment Training Partnership.

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

	2021-22	2022-23
Applications received	11,812	11,259
Applications approved	9,024	9,352
Albertans approved for training ¹	11,991	12,647
Funds committed	\$31.3M	\$29.8M
Unique employers	3,271	3,298

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.

Demand for the Canada-Alberta Job Grant remained high in 2022-23. During the fiscal year, the Canada-Alberta Job Grant committed \$29.8 million to support almost 3,300 employers and to train more than 12,600 new and existing employees.

In 2022-23, the Canada-Alberta Job Grant improved processes, reduced red tape, decreased processing times and increased engagement with employers and training providers. This work improved efficiency and significantly reduced application processing timelines. During the year, applications were processed within an average of 16 days (30 days in 2021-22) and payments were processed within an average of 34 days in 2022-23 (65 days in 2021-22). Processing timelines were reduced due to operational process adjustments and the utilization of temporary staff.

The Canada-Alberta Job Grant program policy requires that all employers be registered for at least one year to be eligible for the program. Many unincorporated small businesses are unable to meet this requirement (even though they have operated for at least one year). As such, the Canada-Alberta Job Grant amended this requirement by giving unincorporated small businesses the opportunity to provide additional information showing they have operated for at least one year to support their continued eligibility for the program. The program will monitor outcomes of this adjustment.

During the year, the program also completed the first phase of an automation project to reduce staff time on manual, repetitive administrative tasks. Outcomes so far have been refining the roles and value-added work conducted by staff; eliminating unnecessary steps (e.g., manually attaching files to emails); identifying administrative roles that can be revised to support other parts of the processing workflow; maximizing resources and organization structure; and clearing backlogged, non-priority tasks within the database.

Alberta Jobs Now Program

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.

Alberta Jobs Now program		
	2021-22	2022-23
Applications received	6,344	1,985
Applications approved	6,055	1,824
Applications active at year end	4,257	1,741
New hires	12,678	7,575
Unique Employers	3,367	1,461
Funds committed	\$152.5M	\$78.5M

Changes to the program for the second intake:

- opened the program up to new Alberta businesses and organizations; and
- supported hiring 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.

Under the program, employers could apply for a grant equal to 25 per cent of the new hire's salary up to \$25,000 per employee, whichever was less. Employers hiring a person with disabilities could apply for a grant up to 37.5 per cent of the new hire's salary up to \$37,500 per employee. In the third intake of the program, employers that hired individuals who were unemployed for more than 27 weeks could also apply for a grant up to 37.5 per cent of the new hire's salary up to \$37,500 per employee. The third and final intake closed on June 30, 2022.

In 2022-23, the program supported 7,575 new hires from 1,741 applications from 1,461 employers. Funding for the Alberta Jobs Now Program was jointly provided by the Government of Alberta and through the Canada-Alberta Workforce Development Agreement.

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 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 2022-23, 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 Edmonton, Fort McMurray, Jasper, Edson, Hinton, Whitecourt, Westlock, Athabasca, Lloydminster, Vermillion, Wainwright, Vegreville, Calgary, Medicine Hat, Red Deer, Lethbridge, Airdrie, Drumheller, Stettler, Three Hills, Rocky Mountain House, Drayton Valley, Rimbey, Ponoka, Hanna, Olds and Trochu. These programs aimed to provide unemployed Albertans with the training and skills they need to obtain jobs within the construction, energy, business and accounting, hospitality/tourism, and supply chain/logistics sectors.

In 2022-23, most programs returned to in-person delivery, with some continuing to offer online delivery options allowing eligible participants residing in any location across Alberta to attend.

Training for Work programs invested \$36.8 million in 57 urban and rural communities across Alberta (compared to \$25.9 million in 55 communities in 2021-22). In total, 101 contracted training and employment programs were offered (compared to 71 in 2021-22).

Over 4,000 unemployed or underemployed Albertans accessed training for work programs in 2022-23, consistent with the previous year. Over 75 per cent of participants were employed or in further training or education 90 days after training, the same as 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.

Indigenous Employment Training Partnership

On April 1, 2022, the First Nations Training to Employment Program and Aboriginal Training to Employment Program were combined into one program, the Indigenous Employment Training Partnership.

The Indigenous Employment Training Partnerships Program funds, Indigenous-led training and work experience projects to help 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 and employers, locally created training projects can address employee readiness and ensure relevant skills training and certification are being provided. 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 Indigenous organizations to create projects to fill identified labor force needs. Partners include Rupertsland Institute, Metis Settlements, and Indigenous employers.

In 2022-23, Jobs, Economy and Northern Development provided funding for 38 First Nations Training to Employment grants supporting 475 participants in a cross-section of occupations, including: heavy equipment operator; personal care services – beauticians and esthetics; Water, Wastewater and Septic Tank operator; and security guard. Additionally, the ministry provided funding for seven Aboriginal Training to Employment grants providing funding to 172 participants in occupations including heavy equipment operator, security guard, auto technician and BEAHR (Building Environmental Aboriginal Human Resource Environmental Monitoring).

Thirty-one combined FNTEP and ATEP projects ending in 2022-23 successfully graduated 754 out of 1,013 participants.

Examples of funded projects in 2022-23 include:

- An Aboriginal Training to Employment partnership with Fast Labour Solution Ltd.'s, SR1-Indigenous Training Program: This program ran between May and September 2022. This four-month first of a kind Government of Alberta partnership, provided employability skills, heavy equipment operator training and hands on employment support to 16 Indigenous participants. Eight partners were involved including employers, First Nations and two provincial ministries. The prime contractor and sub-contractors at the Springbank construction site provided opportunities for employment for participants as heavy equipment operators.
- A First Nations Training to Employment partnership with Horse Lake First Nation: This program provided basic security training between November 2022 and January 2023. The training provided 10 Nation members with basic security skills, Indigenous awareness training, industry tickets in first aid, and a safety orientation, resulting in participants obtaining a security license. Nine participants completed the full program with seven participants being hired for long-term employment.

Eleven labour market partnership projects were signed to provide strategic support to Indigenous organizations to help them enhance labour market attachment in their communities.

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. Jobs, Economy and Northern Development 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.

In 2022-23, an Entrepreneur Network project was developed and introduced to four organizations and Treaty 7 Economic Development Teams. Following the identification of Indigenous business challenges and existing resources, business supports focusing on start-up funding and business training were developed. In the future, additional survey research is planned to better understand the unique business supports that Indigenous entrepreneurs require.

Miyo Pimatisiwin Indigenous health and safety tool-kit

Miyo Pimatisiwin, an Indigenous health and safety tool-kit, provides 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 the rights and responsibilities of work site 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. The tool kit was released in July 2022.

1.3 Attract and retain talent, including entrepreneurs with specialized skills and talent, to Alberta and support employers in supplementing their workforce by leveraging targeted attraction, retention and settlement strategies.

Settlement strategies

Responsibility for settlement strategies transferred to the Ministry of Trade, Immigration and Multiculturalism in October 2022.

Alberta is Calling

The Alberta is Calling campaign helps address gaps in the labour force by appealing to talented professionals working in high-demand sectors like skilled trades, health care, accounting, engineering and technology. Alberta is Calling highlights the many cost-of-living, career and lifestyle advantages of life in Alberta: a thriving job market, a low cost of living and high quality of life along with the lowest tax rates in Canada. While people have many reasons for coming to Alberta, the active promotion of the Alberta is Calling campaign emphasizes the economic opportunity that often influences migration choices. Since the Alberta is Calling campaign launched in the summer of 2022, over 70,000 Canadians chose to move and make Alberta their home. Phase 1 of the program ran from August 15 to October 17, 2022. The campaign included radio, audio streaming, billboards, online display, and social media. Phase 2 of the program ran from March 13 to April 9, 2023. In 2022-23, the cost for the campaign was \$4.95 million.

Targeting, Referral and Feedback Service

The Targeting, Referral and Feedback Service supports Albertans who have recently been laid off 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 2022-23 was lower than the previous year largely due to an increased number of workers eligible for the service in 2021-22 because of the COVID-19 pandemic.

Targeting, Referral and Feedback Service		
	2021-22	2022-23
Number of clients	13,761	10,344
Number of clients interested in further services	2,795 (20%)	2,119 (20%)
Number of clients not interested in further services	10,966 (80%)	8,225 (80%)
Number of service providers	33	27
Participating municipalities	318	332

In 2022-23, 10,344 clients (13,761 in 2021-22) interacted with the program, representing a 25 per cent decrease from the previous year. Of the total client interactions, approximately 20 per cent (the same as in 2021-22) indicated that they were interested in further services, which include employment services, referral to employment programs and individual meetings, among other services. Approximately 80 per cent, the same as in 2021-22, 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.

Workforce Adjustment Service

The Workforce Adjustment Service helps employers and labour groups respond to the effects of changes in the workplace such as 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 2022-23, there were three active Workforce Adjustment Committees (the same as in 2021-22), representing 396 workers (291 in 2021-22) that organized information sharing for impacted workers, and facilitated online resource fairs and one-on-one calls when needed.

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 2022-23, the program provided \$3.1 million in financial support for employees affected by the phase-out of coal-fired electricity generation (\$10.9 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, 16 Albertans received a Bridge to Re-employment grant (compared to 97 in 2021-22), while 25 Bridge to Retirement grants were issued (compared to 77 in 2021-22). No relocation grants were issued in 2021-22 or 2022-23.

Workforce Partnerships grants

Workforce Partnerships grants enhance workplace human resource development and labour market adjustment strategies through community and sector-level partnerships. In 2022-23, sector organizations were supported to address timely workforce issues through grants for 14 industry focused projects and 36 regional projects totaling over \$4.2 million. These projects supported priority sectors, including hospitality and accommodation; professional services; construction; trades and manufacturing; film and television; technology; and automation, with a focus on labour market intelligence research solutions and labour market initiatives including workforce attraction, retention, development and diversity, equity and inclusion initiatives.

Some of the projects supported in 2022-23 include:

- Women in Communications and Technology was provided \$198,700 for a Workforce Attraction and Retention project to champion the growth and development of inclusive workplaces in the tech industry. The project supports the retention and advancement of women through a series of reverse mentoring and leadership development sessions, which include a peer-to-peer component focusing on leadership and employer best practices in diversity, equity and inclusion.
- Regional Oil Sands Operating Alliance was provided \$240,000 for a Labour Market Partnerships project to first quantify the demand across energy employers and then to work with industry partners to analyze supply against critical trades. Once supply and demand are understood, the project will identify critical gaps and strategies, including labour supply issues caused by pandemic delays of many oil sands maintenance projects.
- Community Futures Yellowhead East was awarded \$40,000 to the Regional Business Support Network (BSN) – Labour Market Attraction and Retention Partnership project. The project involves industry specific stakeholder engagement sessions, a speaker series, and the development of regional industry specific tool kits to support workforce attraction, retention, development and engagement best practices, with the goal to fill chronic/increased regional vacant positions over the next year.
- 1884 Studios was awarded \$53,900 to the “The Be Collective” project aimed to provide the local film and television industry with best practice tools and resources to address labour market gaps in terms of equity, diversity, and inclusion at the regional industry level.

Partnership grant timelines may cross fiscal years as recipients are allowed up to 24 months for completion of the grant project. Grants are posted online at: <https://www.alberta.ca/workforce-partnerships-grants.aspx>.

1.4 Support economic growth, job creation and diversification by implementing efficient newcomer programming so international and domestic talent can put their skills to work in Alberta.

Responsibility for this key objective transferred to the ministries of Skilled Trades and Professions and Trade, Immigration and Multiculturalism in October 2022.

1.5 Promote welcoming and diverse communities throughout Alberta and advance antiracism actions informed by the Alberta Anti-Racism Advisory Council.

Responsibility for this key objective transferred to the Ministry of Trade, Immigration and Multiculturalism in October 2022.

Labour and Immigration: Performance Indicator 1.a: Employment Rate

Prior Years' Results				2022
2018	2019	2020	2021	
67.1%	66.8%	61.1%	63.8%	65.7%

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.

According to Statistics Canada's Labour Force Survey, the employment rate in Alberta remained steady between 2018 and 2019, hovering around 67 per cent. The COVID-19 pandemic and low oil prices led to significant drops in employment in 2020 and the employment rate fell to 61.1 per cent.

In 2022, the employment rate in Alberta rose to 65.7 per cent from the bottom point in 2020, as Alberta's economy was getting back on track from the COVID-19 downturn. It was up 1.9 percentage points from 2021 (63.8 per cent). In 2022, the employment rate for the core working age (25 to 54 years) reached to the highest point (84.6 per cent) over the five-year period.

In 2022, the employment rate improved for both males and females compared to 2021. The employment rate for males was up 1.3 percentage points from 68.3 per cent in 2021 to 69.6 per cent in 2022. The employment rate for females increased by 2.5 percentage points from 59.3 per cent in 2021 to 61.8 per cent in 2022.

Regionally, the employment rate in 2022 increased in six out of seven of Alberta's Economic Regions. The leading regions with the highest employment rates were the Wood-Buffalo and Cold Lake region at 70.3 per cent followed by Calgary at 67.4 per cent. The Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River region was 66.6 per cent, above the provincial rate. The Lethbridge-Medicine Hat; Camrose-Drumheller; and Red Deer regions were below the provincial rate at 61.0 per cent, 61.9 per cent and 60.4 per cent, respectively.

In response to challenges in 2020 and 2021, Jobs, Economy and Northern Development 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 to support Albertans through the pandemic and the recovery phase and the Canada-Alberta Job Grant launched 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. Changes to the program for the second intake created greater flexibility to allow more Albertans access. See Labour and Immigration Key Objective 1.2 of this annual report.

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. Budget 2023 extended Alberta at Work funding, with an additional \$176 million in funding for the 2025-26 fiscal year.

**Labour and Immigration: Performance Measure 1.b:
Outcomes for Training for Work program clients**

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
71.9%	75.1%	67.2%	75.5%	70%	75.8%

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 2022-23, 75.8 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 consistent with the result achieved in 2021-22 and exceeds the target by 5.8 percentage points. Participation in Training for Work programs increased by 12 per cent between 2021-22 and 2022-23 due in part to Alberta's Recovery Plan. With improved economic conditions and outlook, more employers returned to normal levels of operation which had a positive impact on employment opportunities for Training for Work participants. Service providers also completed their return to normal in-person service delivery which had a positive impact on client outcomes. 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 is a significant influence on this measure. Between September 2021 and August 2022, the unemployment rate decreased from 7.9 per cent to 5.4 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 2022-23 in whether participants could find a job or were inclined to seek additional training opportunities.

