### **Third Session - Thirty-Ninth Legislature**

of the

# Legislative Assembly of Manitoba Standing Committee on Crown Corporations

Chairperson Mr. Daryl Reid Constituency of Transcona

## MANITOBA LEGISLATIVE ASSEMBLY Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BLAIKIE, Bill, Hon.	Elmwood	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MARCELINO, Flor	Wellington	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PEDERSEN, Blaine	Carman	P.C.
REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SARAN, Mohinder	The Maples	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELBY, Erin	Southdale	N.D.P.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WHITEHEAD, Frank	The Pas	N.D.P.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

# LEGISLATIVE ASSEMBLY OF MANITOBA STANDING COMMITTEE ON CROWN CORPORATIONS

Wednesday, July 8, 2009

TIME - 6 p.m.

LOCATION - Winnipeg, Manitoba

CHAIRPERSON - Mr. Daryl Reid (Transcona)

VICE-CHAIRPERSON – Ms. Marilyn Brick (St. Norbert)

### ATTENDANCE - 11 QUORUM - 6

Members of the Committee present:

Hon. Mses. Allan, Irvin-Ross, Hon. Mr. Rondeau

Ms. Brick, Messrs. Cullen, Dewar, Faurschou, Martindale, Mrs. Mitchelson, Mr. Reid, Mrs. Taillieu

### APPEARING:

Mr. Kevin Lamoureux, MLA for Inkster

Mr. Doug Sexsmith, President and Chief Executive Officer, Workers Compensation Board

### **MATTERS UNDER CONSIDERATION:**

Annual Report of the Workers Compensation Board for the year ending December 31, 2006

Annual Report of the Workers Compensation Board for the year ending December 31, 2007

Annual Report of the Workers Compensation Board for the year ending December 31, 2008

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2006

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2007

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2008

Five-Year Plan of the Workers Compensation Board for 2006 to 2010

Five-Year Plan of the Workers Compensation Board for 2007 to 2011

Five-Year Plan of the Workers Compensation Board for 2008 to 2012

Five-Year Plan of the Workers Compensation Board for 2009 to 2013 Clerk Assistant (Ms. Monique Grenier): Good evening. Will the Standing Committee on Crown Corporations please come to order.

I have before me the resignation of Ms. Brick as Chairperson of this committee.

Before the committee can proceed with the business before it, it must elect a new Chairperson. Are there any nominations for this position?

**Mr. Gregory Dewar (Selkirk):** I nominate Mr. Reid.

**Clerk Assistant:** Mr. Reid has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Reid, will you please take the chair.

**Mr. Chairperson:** Our next item of business is the election of a Vice-Chairperson. Are there any nominations?

Mr. Dewar: Yes, I nominate Ms. Brick.

**Mr.** Chairperson: Ms. Brick has been nominated. Are there any further nominations?

Seeing no further nominations, Ms. Brick has been elected as Vice-Chairperson of this committee.

Now, this meeting has been called to consider the following reports: the annual report of the Workers Compensation Board for the years ending December 31, 2006, December 31, 2007, and December 31, 2008; annual reports of the Appeal Commission and the Medical Review Panel for the years ending December 31, 2006, December 31, 2007, and December 31, 2008; Five-Year Plans of the Workers Compensation Board for 2006 to 2010, 2007 to 2011, 2008 to 2012, and 2009 to 2013.

Before we get started, are there any suggestions from this committee as to how long we should sit this evening?

**Mr. Doug Martindale (Burrows):** Mr. Chairperson, I recommend that we sit at least until 8 o'clock and at 8 o'clock consider whether we're making progress or not. I think we should at least stay and pass one or more reports tonight.

**Mr. Chairperson:** It's been suggested that this committee should sit till 8 p.m. and then review at this point in time.

Mrs. Mavis Taillieu (Morris): Yes, I think we can sit till eight, and then at that time we can review just to see if we need to go further, depending on how many questions we can get through.

**Mr. Chairperson:** It sounds like there's agreement of the committee, then, to sit till 8 p.m. and then review at that point in time whether this committee wishes to sit further. That's—is that agreed?

Some Honourable Members: Agreed.

**Mr.** Chairperson: Thank you to committee members.

Are there any suggestions as to the order in which we should consider the reports that I've previously mentioned?

**Mrs. Taillieu:** I would recommend that we do it in a global discussion as we usually do.

**Mr. Chairperson:** Okay. It's been suggested that we review the reports in a global fashion. Is that agreed?

**Some Honourable Members:** Agreed.

**Mr. Chairperson:** Agreed and so ordered. Thank you to committee members.

Does the honourable minister have an opening statement, and would you also please inter–introduce your officials that you have with us in attendance this evening?

Hon. Nancy Allan (Minister charged with the administration of The Workers Compensation Act): Thank you very much. We're pleased to be here this evening to answer any questions that members may have about the Workers Compensation Board of Manitoba which we believe is providing an excellent service to injured workers and employers here in Manitoba, and it gives me a great deal of pleasure to introduce the staff that are with us this evening.