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

Jobs, Economy and Northern Development focuses on monitoring for compliance with labour legislation to keep Albertans healthy and safe at work while helping Alberta to be a more attractive and competitive place to work and do business. The ministry collaborates with workers, employers, health and safety associations, industry associations, and labour groups to promote an informed and knowledgeable workforce regarding their rights and responsibilities through efforts such as the Prevention Initiative. The ministry uses an evidence-based approach and research to identify emerging trends and areas where it deems proactive action would be beneficial. A stable and balanced approach to compliance supports capital investment, job creation and, most importantly, workplaces that are safe, fair and healthy. Reducing workplace illness and injury also helps to reduce costs for employers.

Key results and highlights during 2022-23 include:

- Implemented an updated and easier-to-understand Occupational Health and Safety (OHS) Code to help keep workers healthy and safe and support Alberta's economy; new requirements to improve health and safety were added in eight parts of the code and 7,955 regulatory requirements were removed from the OHS Code as part of the changes that came into effect on March 31, 2023.
- Conducted 9,571 occupational health and safety inspections and 4,146 re-inspections as part of an evidence-based compliance approach.
- Completed 93 per cent of the 3,259 employment standards complaints within 180 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 (OHS) Code Review

Changes to the OHS Code came into effect on March 31, 2023. An updated and easier-to-understand OHS Code helps employers keep workers healthy and safe and supports Alberta's economy. The changes to the OHS Code align with best practices for health and safety, modern standards and technology and harmonize Alberta with other Canadian jurisdictions while improving health and safety outcomes. Updates include revisions to improve clarity, reduce duplication, align roles and adopting responsibilities with those in the *Occupational Health and Safety Act*, harmonize standards with other jurisdictions in Canada, as well as adding new requirements to improve health and safety in eight parts of the OHS Code. As part of the changes, 7,955 regulatory requirements were removed from the OHS Code.

Significant effort has been undertaken to communicate the changes with OHS system stakeholders across Alberta, including issuance of publications on the changes, as well as virtual and in-person information sessions with stakeholders. Four editions of OHS eNews were published, including a special edition dedicated exclusively to information newsletter subscribers of upcoming changes to the OHS Code. Additionally, stakeholders can still send questions directly to a special monitored email.

Regularly updating the OHS Code allows it to keep pace with changing work practices, evolving technologies, emerging issues and interprovincial trade agreements that support harmonization and labour mobility. It also provides an opportunity to clarify work site party responsibilities and improve health and safety outcomes while enabling innovation, competitiveness and streamlining requirements. A three-year review plan and process was posted online in December 2022. Publishing this plan helps Albertans anticipate changes and understand how to contribute meaningful input. In 2023-24, Part 27: Violence and Harassment, Part 33: Explosives, Part 36: Mining are scheduled for review. A technical review for occupational exposure limits in the OHS Code is planned for 2023-24.

2.2 Support a coordinated provincial occupational health and safety approach through education and outreach based prevention initiatives; 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' health and safety and help to reduce employer costs related to worker injury and illness. The ministry works with employers, 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		
	2021-22	2022-23
Inspections conducted	11,798	9,571
Re-inspections conducted	3,770	4,146
OHS orders written	8,403	9,099
Unique work sites visited	9,503	7,092
New businesses contacted for the first time	11,364	12,342
Online resources viewed	607,000+	652,794

In 2022-23, the ministry conducted 9,571 inspections and 4,146 re-inspections, compared to 11,798 inspections and 3,770 re-inspections in 2021-22. The decrease in inspections in 2022-23 was primarily due to a higher than usual number of inspections conducted in 2021-22 to support both the province's response to the COVID-19 pandemic and workplaces to implement pandemic management protocols. These inspections are reactive and proactive. Proactive inspections are evidence-based and focus on employers or industries that have higher injury and incident rates in order to support improved OHS systems. Reactive inspections respond to an injury, illness, complaint, fatality or work refusal. In 2022-23, 20 per cent of OHS inspections were proactive and 80 per cent were reactive.

OHS officers issued 9,099 orders in 2022-23, compared to 8,403 in 2021-22. OHS officers use a risk-based approach to compliance, focusing on issues with the highest risk of worker injury to monitor work site party compliance. 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 2022-23, the OHS Contact Centre received 15,446 telephone inquiries (17,075 in 2021-22) and 5,095 email inquiries (5,819 in 2021-22) from both workers and employers seeking additional information and guidance.

Occupational Health and Safety Contact Centre		
	2021-22	2022-23
Telephone inquiries	17,075	15,446
Email inquiries	5,819	5,095
Total inquiries	22,894	20,541

Tickets

OHS officers can issue tickets to employers and workers for observed non-compliance with specific sections of OHS legislation. Examples include an employer failing to ensure that workers are using or wearing required equipment, or an employee failing to have a valid entry permit when entering a confined space. In 2022-23, 27 tickets were issued totaling \$11,280, compared to 32 tickets totalling \$11,500 in 2021-22. Ten tickets were issued to employers, four tickets were issued to supervisors and 13 tickets were issued to workers. The largest ticket issued to an employer was \$600. The largest ticket issued to a worker was \$240.

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, safety and legislative compliance. In 2022-23, 17 administrative penalties totaling \$62,025 were issued to employers or workers (37 totaling \$314,250 in 2021-22) with individual fines ranging from \$500 to \$10,000. Penalty amounts are based on the severity and duration of the non-compliance.

Serious incident investigations

In 2022-23, charges were laid on 13 cases against work site parties in violation of the *Occupational Health and Safety Act*, Regulation and Code, compared to 11 in 2021-22. These charges represent the most serious OHS infractions. Convictions in the year resulted in monetary fines totaling \$1,740,750 (compared to \$1,919,000 in 2021-22). The amount of monetary fines can fluctuate based on the type of infractions and the number of convictions each year. These fines ranged from \$8,500 to \$324,000. 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 *Occupational Health and Safety 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 fines 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 three times in 2022-23 compared to four times in 2021-22. From these sentences in 2022-23, a total of \$195,000 (included in the \$1.7 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 2022-23, six work site parties were placed on enhanced regulatory supervision compared to five in 2021-22. 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 action against them for exercising their rights or duties under the legislation. The onus is on the employer to show that disciplinary action was taken against a worker for a reason other than fulfilling an OHS duty or responsibility. In 2022-23, 105 disciplinary action complaints were received compared to 134 in 2021-22. In total, 71 files were closed and 34 are still under investigation.

Potentially serious incidents

The *Occupational Health and Safety Act* requires prime contractors or employers (if there isn't a prime contractor) to investigate potentially serious incidents (PSIs) that occur on work sites. Once the investigation is complete, a report is submitted via the OHS Online Incident Reporting service. A worker may also choose to report an incident to the OHS Contact Centre. A PSI is reportable when the incident had a likelihood of causing serious injury or illness, and there is a reasonable cause to believe that corrective action may need to be taken to prevent reoccurrence. A PSI is not limited to workers. If someone who isn't a worker is involved, it's considered to be a PSI if it resulted from work activities at the work site or could have happened to a worker. In 2022-23, 4,870 PSIs were submitted, including 3,666 PSIs related to COVID-19 that were batch reported by Alberta Health Services and Covenant Health.

Aggregate PSI data summary reports are shared monthly with external health and safety associations and used to inform program delivery within the ministry. Quarterly PSI data is provided to Energy Safety Canada as part of an information sharing agreement. Ministry staff worked to raise awareness of PSIs through presentations to health and safety associations and Certificate of Recognition Certifying Partners. Staff also worked to increase awareness of PSIs by sending over 3,600 letters and emails to employers that may not have submitted a PSI report based on WCB claims data. As a result, 205 employers submitted a PSI after receiving PSI awareness correspondence. In addition, 30 serious incidents were identified through the OHS Contact Centre following PSI awareness correspondence.

Online searchable legislation tool

In July 2022, Alberta launched a new occupational health and safety legislation tool to give employers and workers an easier way to access information. The legislation search tool consolidates the *Occupational Health and Safety Act*, Regulation and Code into one interactive, online resource and was updated to reflect March 2023 changes to the OHS Code. A searchable web-based version of the legislation means people can more efficiently access health and safety information, navigate, download, print, copy and share both individual or multiple sections from all three components of OHS legislation. It is designed for use on both computers and mobile devices. Since the tool launched in July 2022, there have been over 36,000 individual contact events (searches, saves, or downloads).

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. 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. In 2022-23, the ministry conducted 362 inspections, 103 re-inspections and nine reportable incident investigations related to COVID-19 in the workplace. During the year, four per cent of OHS inspections addressed COVID-19 related concerns. Pandemic-specific information resources were transitioned to addressing respiratory viruses as a general biological hazard in the workplace.

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 2022-23, the ministry published 77 new resources and updated 85 resources. Resources, posted on an online portal, received more than 652,000 views. Examples of resources that were published or updated include: OHS Code change highlights bulletins, first aid in the workplace, OHS starter kit, hazard assessment and control handbook and emergency response planning tool kit. The ministry also develops an e-newsletter, OHS eNews, with approximately 19,000 subscribers who received 12 monthly and one special edition e-newsletters in 2022-23.

Heroes' Fund

The 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 14 families in 2022-23, compared to eleven families in 2021-22. The fund pays for fatality benefits in the year in which they occurred; however, the Workers' Compensation Board's adjudication process can take time and invoices can be received by the department at a later date. This can result in change to the previously reported number of families supported. The Heroes' Fund has an annual budget of \$1.5 million.

Workers' Memorial Grant

Introduced in 2022-23, the Workers' Memorial Grant was a one-time, non-competitive grant program that helped organizations create physical memorials to honour workers who died due to a workplace incident, illness or injury. The memorial must be a physical structure such as a plaque, garden, mural or commissioned piece of art. Applicants could apply for \$10,000 in matching funding. Two applications were approved during the year: the Health Sciences Association of Alberta received \$10,000 to create a stone monument dedicated to their members that have lost their lives on the job while providing services to Albertans; and Drayton Valley/Brazeau County Fire Services received \$10,000 to develop a Firefighter Memorial Park to pay tribute to the loss of their members and to agency personnel and provide a place for local fire service members to recognize this sacrifice.

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. The ministry 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 workers' health and safety 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 2022-23, the ministry conducted 1,207 proactive inspections resulting in 1,725 orders issued compared to 2,100 proactive inspections resulting in 2,548 orders issued in 2021-22.

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, 415 work sites received an inspection and 704 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 systems in place to eliminate, mitigate and control hazards. In total, 360 work sites received inspections and 695 orders were issued.

Construction Sector

OHS carried out proactive inspections in the construction sector. The program focused on specific sub-sector industries to address health and safety risks associated with a diverse, high hazard industry. In total, 192 work sites received an inspection and 233 orders were issued.

Health Care

Health care proactive inspections were paused in 2021 as OHS focused efforts on the large volume of reactive work in the sector due to the COVID-19 pandemic. Proactive inspections in the health care sector remained paused for the 2022-23 fiscal year.

Mining

The mining proactive inspection 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, 118 inspections were conducted and 92 orders were written.

Occupational Health and Safety – Prevention Initiative

The OHS Prevention Initiative clarifies priorities of the Alberta OHS system based on evidence and consultation with all parties. 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;
- reducing 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
- increasing 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 developed 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 include web content, video tutorials and presentations, posters, postcards and bulletins.

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.

The Prevention Initiative has taken a step to re-evaluate its approach following the development and release of information materials and resources that focused on the three priority areas with varying success. The evaluation of this new approach and engagement methods is planned to occur in 2023-24. An outline of the resources developed for each priority sector is catalogued below.

The re-launch of updated resources that help prevent workplace musculoskeletal disorders occurred in December 2022. These resources included:

- a poster that identifies common signs and symptoms of musculoskeletal disorders; and
- postcards that raise awareness about the importance of musculoskeletal disorders and where to find more information.

In May 2022, there was a launch of new resources that help prevent workplace slips, trips and falls. This included the promotion of these resources on GOA social media platforms over a four-week period following release. These resources included:

- four videos promoting slip, trip and fall awareness and safety and simple steps at the workplace to remove or control these hazards; and
- six bulletins that explain actions workers and employers can take when slips, trips or falls are present or situations surrounding slip, trip and fall hazards.

The psychosocial hazards working group developed and released the following resources in September with a similar social media campaign lasting three weeks. Resources included:

- two video presentations to promote awareness of psychosocial hazards in the workplace and how to address them;
- three bulletins that complement the videos and describe in more detail what psychosocial hazards are, outline barriers to dealing with psychosocial hazards in the workplace, and provide more information on hazard assessment and control of psychosocial hazards in the workplace; and
- two posters and one postcard with quick information on psychosocial hazards that can be posted in the workplace or downloaded onto mobile devices.

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.

Beginning in 2021-22, the new employer contact program began 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 12,342 emails were delivered to new employers in 2022-23.

New employer contact program

	2021-22	2022-23
Number of new employers contacted	11,364	12,342

Supporting Psychological Health in First Responders Grant program

The Supporting Psychological Health in First Responders Grant (SPHIFR) program provides grants to improve services for first responders who are living with or are at risk of developing post-traumatic stress injuries (PTSI). Services that 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 research to inform prevention or interventions for post-traumatic stress injuries. The budget for the program is \$1.5 million per year.

In its third year, 37 applications were received, and 11 projects were funded, totaling \$1,509,901 (compared to 33 applications received and nine projects funded, totaling \$1,504,149 in the prior year). The projects supported by the grant program in 2022-23 were:

Services:

- Alberta Critical Incident Advisory Council: Delivering and Evaluating CISM Peer Support training for First Responders in Alberta (\$99,875) – Funding will support the training of up to 120 first responders to receive their ‘certified peer supporter’ designation. Once trained, the first responders will be able to support the in-house delivery of pre-incident resilience training, deliver individual and group crisis interventions based on the protocols of the model and educate on helping first responders access evidence-based formal mental health services when needed.
- Alberta Municipal Health and Safety Association: First Responder and Family PTSI (\$382,750) – This project will expand on an awarded SPHIFR 2021-22 grant and will deliver the Mental Health Commission of Canada’s program: The Working Mind First Responder and provide access to the Espri TELUS Health Mobile App, to upwards of 750 rural first responders and their families.
- City of St. Albert: Personal Protective App (\$75,000) – Funding will support the development of a customized mobile application tailored to the requirements of the personnel of the City of St. Albert’s first responders, dispatchers, and emergency health care workers.
- Bears paw First Nation: Stoney Trail Wellness Centre Post-Traumatic Stress Injury Prevention Program (\$120,400) – This project will support the Community Emergency Response Team through the contracting of a psychiatric nurse specialized in PTSI prevention who will develop policies and protocols aimed at the reduction of PTSI related symptoms.

- Town of Whitecourt: PTSI Organizational Impact Evaluation and Implementation of a Resource Guide (\$17,000) – The Town of Whitecourt will use the funding to complete an organizational assessment of available PTSI supports for the Whitecourt Fire Department and develop recommendations for the prevention of PTSI. Deliverables will include a resource guide with industry approved best practices to help identify risks, challenges and implementation strategies.

Applied Research:

- Chen (University of Alberta): Development of a mobile app for detection of PTSI in first responders (\$200,000).
- Drolet (University of Calgary): Supporting equitable, diverse and inclusive psychosocial health and resilience of first responders in Alberta (\$51,875).
- Gross (University of Alberta): Effectiveness of telerehabilitation during the pandemic for workers with PTSI (\$157,266).
- Huey (University of Western Ontario): Occupational stressors associated with policing highly contentious mass-protest events (\$120,109).
- Jin (University of Calgary): PTSI among black, Indigenous and people of colour first responders (\$132,400).
- Van Eerd (Institute for Work & Health): Implementation of PTSI programs in Alberta first responder organizations (\$153,226).

The program will be reviewed in 2023-24 to ensure that the grant program continues to meet Alberta's needs.

Partnerships in Injury Reduction – Certificate of Recognition (COR) 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 10 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 their Certifying Partner. If the employer successfully passes the audit, a Certificate of Recognition is jointly issued by Jobs, Economy and Northern Development and the Certifying Partner. By improving health and safety, the social and financial costs of workplace injury and illness are reduced.

Certificate of Recognition holders		
	2021-22	2022-23
Number of COR holders	10,265	10,230
Number of workers covered under COR	731,822	761,797
% of workforce covered	40.5%	39.9%

As of March 31, 2023, there are 10,230 Certificate of Recognition holders across Alberta covering about 39.9 per cent of the total Alberta workforce reported to the WCB in 2022. 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 further reduce red tape by streamlining/combining program standards and eliminating redundant/obsolete program requirements. This resulted in an additional reduction of 404 requirements for 2022-23. Since 2020-21, the program has reduced regulatory requirements by 42.1 per cent, or 2,258 requirements, which exceeds the red tape reduction requirement.

In 2022-23, seven additional policies and forms were streamlined and four were rescinded. This work simplified and modernized the Partnerships Standards and resulted in an improved Certificate of Recognition program for all stakeholders. Certificate of Recognition options that were complex and expensive for employers were rescinded, which reduced duplication in the standards.

On January 1, 2023, the Certificate of Recognition program reinstituted pre-pandemic audit requirements, with the support of Certifying Partners. Audits for a three-year Certificate of Recognition certification, once again, require the use of three audit techniques: documentation, interviews and observation. Auditors may continue to use remote working methods developed during the pandemic to conduct audits.

Quality assurance audits of two Certifying Partners were conducted during the year. A total of 55 On-Site Audit Reviews were completed to validate auditor performance and improve the quality of Certificate of Recognition audits conducted by auditors.

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

In 2022-23, the ministry received 4,140 employment standards complaints, completed 3,259 complaints and concluded 3,324 complaints (complaints are not always resolved in the same fiscal year they are received). The increase in complaints received this year is attributed to workplaces returning to normal after the COVID-19 pandemic, with more employees submitting concerns.

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 through high-quality administratively fair investigations.

Employment standards complaint resolution

	2021-22	2022-23
Complaints received	3,119	4,140
Complaints completed	2,919	3,259
Complaints concluded ¹	3,411	3,324
Percentage of complaints completed within 180 days	95%	93%
Average number of days to begin an investigation	12	45
Average days to resolve a complaint	60	101
1 Complaints are not always resolved in the same fiscal year they are received.		

In 2022-23, 93 per cent of employment standards complaints received were completed within 180 days of the received date. This represents a two percentage point decrease when compared to 2021-22. The average number of days to begin an investigation increased from an average of 12 days in 2021-22 to 45 days in 2022-23. The average time for complaints to be resolved was an average of 101 days (compared to an average of 60 days in 2021-22). The increase in processing time to begin a complaint and to resolve a complaint was impacted by the increase in complaint volumes received during the year, as well as the complexity in the types of complaints received.

In 2022-23, the ministry concluded 199 complaint related inspections compared to 106 in 2021-22. During the year, the ministry transferred 222 files to Treasury Board and Finance for collections compared to 148 in the prior year.

Each complaint is unique and complex. 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.

Employment standards appeals

With file processing over more than one fiscal year, employment standards received 94 new appeals and completed the processing of 119 appeals overall. During the year, a total of 20 appeals were mediated by employment standards with 48 referred to the Alberta Labour Relations Board for adjudication. The Board is the body that oversees the appeal of employment standards orders.

Voluntary resolution

If an employee believes 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 concluded 3,324 complaints in 2022-23. Of those, 2,963 were eligible for voluntary resolution and 2,841, or 84 per cent, were resolved voluntarily. The 2022-23 result represented an increase of 10 percentage points from 2021-22. This increase in voluntary resolution is the result of several different initiatives, such as allocating additional resources and implementing strategies to address aging files and complaint volumes.

In general, Alberta's economic conditions can influence how many employment standards complaints are resolved through voluntary resolution. In an economic downturn, for example, 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 2022-23, the contact centre received a total of 70,246 inquiries (telephone and email) from employees and employers seeking information and guidance, which is consistent with the number of inquiries in 2021-22. 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 voluntary resolution

	2021-22	2022-23
Percentage of employment standards complaints resolved voluntarily	74%	84%
Number of employment standards complaints eligible for voluntary resolution	3,152	2,963
Number of employment standards complaints resolved voluntarily	2,342	2,481

Employment Standards Contact Centre

	2021-22	2022-23
Telephone inquiries	58,506	58,121
Email inquiries	12,320	12,125
Total inquiries	70,826	70,246

Suspected human trafficking

The ministry investigated 208 complaints with signs of human trafficking in 2022-23, compared to 102 in 2021-22. Employment standards staff investigate potential non-compliance with employment standards legislation where signs 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 Temporary Foreign Worker Advisory Office supported 46 foreign workers with completing permit applications in 2022-23. The office also provides referrals to appropriate enforcement agencies as well as various community-based groups.

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 noncompliance. 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 noncompliance. In 2022-23, employment standards did not issue any administrative penalties (compared to three in 2021-22).

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 2022-23, 26 inspections of chronically non-compliant employers were completed, compared to 25 in 2021-22.

Employment standards anonymous tips and inspections

In 2022-23, the ministry received 1,148 anonymous tips (compared to 943 in 2021-22). Anonymous tips are triaged by employment standards staff and, where vulnerable workers or chronic non-compliance are identified, are selected for in-person inspection.

The ministry conducted 690 inspections in 2022-23 (compared to 871 in 2021-22). 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.

Employment standards anonymous tips and inspections		
	2021-22	2022-23
Anonymous tips received	943	1,148
Inspections conducted	871	690

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

	Prior Years' Results				2022-23 Actual
	2018-19	2019-20	2020-21	2021-22	
OHS Field Activities	21,916	24,456	35,306	26,392	21,950
	Prior Years' Results				2022 Actual
	2018	2019	2020	2021	
Lost-Time Claim Rate	1.52	1.56	1.73	1.85	1.95

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 work site 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 as part of a balanced approach to regulatory enforcement and to help workplaces become more self-reliant.

In 2022-23, the ministry conducted 21,950 OHS field activities, compared to 26,392 in 2021-22, representing a 17 per cent decrease. The decrease was primarily due to higher-than-usual field activities conducted in 2021-22 to support the province's response to the COVID-19 pandemic and to support workplaces in implementing pandemic management protocols. The number of activities in 2022-23 was roughly equal to the number in 2018-19 (pre-pandemic), after dropping from the highest point in 2020-21 and the second highest in 2021-22.

OHS field activities include inspections, re-inspections, investigations, continuation of investigations, presentations, meetings and publications delivered. The number of meetings fluctuated the most among these metrics in the last two years, dropping from over 2,400 per year before 2020-21 to 1,202 in 2021-22 and then to 637 in 2022-23. This was likely due to the ministry conducting less proactive work that often involves more meetings to inform and collaborate with stakeholders.

OHS field activities breakdown					
	2018-19	2019-20	2020-21	2021-22	2022-23
Inspections	10,484	9,628	14,502	11,798	9,571
Re-inspections	4,106	2,920	3,175	3,770	4,146
Investigations	2,245	1,092	1,138	856	888
Continuations of Investigations	217	816	899	736	878
Presentations	174	55	8	21	7
Meetings	3,245	3,140	2,489	1,202	637
Publications Delivered	1,445	6,805	13,095	8,009	5,823
Total OHS Field Activities	21,916	24,456	35,306	26,392	21,950

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 in 2022 was 1.95, up from 1.85 in 2021. This rate has increased steadily in the last five years and reached a five-year peak in 2022. COVID-19 had a significant impact on the lost-time claim rate: approximately 26.1 per cent of the lost-time claims reported in 2022 were related to COVID-19, up from 19.8 per cent in 2020 and 20.3 per cent in 2021. Excluding COVID-19 claims, the lost-time claim rates were 1.39 for 2020, 1.47 for 2021, and 1.44 for 2022. Additionally, there were an undetermined number of lost-time injury claims that were related to the COVID-19 pandemic, but not necessarily directly a result of COVID-19 (e.g., lost-time claims for skin conditions caused by personal protective equipment).

As the industry sector with the highest lost-time claim rate over the past three years, the municipal government, education and health services industry saw a 7.0 per cent growth of its workforce measured by person-years worked, while its lost-time claim rate increased further from 3.46 in 2020 to 4.24 in 2022.

Many factors can influence the lost-time claim rate. These may include, but are not limited to, the workers' compensation system processes such as the eligibility criteria and the claim adjudication process, the efforts made by employers to implement safety programs and to foster a culture of safety among their workers and the attitudes and behaviors of employers and workers, such as their awareness of risks and their willingness to report injuries. In addition, external forces arising from the economic cycle also have an impact on the injury rates.

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. Jobs, Economy, and Northern Development is striving to bring these rates down by working closely with all stakeholders, including employers, workers, industry associations and the Workers' Compensation Board. 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 works 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 modified work.

The disabling injury rate increased to 3.01 in 2022 from 2.88 in 2021. The 2022 disabling injury rate was the highest rate in the last five years, however, without COVID-19 claims the disabling injury rates were 2.32 for 2020, 2.46 for 2021 and 2.50 for 2022. 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 2022, 120 workers died as identified in WCB accepted fatality claims, a decrease from 136 in 2021. Within these claims, 25 fatalities were the result of traumatic workplace incidents, which is also lower than the 39 cases in 2021.

Disabling injury rate				
2018	2019	2020	2021	2022
2.76	2.69	2.67	2.88	3.01

Labour and Immigration Outcome Three: Better services for workers and employers through streamlined rules and effective service delivery

During the year, Jobs, Economy and Northern Development implemented legislative changes and service enhancements to reduce the costs of employment for employers, while maintaining protections for workers. Balanced, stable and responsive labour laws enhanced Alberta's competitive advantage, supported economic growth and recovery, protected workers, reduced regulatory burden and promoted ease of access to services for Albertans. Labour laws not only maintain Alberta's high standards for safe, fair and healthy workplaces, they also promote the free movement of labour.

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

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

Key results and highlights during 2022-23 include:

- Achieved a 41 per cent reduction in regulatory requirements since the red tape reduction initiative began in May 2019, significantly exceeding the target of 33 per cent.
- Provided efficient, timely, effective and consistent services for the 626 hearings conducted by the Alberta Labour Relations Board.
- Provided a fair, client-focused appeal experience for the 592 appeals received by the Appeals Commission for Alberta Workers' Compensation.

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 required provincial and territorial engagement to determine if each jurisdiction's laws, policies and programs were in conformity with the convention. Support of provinces and territories was required before the federal government could undertake 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 it supported Canada's ratification of C190. The federal government ratified C190 on January 30, 2023, becoming the 25th country in the world, and the 8th country in the Americas to ratify C190.

Ministry-appointed mediation services

In Alberta, there are approximately 1,300 collective bargaining relationships covering just over 489,000 employees under provincial jurisdiction across all industry sectors. Collective bargaining agreements must be renegotiated at the end of the fixed term of the agreement. Typically, about 400 collective bargaining agreements are negotiated each year, and approximately 68 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 2022-23, of the 123 mediations that were concluded with the assistance of a ministry-appointed mediator, 100 per cent were settled without a work stoppage.

In 2022-23, the number of mediation appointments increased to 125 from 101 the previous year. The increase in the number of appointments represents a number of files that were initially on hold due to the pandemic, which created a backlog.

Mediation		
	2021-22	2022-23
Number of mediations concluded where a ministry-appointed mediator was engaged to assist the parties in their negotiations	74	123
Number of mediations with a ministry-appointed mediator that were settled without a work stoppage	71	123
Percentage of collective bargaining agreements with the assistance of a ministry-appointed mediator settled without a work stoppage	96.0%	100%

Key Objectives

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

Red tape reduction

In support of the government-wide red tape reduction initiative, Jobs, Economy and Northern Development, including its agencies, boards and commissions, reduced its regulatory requirements by 41 per cent since the red tape reduction initiative began in May 2019. This result exceeds the target of 33 per cent.

Following the October 2022 Government of Alberta reorganization, the department's baseline count was updated. As of March 31, 2023, the ministry has 34,986 baseline regulatory requirements, including 17,570 baseline regulatory requirements under legislation and regulation and 17,416 in forms and policies. Legislation and regulations account for 63.5 per cent of the department's baseline requirements, while forms and policies account for 36.5 per cent. Of the 34,986 baseline requirements, 7,332 belong to Jobs, Economy and Northern Development agencies, boards and commissions.

Red Tape

The ministry's baseline count (including agencies, boards and commissions) is 34,986 regulatory requirements including 17,570 regulatory requirements under legislation and regulation and 17,416 in forms and policies.

Department red tape reduction activities

During the year, the department reduced 8,364 net regulatory requirements. Highlights of initiatives undertaken include:

- Updates to parts of the OHS Code went into effect on March 31, 2023, after consultation with employers, workers and health and safety professionals. The changes to the OHS Code align with best practices for health and safety, modern standards and technology and harmonize Alberta with other Canadian jurisdictions to improve health and safety outcomes. Updates included revisions to improve clarity, reduce duplication, align roles and adopt responsibilities with those in the *Occupational Health and Safety Act*, harmonize standards with other jurisdictions in Canada, as well as new requirements to improve health and safety in eight parts of the OHS Code. As part of the changes, 7,955 regulatory requirements were removed from the OHS Code.
- The Partnerships in Injury Reduction Program streamlined seven additional policies and forms, and rescinded four, resulting in a reduction of 404 regulatory requirements in 2022-23. This work simplified and modernized the Partnerships Standards and resulted in an improved Certificate of Recognition (COR) program for all stakeholders. Certificate of Recognition options that were complex and expensive for employers were rescinded, which reduced duplication in the standards. Since the start of the red tape reduction initiative, the program has reduced regulatory requirements by 42.1 per cent or 2,258 requirements.

- To simplify access to benefits and supports for firefighters with cancer and their families, updates were made to the *Workers' Compensation Act* and the Firefighters Primary Site Cancer Regulation via the *Red Tape Reduction Implementation Act, 2023*. The presumption that firefighter cancers are related to their occupation was expanded to add four new eligible cancer types, reduce the exposure requirement for one existing cancer and exempt firefighters who worked at the 2016 Fort McMurray Fire from exposure period requirements. These updates simplify access to workers' compensation benefits and services for firefighters with occupational cancers and their families by expanding access to the presumption and removing the requirement to prove the condition is work-related.
- In 2022-23, the Canada-Alberta Job Grant improved processes, reduced red tape, decreased processing times and increased engagement with employers and training providers. This work has improved efficiency and will continue, resulting in a nearly 50 per cent decrease in application and payment processing times.
- On April 1, 2022, the First Nations Training to Employment Program and Aboriginal Training to Employment Program were combined into one program: the Indigenous Employment Training Partnership. Administrative improvements were made by simplifying access to the program guidelines. The new content provides more user-friendly information for Albertans interested in taking part in training and employment services.

Agencies, boards and commissions red tape reduction activities

Jobs, Economy and Northern Development's agencies, boards and commissions reduced net requirements by 739 from reviews of forms and policies and undertook a number of initiatives to reduce administrative burden:

- The Workers' Compensation Board (WCB) continued to streamline forms and policies with a net reduction of 739 requirements during the year. This work led to technology solutions and process streamlining that impacted both staff and customer interactions.
- The Appeals Commission continued its efforts to be as accessible to Albertans as possible. The Appeals Commission has installed a phone system that allows its team to accept real-time phone calls from Albertans who want to know more about Appeals Commission services.
- The Appeals Commission for Alberta Workers' Compensation also now represents employers with any number of workers, which allows more Alberta employers to use Appeals Commission services. Employers no longer have to count their number of workers and disclose that number, which increases privacy and confidentiality.

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

Responsibility for this key objective transferred to the Ministry of Skilled Trades and Professions in October 2022.

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

COVID-19 temporary layoff provisions

To help workers and employers address the changes brought about by COVID-19, the maximum allowable period of a temporary layoff due to COVID-19 was extended to ensure employees could remain attached to their jobs longer when business operations were affected by public health restrictions. These extended temporary layoff rules related to COVID-19 were repealed on February 16, 2023.

Occupational Health and Safety Code Review

Changes to the OHS Code came into effect on March 31, 2023. An updated and easier-to-understand OHS Code helps employers keep workers healthy and safe and supports Alberta's economy. Updates included revisions to improve clarity, reduce duplication, align roles and adopt responsibilities with those in the *Occupational Health and Safety Act*, harmonizing standards with other jurisdictions in Canada. The updates reflect new requirements to improve health and safety in eight parts of the OHS Code. As part of the changes, 7,955 regulatory requirements were removed from the OHS Code. Additional details can be found under Labour and Immigration Outcome 2, Key Objective 2.1 of this annual report.

Labour Statutes Amendment Act, 2022

The Labour Statutes Amendment Act, 2022 received royal assent on May 31, 2022, and amended the *Employment Standards Code* and *Labour Relations Code*. To recognize the pain and grief felt by parents who lose an unborn child, bereavement leave was expanded so that employees who experience a pregnancy loss have time to grieve while knowing they still have a job to go back to. The act also removes the 20-day limit on the amount of time reservists can take for annual training. Removing this limit allows reservists to attend to training while maintaining their civilian employment without having to use other entitlements, such as vacation time. Finally, the act allows academic staff, graduate students and postdoctoral fellow associations to continue representing their respective members in collective bargaining indefinitely. Changes to bereavement leave and reservist leave took effect upon royal assent. Changes to maintain the status quo for academic staff, graduate students and postdoctoral fellow associations took effect on July 1, 2022.

Firefighter Workers' Compensation Cancer Presumptions

The *Workers' Compensation Act* creates a presumption for firefighters employed by a municipality or Métis settlement where specified cancers are presumed to be related to the job, if exposure periods are met, unless proven otherwise. On March 28, 2023, amendments to the *Workers' Compensation Act* came into effect exempting firefighters who fought the 2016 Fort McMurray fire from the exposure period requirements. On April 5, 2023, changes to the Firefighters' Primary Site Cancer Presumption Regulation added four cancers to the list of those eligible for presumption and reduced the exposure period for one cancer already on the list. These updates simplify access to workers' compensation benefits and services for firefighters with occupational cancers and their families by expanding access to the presumption and removing the requirement to prove the condition is work-related.

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

Alberta Labour Relations Board

During the year, the Alberta Labour Relations Board continued to provide efficient, timely, effective and consistent services to Alberta's labour relations community.

The Alberta Labour Relations Board remains committed to scheduling matters in a timely fashion. In 2022-23, the average number of days from the acceptance of an application to the date of the first hearing was 54 days, compared to 109 days in 2021-22. A number of factors impacted this measure, including the availability of parties, the availability of adjudicators, and the number and complexity of matters that came before the board.

Alberta Labour Relations Board		
	2021-22	2022-23
Number of applications	709	688
Number of hearings	767	626
Number of certification applications received by the Alberta Labour Relations Board	119	121
Average number of days from acceptance of an application to first hearing	109	54

In 2022-23, the number of applications filed with the Board remained stable with 688 applications, compared to 709 applications in 2021-22. This number includes 18 appeals under the *Occupational Health and Safety Act* and 48 appeals under the *Employment Standards Code*. The number of certification applications in 2022-23 (121) was slightly higher than in 2021-22 (119). The number of hearings the Board conducted decreased from 767 in 2021-22 to 626 in 2022-23. This decrease can be partially associated with a small decline in the number of applications to the Board and a slight increase in the settlement rate. It is important to note that the number of hearings doesn't necessarily reflect the complexity of matters that came before 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 2022-23, the Board's settlement rate was 66 per cent. This is a four-percentage point increase from 2021-22 and above the Board's target of 57 per cent.

Alberta Labour Relations Board		
	2021-22	2022-23
Percentage of applications, with Board involvement, settled before reaching a formal hearing	62%	66%

Key decisions of the Alberta Labour Relations Board

During the 2022-23 fiscal year, the Alberta Labour Relations Board released a broad range of decisions interpreting different aspects of Alberta's labour legislation. Board decisions interpreting Alberta's labour legislation help provide certainty to stakeholders and ensure the fair and consistent application of that legislation. The Board also released new hearing presumptions that took effect on September 1, 2022. These presumptions, which the Board has the discretion to adjust, identify which proceedings will be held presumptively in-person and which will proceed presumptively online.

Noteworthy decisions from the Board in 2022-23 included:

- Confirming that the Board's interim relief powers include the ability to stay arbitration decisions in review applications under section 145(2) of the *Labour Relations Code*: *Carewest and The Alberta Union of Provincial Employees* [2022] Alta. L.R.B.R. (not yet reported).
- Developing an updated framework for reconsideration applications alleging serious legal or factual errors: *Construction and General Workers' Union, Local No. 92, Mikisew Maintenance Ltd. / MM Limited Partnership and Mikisew Fleet Maintenance / MFM Limited Partnership* [2022] Alta. L.R.B.R. (not yet reported).
- Deciding that the duty to bargain in good faith does not permit a party to place unreasonable conditions on bargaining, even where such conditions are based on an honestly held justification: *Canadian Energy Workers Association affecting ATCO Electric Ltd.* [2022] Alta. L.R.B.R. LD-029.
- Determining that where the statutory freeze period under the *Labour Relations Code* expires before an application for first contract assistance is made, the Board does not have jurisdiction to extend the automatic statutory freeze that applies to timely applications: *The Alberta Union of Provincial Employees v. Rosedale Partnership* [2022] Alta. L.R.B.R. LD-050.
- Declining to exercise its discretion to amend the pension plan articles of the parties' collective agreements in the context of a successorship application: *DynaLIFEDX, Health Sciences Association of Alberta, Canadian Union of Public Employee, Local 8 and Alberta Precision Laboratories Ltd.* [2023] Alta. L.R.B.R. LD-022.

3.5 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 Appeals Commission for Alberta Workers' Compensation is an independent and impartial tribunal that hears worker and employer appeals arising from Workers' Compensation Board (WCB) review bodies. The Appeals Commission is a quasi-judicial tribunal that is independent from the WCB. The Appeals Commission provides a fair, client-focussed appeal experience. The Appeals Commission also provides free advocacy services through the Advisor Office and independent medical review through the Medical Panels Program.

Appeals Commission

As of March 31, 2023, the Appeals Commission had 55 adjudicators, which includes the chief appeals commissioner, two vice-chairs, 12 full-time hearing chairs, and 40 part-time commissioners. Approximately 73 per cent of appeals were held in-person by a three-person adjudication panel (includes teleconference and videoconference hearings).

Timelines and numbers 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 592 appeals in 2022-23, compared to 517 appeals in 2021-22. The amount of time to prepare and schedule an appeal was 151 days in 2022-23, compared to 143 days in 2021-22. The average number of days from the hearing date to the decision issued date was 29 days in 2022-23, compared to 31 days in 2021-22. In 2022-23, 99.8 per cent of decisions (99.6 per cent in 2021-22) were not challenged, or if challenged, were supported by the Appeals Commission's reconsideration process, the Court of King's Bench, the Court of Appeal, the Alberta Ombudsman.

Appeals Commission		
	2021-22	2022-23
Number of appeals received	517	592
Number of appeals concluded	499	487
Number of decisions successfully challenged	2	5
Average number of days from the date the appeal is filed to the first hearing date offered	143	151
Average number of days from the hearing to the decision issued date	31	29
Percentage of decisions not challenged, or if challenged, supported by the Appeals Commission's reconsideration process, the Court of King's Bench, the Court of Appeal, the Alberta Ombudsman	99.6%	99.8%

Advisor Office

The Advisor Office offers employers and injured workers free advice, information, and advocacy services throughout the WCB appeals process. The Advisor Office is an independent program of the Appeals Commission and is separate from the WCB.

In 2022-23, the Advisor Office received a total of 1,352 applications (1,275 in 2021-22) for service and closed 1,561 files (1,766 in 2021-22).

Advisor Office		
	2021-22	2022-23
Number of applications for service from workers	1,131	1,202
Number of applications for service from employers	144	150
Number of worker files closed	1,633	1,436
Number of employer files closed	133	125

Medical Panels for Alberta Workers' Compensation

The Medical Panels Program provides a medical panel convened by the Medical Panels Commissioner at the request of the WCB 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. The Medical Panels Program is an independent program of the Appeals Commission and is separate from the WCB.

Medical Panels		
	2021-22	2022-23
Number of Medical Panel files open between April 1, 2021 and March 31, 2022	27	15
Number of new Medical Panel requests received from the WCB or the Appeals Commission between April 1, 2021 and March 31, 2022	11	7
Number of Medical Panel files closed	9	10

In 2022-23, the Medical Panels Program received a total of seven requests for a medical panel (11 in 2021-22) and closed 10 files (nine in 2021-22).

Labour and Immigration: Performance Measure 3.a: Red Tape Reduction

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20*	2020-21	2021-22		
n/a	3.62%	9%	16.9%	33%	41%

* Results for 2019-20 reflect the Department of Labour and Immigration only, as the ministry's agencies, boards and commissions baseline regulatory count were not complete at that time.

** Results for 2020-21 and 2021-22 reflect the Ministry of Labour and Immigration's results.

*** Results for 2022-23 reflect the Ministry of Jobs, Economy and Northern Development.

The ministry surpassed its one-third regulatory reduction target in 2022-23, supporting the government-wide red tape reduction initiative. In November 2022, the ministry's baseline count was updated to reflect the October 2022 government reorganization. The department's updated baseline count is 27,654 regulatory requirements, including 17,570 regulatory requirements under legislation and regulation and 10,084 in forms, guides and policies. Applicable Jobs, Economy and Northern Development agencies, boards and commissions updated baseline count is 7,332 requirements. The ministry's total regulatory requirements (department and agencies, boards and commissions) is now 34,986.

Through the execution of a comprehensive action plan, the ministry reduced 9,103 net regulatory requirements in 2022-23. The above includes a reduction of 739 requirements by Jobs, Economy and Northern Development agencies, boards and commissions through reviews of forms and policies. The ministry has achieved a cumulative reduction of 41 per cent since May 2019, surpassing the 33 per cent reduction target by eight per cent.

Further details on Red Tape Reduction initiatives completed in 2022-23 can be found in key objective 3.1 of this annual report.

Baseline regulatory requirements	2022-23	Red Tape Reduction initiatives completed in 2022-23 (including ABCs)	Reduction
Department	27,654	OHS Code Review Phase 1	7,955
Agencies, Boards and Commissions	7,332	ABCs Review of Forms	739
		Partnerships in Injury Reduction Program	404
		RTR Review	
		Other (combined)	34
		Additions of regulatory requirements	(29)
Total	34,986	Net 2022-23 reduction in regulatory requirements	9,103

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

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
70%	80%	68%	67%	85%	69%

This performance measure reflects the Alberta Labour Relations Board's (the Board's) commitment to issue decisions in a timely fashion. In 2022-23, 69 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, but a slight improvement over last year's result.

As the Board moves towards a return to in person hearings, a significant number of hearings are continuing to be conducted virtually. As part of the process, the Board continues to use case management conferences prior to a virtual hearing to ensure hearings proceed efficiently. These prehearing conferences require preparation and increase the number of hearings conducted by the Board's adjudicators which in turn, impacts the time available to write decisions.

In addition, the Board continues to deal with the impact of its expanded jurisdiction. For example, Employment Standards and Occupational Health and Safety appeals resulted in an additional 66 applications to the Board in 2022-2023. Amendments to legislation continue to impact 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. Finally, the Board experienced some adjudicative vacancies which also impacted this measure.

Performance Measure and Indicator Methodology

No single measure or indicator can fully represent an outcome in the ministry annual report. The suite of performance measures and indicators reported in the report provide a better picture of overall progress toward achieving the ministry's outcomes.

Performance measures provide information on the ministry's progress toward achieving the outcomes and key strategies in the business plan. Results of performance measures can be attributed to the work of the ministry. Targets for the performance measures are intended to be aggressive but realistic. While the specific methodologies vary, all targets are set taking into consideration historical results and current environmental factors.

Performance indicators capture far-reaching outcomes that the ministry's programs and initiatives intend to influence over the long-term. These indicators are also influenced by many factors outside the ministry's control. Performance indicators reflect what the ministry intends to influence, as well as the larger societal context within which the ministry operates.

Jobs, Economy and Innovation: Performance Measure 1.a: Net investment in Alberta film and television productions for every \$1 of Alberta Film and Television Tax Credits (\$ dollars)

This measure demonstrates the efficacy of Alberta's Film and Television Tax Credit (FTTC) program to attract investments for every dollar in tax credit spent, indicating economic capacity and competitiveness in this sector, in alignment with government's commitment to grow cultural industries.

Data for this performance measure is collected directly from applicants via the department's client-relations management (CRM) database, which has security and privacy protocols in place. As part of the application and approval processes, successful applicants must provide audited financials to validate Alberta expenditures prior to tax credit issuance. Department staff review this information for accuracy and base the tax credit amount on its review findings and validation. The amount of expenditures from approved productions spent in Alberta in contrast to the tax credit issued are measured and reported.

$$\text{Net Investment} = \frac{\text{Total value of Alberta investment expected from productions with approved tax credits}}{\text{Total value of tax credits approved during the year}}$$

Jobs, Economy and Innovation: Performance Indicator 1.b: Year-over-year change in Alberta's economic activity (per cent)

Treasury Board and Finance's (TBF's) Alberta Activity Index is a weighted average of nine monthly indicators, each measuring an important aspect of macroeconomic activity:

- Employment
- Average weekly earnings
- Retail trade
- Wholesale trade
- Manufacturing shipments
- New truck sales
- Housing starts
- Rigs drilling
- Oil production

TBF collects the data and weights the variables. The ministry acquires the data from TBF and exports it to undertake the year-over-year percentage calculation. Historical results are recalculated each time the measure is presented to capture revisions to the underlying data.

$$\frac{\text{AAX current year 12-month average to October} - \text{less AAX prior year 12-month average to October}}{\text{AAX prior year 12-month average to October}} = \text{Year-over-year percentage change in the 12-month average of the AAX to October}$$

Results are presented as a year-over-year percentage change in the 12-month average of the AAX up to and including October each year (i.e., October to October). The AAX data table can be accessed at: <https://open.alberta.ca/dataset/alberta-activity-index-data-tables>

Labour and Immigration: 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 56,000 households, resulting in the collection of labour market information for approximately 100,000 people. Alberta's sample size corresponds to its share of the national population. An average of 5,800 Alberta households and 8,100 people were surveyed 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 is estimated as 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>

Labour and Immigration: 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 Seniors, 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 Jobs, Economy and Northern Development.

The Work Outcomes Reporting Project uses a census approach for Jobs, Economy and Northern Development clients who have attended Training for Work programs, meaning all clients who took these programs will be contacted for inclusion in the survey, which is 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 Jobs, Economy and Northern Development's Training for Work programs and left their program between September 1, 2021 and August 31, 2022.

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 2022 result is 858. The survey response rate was 26.2 per cent. The margin of error is 3.19, at the 95 per cent level of confidence. With a result of 75.8 per cent, Jobs, Economy and Northern Development is confident that the population percentage of people employed, self-employed or in school or further training lies between 72.6 per cent and 79.0 per cent, 19 times out of 20. The average days between leaving the program and the survey was 216.9 days, up 73 days compared to 2021-22. This is due to delays in the WORP survey.

Labour and Immigration: 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 work site and/or associated documentation for compliance with the *Occupational Health and Safety Act*, Regulation and Code.
- **Re-inspection:** A follow up assessment of a work site for compliance with the *Occupational Health and Safety Act*, Regulation and Code.
- **Investigation:** An investigation is conducted on any workplace incident that is defined as 'reportable' under the *Occupational Health and Safety Act* section 40(1) prior to December 1, 2021, and the *Occupational Health and Safety Act* Section 33(1) after December 1, 2021.
- **Continuation of Investigation:** This refers to an investigation that has commenced and is still underway.
- **Presentation:** An activity that is used when an officer completes a presentation to a work site party/parties.
- **Meeting:** An in-person, video or telephone conversation with a regulated party for the purpose of education regarding the *Occupational Health and Safety Act*, Regulation and Code, or as an escalation from previous compliance activities.
- **Publications Delivered:** 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 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 collects this information, calculates the estimated person-years worked and provides the data files to Jobs, Economy and Northern Development 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 Jobs, Economy and Northern Development 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.

Labour and Immigration: 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 Jobs, Economy and Northern Development;
- forms, policies and processes under the purview of the Department of Jobs, Economy and Northern Development;
- 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 Jobs, Economy and Northern Development. 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 Jobs, Economy and Northern Development. 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.

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

Labour and Immigration: 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 (CRM) 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 Alberta Labour Relations Board's new CRM 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 in March 2022 and as a result OHS appeals are included in the 2022-23 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, 2023

Table of Contents

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Breakdown of Revenues (unaudited)

Expenses - Directly Incurred Detailed by Object (unaudited)

Other Financial Information

Lapse/Encumbrance (unaudited)

[Original signed by]

Shawn McLeod
Deputy Minister
May 25, 2023

[Original signed by]

Sonya Johnston
Assistant Deputy Minister, Financial Services and SFO
May 24, 2023

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.

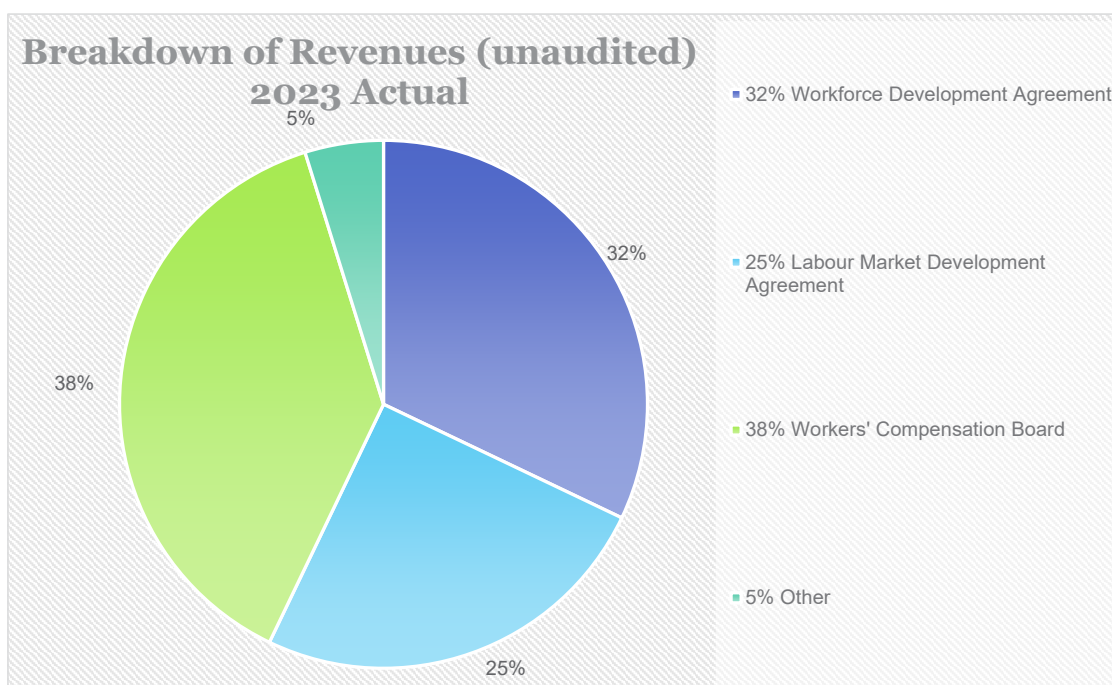
Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

Ministry Financial Highlights
Statement of Revenues and Expenses (unaudited)
Year Ended March 31, 2023

	2023		2022	Change from	
	Budget	Actual	Actual (Restated)	Budget	2022
	<i>(in thousands)</i>				
Revenues					
Government Transfers					
Workforce Development Agreement	\$ 32,391	\$ 51,077	\$ 192,503	\$ 18,686	\$ (141,426)
Labour Market Development Agreement	39,862	39,865	31,984	3	7,881
Premiums, Fees and Licences	1	141	450	140	(309)
Other Revenue	66,899	67,277	140,788	378	(73,511)
	139,153	158,360	365,725	19,207	(207,365)
Inter-ministry consolidation adjustments	-	-	(20)	-	20
Adjusted ministry total	139,153	158,360	365,705	19,207	(207,345)
Expenses - Directly Incurred					
Programs					
Ministry Support Services	4,361	4,863	4,258	502	605
Workforce Strategies	213,497	189,481	250,823	(24,016)	(61,342)
Safe, Fair and Healthy Workplaces	63,502	57,831	54,213	(5,671)	3,618
Strategic Economic Partnerships	117,806	70,061	183,536	(47,745)	(113,475)
Labour Relations Board	3,947	3,445	4,144	(502)	(699)
Appeals Commission for Alberta Workers' Compensation	17,020	15,905	15,899	(1,115)	6
Emergency Isolation Support	-	-	1	-	(1)
Critical Worker Benefit Program	-	-	65,722	-	(65,722)
	420,133	341,586	578,596	(78,547)	(237,010)
Inter-ministry consolidation adjustments	(2,000)	(570)	(2,077)	1,430	1,507
Adjusted ministry total	418,133	341,016	576,519	(77,117)	(235,503)
Annual Surplus / (Deficit)	\$ (278,980)	\$ (182,656)	\$ (210,814)	\$ 96,324	\$ 28,158

Breakdown of Revenues (unaudited)

	2023		2022
	Budget	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Revenues			
Government Transfers			
Workforce Development Agreement	\$ 32,391	\$ 51,077	\$ 192,503
Labour Market Development Agreement	39,862	39,865	31,984
	<u>72,253</u>	<u>90,942</u>	<u>224,487</u>
Premiums, Fees, and Licenses	<u>1</u>	<u>141</u>	<u>450</u>
Other Revenue			
Workers' Compensation Board	66,899	60,624	57,161
Transfer of Tangible Capital Assets from other Government Departments	-	-	20
Other	-	6,653	83,607
	<u>66,899</u>	<u>67,277</u>	<u>140,788</u>
Total Revenues	<u>\$ 139,153</u>	<u>\$ 158,360</u>	<u>\$ 365,725</u>



The Ministry of Jobs, Economy and Northern Development received 57% 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 2022-23, 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 Jobs, Economy and Northern Development's allocation for 2022-23 was \$51 million.

Labour Market Development Agreement - In 2022-23, the Government of Alberta received \$217.8 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 Jobs, Economy and Northern Development's allocation for 2022-23 was \$40 million.

Other Revenue

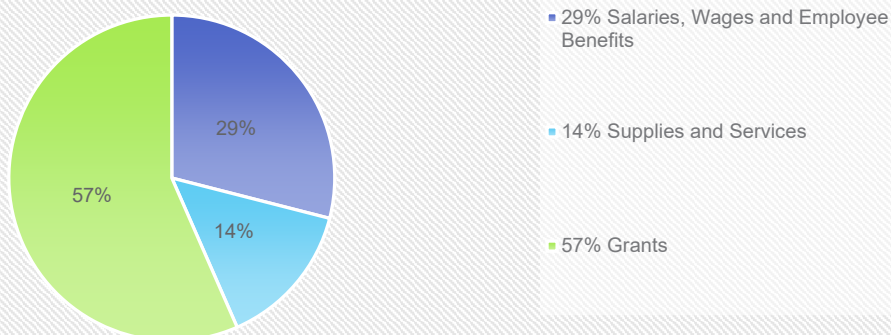
Workers' Compensation Board - The Ministry of Jobs, Economy and Northern Development contributes to safe, fair and healthy workplaces by monitoring for compliance with occupational health and safety legislation through proactive inspections and investigations into complaints and reportable incidents. In addition, the Appeals Commission for Alberta Workers' Compensation is an independent and impartial tribunal that hears worker and employer appeals arising from Workers' Compensation Board review bodies.

The cost to deliver the Occupational Health and Safety program and fund the Appeals Commission for Alberta Workers' Compensation is offset by revenue received from the Workers' Compensation Board of Alberta.

Expenses - Directly Incurred Detailed by Object (unaudited)

	2023		2022
	Budget	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 106,973	\$ 98,755	\$ 98,721
Supplies and Services	71,236	49,218	42,104
Grants	241,054	192,749	432,368
Amortization of Tangible Capital Assets	800	803	2,174
Other	70	61	3,229
Total Expenses	\$ 420,133	\$ 341,586	\$ 578,596

Expenses - Directly Incurred Detailed by Object (unaudited) 2023 Actual



Salaries, Wages and Employee Benefits

The Ministry's salaries, wages and employee benefits accounted for 29% of its total expenditures. In 2022-23, these expenses were lower than budgeted due to vacant positions across the ministry.

Supplies and Services

Supplies and Services accounted for 14% of the ministry's total expenditures. In 2022-23, these expenses were lower than budgeted primarily due to less spending across the ministry on items such as materials and supplies, contract services, and advertising.

Grants

Grants accounted for 57% of the ministry's total expenditures. In 2022-23, these expenses were lower than budgeted primarily due to decreased spending for the Film and Television Tax Credit, the Alberta Jobs Now Program, and the Coal Workforce Transition Program.

LAPSE/ENCUMBRANCE (unaudited)
YEAR ENDED MARCH 31, 2023

	Voted Estimate ⁽¹⁾	Supplementary Supply	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
<i>(in thousands)</i>						
Program - Operating Expense						
1.0 Ministry Support Services						
1.1 Minister's Office	\$ 687	\$ -	\$ -	\$ 687	\$ 834	\$ 147
1.2 Deputy Minister's Office	733	-	-	733	767	34
1.3 Strategic Corporate Services	2,941	-	(16)	2,925	2,963	38
	4,361	-	(16)	4,345	4,564	219
2.0 Workforce Strategies						
2.1 Workforce Development Partnerships	8,579	-	-	8,579	8,926	347
2.2 Labour Force Policy and Engagement	10,387	-	(840)	9,547	5,765	(3,782)
2.3 Skills and Training Support	87,538	-	(53)	87,485	87,552	67
2.4 Coal Workforce Transition Program	9,000	-	-	9,000	3,110	(5,890)
2.5 Alberta Jobs Now Program	97,825	-	-	97,825	83,943	(13,882)
	213,329	-	(893)	212,436	189,296	(23,140)
3.0 Safe, Fair and Healthy Workplaces						
3.1 Labour Relations	1,590	-	-	1,590	1,511	(79)
3.2 Occupational Health and Safety	49,234	-	-	49,234	44,674	(4,560)
3.3 Employment Standards	12,211	-	-	12,211	11,434	(777)
	63,035	-	-	63,035	57,619	(5,416)
4.0 Strategic Economic Partnerships						
4.1 Reg Economic Partnerships & Opportunity	23,918	-	-	23,918	25,757	1,839
4.2 Economic Analytics and Industry Growth	23,888	-	-	23,888	16,915	(6,973)
	47,806	-	-	47,806	42,672	(5,134)
5. Labour Relations Board	3,947	-	(16)	3,931	3,336	(595)
6. Appeals Commission for Alberta Workers' Compensation	16,855	-	-	16,855	15,950	(905)
(Credit or Recovery) Shortfall	-	-	-	-	-	-
Total	\$ 349,333	\$ -	\$ (925)	\$ 348,408	\$ 313,437	\$ (34,971)
(Lapse)/Encumbrance						\$ (34,971)

LAPSE/ENCUMBRANCE (unaudited)
YEAR ENDED MARCH 31, 2023

	Voted Estimate ⁽¹⁾	Supplementary Supply	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
Program - Capital Investment						
1.3 Ministry Support Services	\$ -	\$ -	16	\$ 16	\$ -	(16)
2.2 Labour Force and Engagement	-	-	840	840	335	(505)
2.3 Skills and Training Support	-	-	53	53	-	(53)
2.5 Alberta Jobs Now Program	150	-	-	150	55	(95)
3.2 Occupational Health and Safety	900	-	-	900	-	(900)
4.1 Regional Economic Partnerships and Opportunity	2,600	-	-	2,600	-	(2,600)
4.2 Economic Analytics and Industry Growth	-	-	-	-	1,188	1,188
5. Labour Relations Board	-	-	16	16	-	(16)
Total	\$ 3,650	\$ -	\$ 925	\$ 4,575	\$ 1,578	\$ (2,997)
(Lapse)/Encumbrance						\$ (2,997)

⁽¹⁾ As per the Current Estimate for "Expense" and "Capital Investment" on pages 5 and 6 of the 2022-2023 Supplementary Supply Estimates.

⁽²⁾ Adjustments include encumbrances, capital carry over amounts, transfers between votes, credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote-by-vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

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

WCB-Alberta

Financial Statements and Notes

For the year ended December 31, 2022

Table of Contents

35	Responsibility for Financial Reporting
36	Independent Auditor's Report
39	Actuarial Statement of Opinion

Financial Statements

40	Statement of Financial Position
41	Statement of Comprehensive Income
42	Statement of Changes In Funded Position
43	Statement of Cash Flows

Notes to the Financial Statements

44	1. Reporting Entity
44	2. Significant Accounting Policies
46	3. Accounting Policy Changes
47	4. Funding
48	5. Investments
50	6. Investment Income and Expense
51	7. Investment Risk Management
53	8. Property, Plant and Equipment
55	9. Intangible Assets
56	10. Leases
58	11. Employee Benefits
62	12. Claim Benefit Liabilities
65	13. Claim Benefit Expense
66	14. Claim Benefit Risks
66	15. Premium Revenue
67	16. Administration Expense
68	17. Related Party Transactions
69	18. Contingencies and Indemnification
70	19. Supplemental Information

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, 2022 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.



Dr. Ray Block
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, 2022, 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, 2022, 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 2022 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 this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with governance for the 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 25, 2023
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, 2022

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, 2022 (the "valuation date").

In my opinion, the claim benefit liabilities of \$11,441.1 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 claims management 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 3.00% per annum was used to discount expected payments subject to inflation; the previous assumption was 2.50%. Other long-term 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% in excess of CPI. The annual increase for benefits subject to cost-of-living adjustments (COLA) is assumed at CPI minus 0.45%.

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 \$338.7 million in the claim benefit liabilities, from \$11,102.4 million at the end of 2021 to \$11,441.1 million as at December 31, 2022, includes a reduction of \$732.4 million resulting from changes to the actuarial methods and assumptions: the review of real rate of return assumption caused liabilities to decrease by \$667.3 million and changes to the valuation basis for claims management represented a decrease of \$65.1 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 24, 2023

Workers' Compensation Board – Alberta Statement of Financial Position

As at December 31

(\$ thousands)	Notes	2022	2021
ASSETS			
Cash and cash equivalents	19(a)	\$ 333,108	\$ 412,255
Trade and other receivables	19(b)	116,565	82,290
Investments	5	11,964,660	13,100,778
Property, plant and equipment	8	67,057	70,417
Intangible assets	9	43,335	48,147
Employee benefits	11	57,537	-
		<u>\$ 12,582,262</u>	<u>\$ 13,713,887</u>
LIABILITIES			
Trade and other liabilities	19(c)	\$ 56,194	\$ 83,080
Employer liabilities	19(d)	23,915	31,798
Safety rebates	19(e)	80,999	74,728
Employee benefits	11	39,705	99,323
Claim benefits	12	11,441,100	11,102,400
		<u>11,641,913</u>	<u>11,391,329</u>
FUNDED POSITION			
Fund Balance	4	<u>940,349</u>	<u>2,322,558</u>
		<u>\$ 12,582,262</u>	<u>\$ 13,713,887</u>
CONTINGENCIES AND INDEMNIFICATION			
	18		

Approved by the Board of Directors on April 25, 2023



Dr. Ray Block
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	2022		2021
		Budget	Actual	Actual
REVENUE				
Premium revenue	15	\$ 1,229,296	\$ 1,271,560	\$ 1,146,753
Investment income (loss)	6(a)	596,611	(709,017)	1,183,162
		<u>1,825,907</u>	<u>562,543</u>	<u>2,329,915</u>
EXPENSES				
Claim benefit expense	13	1,335,079	1,390,820	1,276,119
Interest expense on claim benefit liabilities	12	485,600	479,100	452,500
Remeasurement of claim benefit liabilities	12	-	(5,807)	376,326
Corporate administration	16	86,954	91,790	84,282
Injury reduction	19(f)	72,497	62,310	65,530
Investment management expense	6(b)	57,604	58,952	79,004
Interest on employee benefit and other liabilities		5,462	3,329	5,214
		<u>2,043,196</u>	<u>2,080,494</u>	<u>2,338,975</u>
OPERATING DEFICIT		(217,289)	(1,517,951)	(9,060)
Funding policy distributions	4	-	339	11
NET FUNDING DEFICIT		(217,289)	(1,517,612)	(9,049)
OTHER COMPREHENSIVE INCOME				
Remeasurement of employee benefit liabilities	11	-	135,403	110,995
TOTAL COMPREHENSIVE INCOME		<u>\$ (217,289)</u>	<u>\$(1,382,209)</u>	<u>\$ 101,946</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	2022	2021
FUND BALANCE			
Accumulated surplus			
Balance, beginning of year		\$ 2,288,672	\$ 2,297,721
Net funding deficit		(1,517,612)	(9,049)
		<u>771,060</u>	<u>2,288,672</u>
Accumulated other comprehensive income			
Balance, beginning of year		33,886	(77,109)
Other comprehensive gain		135,403	110,995
		<u>169,289</u>	<u>33,886</u>
Fund Balance, end of year		<u>\$ 940,349</u>	<u>\$ 2,322,558</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)

	2022	2021
OPERATING ACTIVITIES		
Cash inflows (outflows) related to business operations		
Employer premiums	\$ 1,277,354	\$ 2,008,115
Benefits to claimants and/or third parties on their behalf	(1,352,250)	(1,254,715)
Administrative and other goods and services	(259,441)	(236,789)
Injury reduction program	(93,915)	(33,926)
Net cash from/(used for) operating activities	(428,252)	482,685
INVESTING ACTIVITIES		
Cash inflows (outflows) related to investment assets		
Interest income received	7,417	553
Dividend income received	-	45,380
Fund distributions received	-	112,506
Settlement of derivatives	-	160,028
Investment management expenses	(3,423)	(83,454)
Proceeds from sale of investments, net of cash purchases	362,188	(678,553)
Purchase of investments through reinvestment of income received	-	(85,184)
Cash outflows related to operating assets		
Purchase of property, plant and equipment	(4,369)	(6,846)
Purchase of computer software	(9,463)	(10,641)
Net cash from/(used for) investing activities	352,350	(546,211)
FINANCING ACTIVITIES		
Cash outflows related to financing activities		
Payments on lease and other liabilities	(3,245)	(3,512)
Net cash used for financing activities	(3,245)	(3,512)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(79,147)	(67,038)
Cash and cash equivalents, beginning of year	412,255	479,293
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 333,108	\$ 412,255

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

Notes to the Financial Statements

*For the year ended December 31, 2022 with comparatives for the year ended December 31, 2021
(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) as set out in Part I of the *Chartered Professional Accountants of Canada Handbook* as at and applicable on December 31, 2022.

These financial statements have been prepared on a cost or amortized cost basis except for investments reported at fair value and employee benefit and claim benefit liabilities, which are actuarially determined. The principal accounting policies applied in the preparation of the financial statements are set out below.

Financial statement presentation

All financial information presented is rounded to the nearest thousand, unless otherwise stated.

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 results, 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 the funding levels.

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 11 *Employee Benefits*, Note 12 *Claim Benefit Liabilities* and Note 15 *Premium Revenue*.

Foreign currency translation

WCB's financial statements are presented in Canadian dollars, which is also the functional currency. 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	48
6	Investment income and expense	50
8	Property, plant and equipment	53
9	Intangible assets	55
10	Leases	56
11	Employee benefits	58
12	Claim benefit liabilities	62
15	Premium revenue	66

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 International Accounting Standards Board (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. The new standard will be applied retrospectively.

Implementation of the standard is expected to have a material impact to WCB. Key features of IFRS 17 and significant judgments to date are summarized below.

Level of aggregation

IFRS 17 introduces a new concept of aggregating insurance contracts into portfolios and groups for measurement purposes. Portfolios are comprised of contracts with similar risks which are managed together. WCB has concluded that there is only one portfolio of contracts, which is the workplace injury compensation system itself.

Measurement model

IFRS 17 also introduces a new concept of a general measurement model for the recognition and measurement of insurance contracts. Entities also have the option to use a simplified measurement model, the premium allocation approach (PAA), for contracts that have a coverage period of one year or less. WCB has concluded that its contracts have a one-year contract boundary and therefore will be following the PAA, which is similar to its current revenue recognition policies.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. WCB has concluded that the portfolio is an onerous contract for accounting purposes and will be recorded as part of the liability for remaining coverage (LRC) on adoption of IFRS 17, resulting in a decrease to the Fund Balance. WCB is in the process of quantifying the onerous contract.

Discounting of claim benefit liabilities

IFRS 17 requires fulfilment cash flows reflect their exposure to financial risk and liability cash flows must be discounted using a market rate to reflect the economic characteristics (the amount, timing, and duration) of those cash flows. This is different from the current practice of discounting claim benefit liabilities at the assumed long-term rate of return on investments. As a result, changes to current actuarial valuation methodologies will be required in order to align with IFRS 17 requirements. WCB is in the process of quantifying the impact of these changes, but there is likely to be an increase in claim benefit liabilities and claim benefit expense and a decrease in the Fund Balance as a result of the change in discount rate methodology.

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).
- Changes in presentation within the statement of financial position based on the one portfolio of insurance contracts.
- Enhanced disclosure must be provided on insurance risks, actuarial and accounting judgements, methods and assumptions, as well as sensitivity of key valuation inputs.

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). 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 may be included in premium rates. When the Funded Ratio is above the target zone, funding policy distributions may be paid.

(\$ thousands)

Accident Fund

	2022	2021
Total assets	\$ 12,582,262	\$ 13,713,887
Less:		
Total liabilities	11,641,913	11,391,329
Funded Position	\$ 940,349	\$ 2,322,558
Funded Ratio	108.1%	120.4%

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 trading purposes, and the portfolio is evaluated and managed on a fair value basis. 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 the Alberta Investment Management Corporation (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. These valuations are performed by AIMCo on the various underlying investments based on external information, such as appraisals and third-party transactions, as well as internal assessments, such as discounted cash flows and other income approaches. As the unit of account is the unit of the respective pooled fund, there is not sufficient information to provide sensitivities on the underlying assumptions, given the funds are comprised of a number of different underlying investments.

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

(\$ thousands)	Fair value through income			2022	2021
	Level 1	Level 2	Level 3		
Fixed income					
Nominal bonds	\$ -	\$ 2,940,602	\$ 589	\$ 2,941,191	\$ 3,535,053
Mortgages	-	-	363,590	363,590	245,566
	-	2,940,602	364,179	3,304,781	3,780,619
Equities					
Domestic	-	1,285,547	-	1,285,547	1,420,039
Foreign	-	2,884,366	-	2,884,366	3,453,826
	-	4,169,913	-	4,169,913	4,873,865
Inflation-sensitive					
Real estate	-	-	1,678,695	1,678,695	1,580,470
Infrastructure	-	-	2,015,125	2,015,125	1,846,693
Timberlands	-	-	3,532	3,532	95,459
Real-return bonds	-	792,614	-	792,614	923,672
	-	792,614	3,697,352	4,489,966	4,446,294
Total investments	\$ -	\$ 7,903,129	\$ 4,061,531	\$ 11,964,660	\$ 13,100,778

Transfers between levels

There were no material transfers between levels during 2022 or 2021.

Reconciliation of Level 3 activity

(\$ thousands)	Fixed Income	Real Estate	Infrastructure	Timberlands	2022	2021
					Total	Total
Balance, beginning of year	\$ 245,566	\$ 1,580,470	\$ 1,846,693	\$ 95,459	\$ 3,768,188	\$ 3,576,300
Fair value changes	(14,570)	92,714	193,916	(5,564)	266,496	313,798
Purchases of Level 3 investments	155,713	7,448	353,127	1,300	517,588	3,490,201
Sale/settlement of Level 3 investments	(23,119)	(1,937)	(378,611)	(87,663)	(491,330)	(3,612,111)
Transfers in and/or out of Level 3	589	-	-	-	589	-
Balance, end of year	\$ 364,179	\$ 1,678,695	\$ 2,015,125	\$ 3,532	\$ 4,061,531	\$ 3,768,188

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, 2022 were \$485,640 (2021 - \$422,882).

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 of external fund management fees and pooled fund costs and internal investment administration expenses.

(a) Investment Income (loss)

(\$ thousands)

			2022	2021
	Income ¹	Investment Gains (Losses) ²	Total	Total
Fixed income				
Nominal bonds	\$ 29,728	\$ (431,274)	\$ (401,546)	\$ (12,075)
Mortgages	6,529	(19,185)	(12,656)	10,148
Short-term investments	7,417	-	7,417	2,391
	43,674	(450,459)	(406,785)	464
Equities				
Domestic equities	74,935	(111,376)	(36,441)	299,061
Foreign equities	97,238	(546,677)	(449,439)	391,923
	172,173	(658,053)	(485,880)	690,984
Inflation-sensitive				
Real estate	57,108	44,126	101,234	226,712
Infrastructure	120,203	97,468	217,671	247,819
Timberlands	7,021	(12,186)	(5,165)	2,860
Real return bonds	52,560	(182,652)	(130,092)	14,323
	236,892	(53,244)	183,648	491,714
	\$ 452,739	\$ (1,161,756)	\$ (709,017)	\$ 1,183,162

(b) Investment Expense

(\$ thousands)

	2022	2021
External management fees	\$ 57,375	\$ 77,039
Investment administration ³	1,577	1,965
	\$ 58,952	\$ 79,004

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 pooled fund units 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 16 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.

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)	2022	2021
Equities	1 std dev	1 std dev
% change in portfolio	(15.8%)	(14.3%)
Canadian	\$ (202,753)	\$ (202,699)
% change in portfolio	(12.7%)	(10.9%)
Global	\$ (308,490)	\$ (314,310)
% change in portfolio	(16.8%)	(14.4%)
Emerging markets	\$ (71,595)	\$ (76,292)

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 2022 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)	2022		2021	
	+50 bps	+100 bps	+50 bps	+100 bps
Change in nominal interest rate				
Nominal bonds	\$ (108,361)	\$ (216,722)	\$ (146,481)	\$ (292,962)
Real return bonds	\$ (56,395)	\$ (112,789)	\$ (72,832)	\$ (145,663)
Mortgages	\$ (7,345)	\$ (14,689)	\$ (4,899)	\$ (9,798)

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 \$144,046 (2021 - \$326,267).

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)	2022		2021	
	Unhedged Foreign exposure	10% CAD appreciation	Unhedged Foreign exposure	10% CAD appreciation
USD	\$ 1,722,669	\$ (156,606)	\$ 1,740,508	\$ (158,228)
EUR	\$ 146,113	\$ (13,283)	\$ 256,231	\$ (23,294)

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.

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, 2022 or 2021.

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)						2022	2021
	Land/ Buildings	Leasehold Improvements	Computer Equipment	Office Furniture/ Equipment	Vehicles	Total	Total
Owned assets, at cost							
Balance, beginning of year	\$ 72,511	\$ 1,930	\$ 20,622	\$ 27,480	\$ 915	\$ 123,458	\$ 120,149
Current period activity:							
Capitalized expenditure	677	71	1,219	631	-	2,598	7,212
Transfer from PPE under construction	(79)	(71)	(1,852)	(718)	-	(2,720)	(3,835)
Disposals	-	-	(1,524)	(12)	(184)	(1,720)	(2,788)
PPE under construction	1,411	125	1,872	1,130	-	4,538	2,720
Balance, end of year	\$ 74,520	\$ 2,055	\$ 20,337	\$ 28,511	\$ 731	\$ 126,154	\$ 123,458
Accumulated depreciation and impairment							
Balance, beginning of year	\$ 30,816	\$ 1,678	\$ 11,316	\$ 18,530	\$ 710	\$ 63,050	\$ 59,263
Current period activity:							
Depreciation	1,538	72	2,885	1,329	106	5,930	6,575
Disposals	-	-	(1,524)	(12)	(184)	(1,720)	(2,788)
Balance, end of year	\$ 32,354	\$ 1,750	\$ 12,677	\$ 19,847	\$ 632	\$ 67,260	\$ 63,050
Carrying value, beginning of year	\$ 41,695	\$ 252	\$ 9,306	\$ 8,950	\$ 205	\$ 60,408	\$ 60,886
Carrying value, end of year	\$ 42,166	\$ 305	\$ 7,660	\$ 8,664	\$ 99	\$ 58,894	\$ 60,408
Right-of-use assets, at cost							
Balance, beginning of year	\$ 8,712	\$ -	\$ 6,475	\$ 493	\$ -	\$ 15,680	\$ 14,995
Current period activity:							
Capitalized lease expenditure	-	-	1,161	-	-	1,161	3,004
Disposals	-	-	(997)	(108)	-	(1,105)	(2,319)
Balance, end of year	\$ 8,712	\$ -	\$ 6,639	\$ 385	\$ -	\$ 15,736	\$ 15,680
Accumulated depreciation and impairment							
Balance, beginning of year	\$ 2,694	\$ -	\$ 2,621	\$ 356	\$ -	\$ 5,671	\$ 4,658
Current period activity:							
Depreciation	983	-	1,930	94	-	3,007	2,911
Disposals	-	-	(997)	(108)	-	(1,105)	(1,898)
Balance, end of year	\$ 3,677	\$ -	\$ 3,554	\$ 342	\$ -	\$ 7,573	\$ 5,671
Carrying value, beginning of year	\$ 6,018	\$ -	\$ 3,854	\$ 137	\$ -	\$ 10,009	\$ 10,337
Carrying value, end of year	\$ 5,035	\$ -	\$ 3,085	\$ 43	\$ -	\$ 8,163	\$ 10,009
Total owned and right-of-use assets							
Carrying value, beginning of year	\$ 47,713	\$ 252	\$ 13,160	\$ 9,087	\$ 205	\$ 70,417	\$ 71,223
Carrying value, end of year	\$ 47,201	\$ 305	\$ 10,745	\$ 8,707	\$ 99	\$ 67,057	\$ 70,417

See Note 10 *Leases* for accounting policy and further details on leased property, plant and equipment and Note 16 *Administration Expense* for depreciation expense.

WCB has contractual commitments to complete various projects under construction. As at December 31, 2022, these commitments total \$1,985 (2021 - \$1,301).

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 16 *Administration Expense*).

WCB evaluates its intangible assets for indicators of impairment and performs annual impairment tests for assets under development. 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)			2022	2021
	In Use	Under Development	Total	Total
Cost				
Balance, beginning of year	\$ 123,599	\$ 1,747	\$ 125,346	\$ 119,535
Capitalized expenditure	-	9,624	9,624	10,472
Transfers from development	2,262	(2,262)	-	-
Disposals	-	-	-	(4,661)
Balance, end of year	\$ 125,861	\$ 9,109	\$ 134,970	\$ 125,346
Accumulated amortization and impairment				
Balance, beginning of year	\$ 77,199	\$ -	\$ 77,199	\$ 68,619
Amortization	14,436	-	14,436	13,241
Disposals	-	-	-	(4,661)
Balance, end of year	\$ 91,635	\$ -	\$ 91,635	\$ 77,199
Carrying value, beginning of year	\$ 46,400	\$ 1,747	\$ 48,147	\$ 50,916
Carrying value, end of year	\$ 34,226	\$ 9,109	\$ 43,335	\$ 48,147

WCB has contractual commitments related to the completion of software projects. As at December 31, 2022, these commitments total \$4,514 (2021 - \$2,804).

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 seven 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, 2022.

(\$ thousands)

				2022	2021
	Land / Buildings	Computer Equipment	Office Furniture / Equipment	Total	Total
Lease obligations					
Balance, beginning of year	\$ 6,606	\$ 3,912	\$ 143	\$ 10,661	\$ 10,857
Current year activity:					
Additions	-	1,161	-	1,161	3,004
Lease payments	(1,149)	(1,996)	(100)	(3,245)	(3,512)
Lease interest	205	76	3	284	312
Balance, end of year	\$ 5,662	\$ 3,153	\$ 46	\$ 8,861	\$ 10,661

See Note 8 *Property, Plant and Equipment* for carrying values of lease right-of-use assets and their related depreciation and Note 19(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)

	2022	2021
2022	\$ -	\$ 3,044
2023	2,734	2,371
2024	2,002	1,648
2025	1,496	1,258
2026	1,229	1,183
2027 and beyond	2,193	2,193
	\$ 9,654	\$ 11,697

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. 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 the 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, 2022 and 2021, 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 17 *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 80. As plan participants pay part of the benefit cost, the benefit obligation represents the difference between actual costs and contributions subsidized by WCB.

Effective September 1, 2022, WCB improved plan benefits by extending the coverage period for post-retirement benefits for qualifying retirees from age 65 to 80, as well as updates to other benefits. The effect of the plan amendment includes a past service cost of \$8.8 million and a corresponding increase in the defined benefit obligation.

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.

	2022					2021				
	PSPP	MEPP	SERP	Post Retirement	LTD	PSPP	MEPP	SERP	Post Retirement	LTD
Date of most recent actuarial valuation	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Economic assumptions										
Discount rate (nominal) for benefit obligation	5.3%	5.3%	5.3%	5.3%	5.3%	3.3%	3.2%	3.2%	3.1%	2.9%
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	1.6% until 04/01/22; 3.0% thereafter	3.0%	2.0%	n/a	2.0%	0.0% until 3/31/21; 3.0% thereafter	2.8%	0.0%	n/a	0.0% for 4 years; 2.0% thereafter
Multi-employer plan funding assumptions										
WCB share of plan contributory payroll	5.6%	1.4%				4.8%	1.2%			
Current service cost rate on contributory payroll	14.4%	22.2%				15.2%	21.7%			
WCB's contributions for the current period (\$ thousands)	\$ 15,295	\$ 1,179				\$ 15,015	\$ 1,036			
WCB's expected contributions for the following period (\$ thousands)	\$ 13,524	\$ 1,208				\$ 14,181	\$ 1,065			

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 PLANS

(\$ thousands)	Other Retirement Liabilities ²	LTD	Total Other Employee Benefit Plans	Pension Plans ¹	2022	2021
Change in defined benefit obligation						
Defined benefit obligation, beginning of year	\$ 15,171	\$ 19,545	\$ 34,716	\$ 527,426	\$ 562,142	\$ 594,789
Current service cost ³	860	5,506	6,366	19,657	26,023	24,531
Past service cost ⁴	8,845	-	8,845	-	8,845	-
Interest expense ⁵	636	533	1,169	17,071	18,240	15,173
Remeasurement gains ⁶	(6,156)	(2,044)	(8,200)	(90,958)	(99,158)	(52,630)
Benefit payments	(344)	(2,847)	(3,191)	(17,083)	(20,274)	(19,721)
Defined benefit obligation, end of year	\$ 19,012	\$ 20,693	\$ 39,705	\$ 456,113	\$ 495,818	\$ 562,142
Change in fair value of plan assets						
Fair value of plan assets, beginning of year	\$ -	\$ -	\$ -	\$ 462,819	\$ 462,819	\$ 394,905
Employer contributions	344	2,847	3,191	16,474	19,665	18,999
Interest income ⁵	-	-	-	15,195	15,195	10,271
Remeasurement gains ⁶	-	-	-	36,245	36,245	58,365
Benefit payments	(344)	(2,847)	(3,191)	(17,083)	(20,274)	(19,721)
Fair value of plan assets, end of year	\$ -	\$ -	\$ -	\$ 513,650	\$ 513,650	\$ 462,819
Net plan liability (asset)						
Defined benefit obligation	\$ 19,012	\$ 20,693	\$ 39,705	\$ 456,113	\$ 495,818	\$ 562,142
Fair value of plan assets	-	-	-	513,650	513,650	462,819
	\$ 19,012	\$ 20,693	\$ 39,705	\$ (57,537)	\$ (17,832)	\$ 99,323

¹ Pension plans include WCB's proportionate share of the PSPP and MEPP defined benefit plans. The PSPP makes up the majority of the balance.

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 Past service costs are presented within corporate administration and claim benefit expense in the statement of comprehensive income. The past service cost for 2022 arises from an amendment to the post-retirement benefit plan effective September 1, 2022 to extend the period of benefit coverage for retirees from 65 to 80, as well as some updates to paramedical and travel benefits.

⁵ Interest expense is presented net of interest income in the statement of comprehensive income.

⁶ 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.

RECOGNITION OF A PENSION ASSET

A defined benefit pension plan asset recognized in the financial statements is measured at the lower of the plan surplus and the asset ceiling determined using the discount rate for measuring plan obligations at the valuation date. The asset ceiling is based on an assessment of whether the plan surplus will result in future economic benefit available to WCB through contribution reductions, payment of expenses from the plan, or refund of surplus. If the future benefit is not fully available to WCB, the asset ceiling limits the recognized asset to the amount of the expected economic benefit. WCB determined the available amount of expected future economic benefit as the difference between:

- the accounting current service cost and future expenses at December 31, 2022, and
- the expected funding current service cost contribution requirements, including future expenses, based on the contribution rates approved by the PSPP and MEPP Boards effective January 1, 2023

Minimum future funding requirements of the plan reduce the available benefit; however, these are not currently applicable because both plans are in a surplus position. Since the economic benefit as determined for each plan significantly exceeds the plan surplus at December 31, 2022, adjustment of the plan surplus to a lower amount is not required.

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
- Changes in contributions to response to the plans' funding level as required by policy
- Performance of plan assets affected by investment policies set by the pension boards
- Changes in the methods and assumptions used in valuation of plan liabilities.

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

Sensitivity analysis

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

(\$ thousands)

+/- % change on assumed rates

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

General inflation rate

Wage inflation rate

	2022		2021	
	+0.25%	-0.25%	+0.25%	-0.25%
Discount rate based on market yields on high-quality corporate bonds	\$(16,944)	\$ 16,944	\$(21,495)	\$ 21,495
General inflation rate	\$ 7,757	\$ (7,757)	\$ 9,038	\$ (9,038)
Wage inflation rate	\$ 2,875	\$ (2,875)	\$ 3,497	\$ (3,497)

12. 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 Canada.

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 14 *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. The real rate of return assumption was changed from the previous 2.50% to 3.00% following an experience study conducted in early 2023; a consistent change was made to the nominal rate of return assumption.

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; 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:

	2022	2021
Nominal rate of return	5.06%	4.55%
General inflation rate	2.00%	2.00%
Real rate of return	3.00%	2.50%
Cost-of-living adjustment	1.55%	1.55%
Wage escalation	3.00%	3.00%
Health care escalation	3.50%	3.50%

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	2022	2021
Claim benefit liabilities, beginning of year	\$ 800,900	\$ 4,905,300	\$ 796,400	\$ 3,359,400	\$ 480,400	\$ 760,000	\$11,102,400	\$10,396,700
Claim costs recognized during the year								
Provision for future costs of current year injuries and exposures	198,000	332,200	42,200	280,700	112,700	123,900	1,089,700	990,300
Claim benefits processed in the year	121,502	3,294	781	122,393	3,133	50,017	301,120	285,819
Total claim costs recognized during the year	319,502	335,494	42,981	403,093	115,833	173,917	1,390,820	1,276,119
Claim payments processed during the year								
Payments for current year injuries	(121,502)	(3,294)	(781)	(122,393)	(3,133)	(50,017)	(301,120)	(285,819)
Payments for prior years' injuries	(288,644)	(305,461)	(53,526)	(279,057)	(174,685)	(122,920)	(1,224,293)	(1,113,426)
	(410,146)	(308,755)	(54,307)	(401,450)	(177,818)	(172,937)	(1,525,413)	(1,399,245)
Interest expense on the liability	30,200	216,500	35,300	146,700	18,400	32,000	479,100	452,500
Remeasurement of the liability								
Changes in valuation methods and assumptions								
Real rate of return	(26,000)	(301,100)	(53,700)	(239,300)	(13,800)	(33,400)	(667,300)	-
Claims management	-	-	-	-	-	(65,100)	(65,100)	-
Short-term wage loss and re-employment benefits	-	-	-	-	-	-	-	172,700
Economic assumptions	-	-	-	-	-	-	-	(138,300)
Changes in claims experience								
Inflation, COLA and wage growth in Alberta different than expected	8,700	140,000	28,400	78,300	2,100	-	257,500	16,900
Claims and other experience different than expected	123,444	166,861	(4,274)	32,257	117,585	33,220	469,093	325,026
	106,144	5,761	(29,574)	(128,743)	105,885	(65,280)	(5,807)	376,326
Claim benefit liabilities, end of year	\$ 846,600	\$ 5,154,300	\$ 790,800	\$ 3,379,000	\$ 542,700	\$ 727,700	\$11,441,100	\$11,102,400

See Note 13 *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 2013–2022. 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.

	Accident Year											Total
(\$ millions)	Prior Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Estimate of cumulative claim benefits												
At end of accident year		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	2,174.4	
One year later		1,383.6	1,414.3	1,353.1	1,427.1	1,644.2	1,819.2	1,924.4	1,878.7	2,037.4		
Two years later		1,394.3	1,407.1	1,516.5	1,550.3	1,781.5	1,822.9	2,001.9	2,009.4			
Three years later		1,343.6	1,538.0	1,648.0	1,632.2	1,762.9	1,919.1	2,151.4				
Four years later		1,444.5	1,663.0	1,719.7	1,590.4	1,831.6	2,088.1					
Five years later		1,530.2	1,709.5	1,660.2	1,606.0	1,944.5						
Six years later		1,565.0	1,646.8	1,700.2	1,685.1							
Seven years later		1,528.1	1,648.9	1,739.8								
Eight years later		1,531.4	1,727.4									
Nine years later		1,560.6										
Current estimate of cumulative claim benefits		1,560.6	1,727.4	1,739.8	1,685.1	1,944.5	2,088.1	2,151.4	2,009.4	2,037.4	2,174.4	
Cumulative payments		(661.2)	(685.1)	(658.7)	(624.9)	(722.0)	(786.3)	(758.0)	(604.0)	(487.8)	(251.1)	
Outstanding benefits												
Undiscounted	\$ 8,423.2	\$ 899.4	\$ 1,042.3	\$ 1,081.1	\$ 1,060.2	\$ 1,222.5	\$ 1,301.8	\$ 1,393.4	\$ 1,405.4	\$ 1,549.6	\$ 1,923.3	\$ 21,302.2
Effect of discounting	(4,466.4)	(520.6)	(604.5)	(637.6)	(620.1)	(702.9)	(730.8)	(759.3)	(752.2)	(803.5)	(930.2)	(11,528.1)
	3,956.8	378.8	437.8	443.5	440.1	519.6	571.0	634.1	653.2	746.1	993.1	9,774.1
Claims management												
Undiscounted												1,396.8
Effect of discounting												(669.1)
												727.7
Latent occupational diseases												
Undiscounted												2,824.5
Effect of discounting												(1,885.2)
												939.3
Total claim benefits												
Undiscounted												25,523.5
Effect of discounting												(14,082.4)
Claim benefit liabilities												\$ 11,441.1

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)	2022		2021	
Expected timing of future payments (undiscounted)				
Up to 1 year	\$ 1,229	5%	\$ 1,104	5%
Over 1 year and up to 5 years	3,131	12%	2,739	12%
Over 5 years and up to 10 years	3,177	12%	2,908	12%
Over 10 years and up to 15 years	2,975	12%	2,740	12%
Over 15 years	15,012	59%	14,050	59%
Total	\$ 25,524	100%	\$ 23,541	100%

13. CLAIM BENEFIT EXPENSE

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

(\$ thousands)	2022			2021
	Current Year Injuries	Prior Years' Injuries	Total	Total
Claims expense				
Provision for future costs of current year injuries and exposures ¹	\$ 1,089,700	\$ -	\$ 1,089,700	\$ 990,300
Claim payments processed in the year				
Short-term disability	121,502	288,644	410,146	369,666
Long-term disability	3,294	305,461	308,755	281,961
Survivor benefits	781	53,526	54,307	53,326
Health care	122,393	279,057	401,450	375,770
Re-employment	3,133	174,685	177,818	167,947
	251,103	1,101,373	1,352,476	1,248,670
Claim payments related to prior years²	-	(1,224,293)	(1,224,293)	(1,113,426)
	251,103	(122,920)	128,183	135,244
	\$ 1,340,803	\$ (122,920)	\$ 1,217,883	\$ 1,125,544
Claims management³				
Claims-related administration	50,017	106,285	156,302	133,210
Appeals Commission	-	16,635	16,635	15,274
Medical Panel Office	-	-	-	252
Fair Practices Office	-	-	-	1,839
	\$ 50,017	\$ 122,920	\$ 172,937	\$ 150,575
	\$ 1,390,820	\$ -	\$ 1,390,820	\$ 1,276,119

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 16 Administration Expense, for Claims-related administration.

14. 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) +/- % change on assumed rates	2022		2021	
	+0.25%	-0.25%	+0.25%	-0.25%
Real rate of return	\$ (331,600)	\$ 351,200	\$ (346,200)	\$ 367,700
Wage escalation rate	\$ 134,500	\$ (125,300)	\$ 146,800	\$ (139,100)
Health care escalation rate	\$ 52,900	\$ (50,100)	\$ 54,500	\$ (51,400)

15. 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)	2022	2021
Premiums		
Assessed premium revenue for current year	\$ 1,340,317	\$ 1,209,636
Other premium-related revenue	9,982	8,408
	1,350,299	1,218,044
Deduct: Partnerships in Injury Reduction rebates	78,739	71,291
	<u>\$ 1,271,560</u>	<u>\$ 1,146,753</u>

Assessed premium revenue includes an accrued receivable of \$16,331 (2021 – \$1,715 payable) for amounts related to yet to be reported assessable earnings adjustments for the current period. The accrual has been determined using an internally developed statistical model to estimate the amount of unreported adjustments based on actual reported assessable earnings returns processed and historical patterns of processed to unprocessed returns at a specified point in time.

PIR is a voluntary program that pays rebates to registered employers that have met the eligibility requirements in achieving certain workplace safety targets as specified under the program. Earned rebates are payable in the following year. The estimated rebate amount is based on several factors, including premiums paid, year-over-year improvement in claim experience and safety performance relative to industry benchmarks, among others. See Note 19(e) *Safety rebates* for supplemental information on the Partnerships in Injury Reduction rebates.

16. 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	2022	2021
Administration expenses				
Salaries and employee benefits	\$ 65,696	\$ 171,504	\$ 237,200	\$ 206,391
Technology	9,459	11,664	21,123	20,812
Office	2,512	1,026	3,538	3,022
Occupancy	2,304	5,465	7,769	6,666
Professional fees	2,466	3,237	5,703	5,208
Other	1,065	712	1,777	1,403
	83,502	193,608	277,110	243,502
Depreciation and amortization	9,905	13,452	23,357	22,727
	93,407	207,060	300,467	266,229
Less:				
Cost recoveries	40	12,132	12,172	12,637
Reclassifications to:				
Claims expense – rehabilitation services	-	38,626	38,626	34,135
Investment management expense ¹	1,577	-	1,577	1,965
	1,617	50,758	52,375	48,737
	<u>\$ 91,790</u>	<u>\$ 156,302</u>	<u>\$ 248,092</u>	<u>\$ 217,492</u>

¹ Investment management expense represents internal expenses, see Note 6 Investment Income and Expense.

17. 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 and as a government-related entity, WCB is not required to disclose these transactions under the exemption in IAS 24 *Related Party Disclosures*. Transactions with AIMCo as the exclusive manager for WCB's investment portfolio, which include management fees and other expenses as well as investment commitments for certain pooled funds, may not be consistent with usual commercial practice for similar services and vehicles. Because they are significant, management fees and expenses are disclosed in Note 6 *Investment Income and Expense*, with funding commitments disclosed in Note 5 *Investments*.

KEY MANAGEMENT COMPENSATION

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

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

(\$ thousands)

	2022				
	Base Salary ¹	Other Cash Benefits ²	Non-Cash Benefits ³	SERP ⁴	Total
Chair, Board of Directors ⁵	\$ -	\$ 42	\$ 5	\$ -	\$ 47
Board Members ⁵	-	83	10	-	93
President and Chief Executive Officer	368	21	40	78	507
Chief Financial Officer	360	6	42	85	493
Chief Technology Officer	270	6	39	11	326
Secretary and General Counsel	219	6	44	23	292
Senior Vice President, Operations & Innovation	373	7	43	98	521
Vice President, Employee and Corporate Services	292	8	46	55	401
Vice President, Millard Health and Special Care Services	219	6	39	25	289

	2021				
	Base Salary ¹	Other Cash Benefits ²	Non-Cash Benefits ³	SERP ⁴	Total
Chair, Board of Directors	\$ -	\$ 34	\$ 4	\$ -	\$ 38
Board Members	-	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

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 11 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)

	2022				2021	
	Current Service Cost ¹	Other Costs ²	Net Cost	Accrued Obligation	Net Cost	Accrued Obligation
President and Chief Executive Officer	\$ 78	\$ (55)	\$ 23	\$ 245	\$ 67	\$ 222
Chief Financial Officer	85	(375)	(290)	1,087	(32)	1,377
Chief Technology Officer	11	31	42	67	6	25
Secretary and General Counsel	23	(42)	(19)	108	3	127
Senior Vice President, Operations & Innovation	98	(459)	(361)	1,441	(8)	1,802
Vice President, Employee and Corporate Services	55	(282)	(227)	776	(71)	1,003
Vice President, Millard Health and Special Care Services	25	(34)	(9)	86	19	95

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.

18. 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.

19. SUPPLEMENTAL INFORMATION

(a) Cash and cash equivalents

(\$ thousands)	2022	2021
Cash equivalents	\$ 146,687	\$ 126,763
Cash in transit and in banks	186,421	285,492
	<u>\$ 333,108</u>	<u>\$ 412,255</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 1.9% (2021 – 0.3%).

(b) Trade and other receivables

(\$ thousands)	2022	2021
Premium receivable	\$ 78,938	\$ 38,109
Reclassified to employer liabilities – Note 19(d)	23,915	30,083
Employer accounts receivable	102,853	68,192
Other	13,712	14,098
	<u>\$ 116,565</u>	<u>\$ 82,290</u>

Included in the employer accounts receivable total above is an allowance for expected credit losses of \$5,000 (2021 - \$7,000). Substantially all receivables are collected within one year.

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	2022	2021
Trade payables	\$ 38,636	\$ -	\$ 38,636	\$ 63,480
Lease obligations – Note 10	-	8,861	8,861	10,661
Other liabilities	-	8,697	8,697	8,939
	<u>\$ 38,636</u>	<u>\$ 17,558</u>	<u>\$ 56,194</u>	<u>\$ 83,080</u>
Current portion	\$ 38,636	\$ 2,498	\$ 41,134	\$ 66,251
Non-current portion	-	15,060	15,060	16,829
	<u>\$ 38,636</u>	<u>\$ 17,558</u>	<u>\$ 56,194</u>	<u>\$ 83,080</u>

(d) Employer liabilities

(\$ thousands)

Accrued premiums payable – Note 15
 Reclassified from premium receivable – Note 19(b)

2022	2021
\$ -	\$ 1,715
23,915	30,083
<u>\$ 23,915</u>	<u>\$ 31,798</u>

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

(e) Safety rebates

(\$ thousands)

Safety rebates payable, beginning of year

Payment of prior years' rebates

Adjustment of prior years' accruals

Outstanding balance from prior years

Rebates for the year – Note 15

Safety rebates payable, end of year

2022	2021
\$ 74,728	\$ 74,843
(70,489)	(71,699)
4,239	3,144
(1,979)	293
2,260	3,437
78,739	71,291
<u>\$ 80,999</u>	<u>\$ 74,728</u>

Safety rebates represent amounts recognized under the PIR program. See Note 15 *Premium Revenue* for further details of the PIR program.

(f) Injury reduction

(\$ thousands)

Occupational Health and Safety

Industry safety associations

2022	2021
\$ 40,427	\$ 43,168
21,883	22,362
<u>\$ 62,310</u>	<u>\$ 65,530</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, 2022 to March 31, 2023. There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for the ministry.