First of all, I'd like to introduce the new Chair of the Board of the WCB, Michael Werier, who has joined us. This will be his first committee meeting and we're thrilled to have him with us, him with us this evening, and, of course, we're always happy to have with us the CEO of the Workers Compensation Board, Doug Sexsmith, who has joined us this evening.

As well, we have David Scott, who is the Vice-President of Rehabilitation and Compensation Services; Alice Sayant, the Vice-President of Prevention, Assessments and Customer Service; Rob Campbell, who is the Vice-President of HR Administration and IT: Lorena Trann, who is the Chief Financial Officer; Warren Preece, the Director of Communications; Lori Sain, the General Counsel and Corporate Secretary; and we also have with us this evening Peter Wiebe who is with the Appeal Commission. Alan Scramstad is actually the head of the appeals commission, but Alan had a heart transplant and is doing very well. I saw him at the Reh-Fit Centre the other day. He's back on his feet. It's been a long six months, but we're thrilled to have Peter with us.

So we will open this evening for questions or comments from our colleagues.

**Mr. Chairperson:** We thank the honourable minister for the opening statement.

Does the critic for the official opposition have an opening statement?

**Mrs. Taillieu:** I don't really have a opening statement. I just want to congratulate Mr. Werier on his new appointment and also just recognize Tom Farrell, who has recently retired, for the work that he's done with the board and just recognize the staff again and thanks for being here tonight and we can proceed.

**Mr.** Chairperson: We thank the honourable member for the opening statement. We'll now proceed.

Do the representatives of the Workers Compensation Board wish to make any opening statements? No? Seeing none, then, the floor is now open for questions.

**Mrs. Taillieu:** I, I, I did say that we wanted to do this in a global manner, but I would like to try and go through the report, the annual report, and ask some questions as I go through it and, and then they'll have—there'll be some other further questions.

So I'm going to start just on page 15 of the 2008 annual report. In the second column, the second paragraph down, you talk about innovative approaches in diagnosis and treatment and that you are doing a pilot project to provide injured workers with appropriate inferment—intervention early in treatment to speed up recovery time.

I'm wondering if you can explain what the pilot project is.

Mr. Doug Sexsmith (President and Chief Executive Officer, Workers Compensation Board): Yes, this is a program that, as it says here, it's designed to provide for early intervention. Of course, early intervention is, is the best way, we think, to deal with injuries, and this particular program is something that we're—we've been working on since 2008 and we're—we continue to work on this year.

We're, we're calling it the back program in simple terms. So what we're doing is we're identifying claims who are at high risk to have chronic back problems, and we're taking action to intervene earlier in the claims, to be in touch with their doctors and to make sure that we're examining them and providing them with background information on how to deal with a sore back so that they can get back to work more quickly—back to health, then back to work more quickly.

Mrs. Taillieu: It also says that you've expanded the number of health-care professionals on staff, building relationships with Manitoba's health-care community. Can you tell me how many more people, health-care professionals, you've hired and what their classifications are?

**Mr. Sexsmith:** We have about 45 health-care professionals on staff, about 30 of whom are doctors. The remainder are chiropractors, physiotherapists and psychologists. And, and, so we're continually recruiting doctors because it's difficult in the current environment to recruit doctors.

So that's an increase of a few over the past five years, or the past few years. I'd have to check back to see exactly how many we've increased by, but I can check. I'm reminded that we're also in the process of hiring nurse practitioners, as well, to help out with some of our work in the health-care department.

\* (18:10)

Mrs. Taillieu: I have a question on page 19 under Community Leadership. The Workers Compensation Board welcomed the Information and communig—Communication and Technologies Association of Manitoba, which—ICTAM, as a community partner. The WCB place diversity candidates into information technology positions. Can you explain that to me? What, what are you talking about there? You've, you've hired people from this organization, or—

Floor Comment: This, this is an organi-

Mr. Chairperson: Mr. Sexsmith.

Mr. Sexsmith: Oh, sorry.

This is an organization that helps us to place diversity candidates, whether they be visible minorities or whatever, and we have hired a number of staff, especially into our information technology area, through referrals from this organization.

**Mrs. Taillieu:** Can you tell me what, what information technology firm that you are using? Is there a specific one?

Mr. Chairperson: Mr. Sexsmith?

An Honourable Member: Or, or do you do it

internally, or-

**Mr. Chairperson:** Mrs. Taillieu?

Floor Comment: Yeah, most of our-

Mr. Chairperson: Mr. Sexsmith—

You have to wait, folks, until the Chair recognizes you to allow your microphones to be turned on and off.

Mr. Sexsmith: Most or our—we have an, we have an internal IT shop, Information Technology shop, so we occasionally hire consultants to support our, our internal work, but we—any of our major projects we don't hire, sort of, any of the big five or six firms to do it. We try to do most of the work ourselves with, with some support from outside folks as well. We take—we try to take that approach so that we have the ongoing knowledge and expertise on a long-term basis.

Mrs. Taillieu: Do, do you do any work with EDS?

**Mr. Sexsmith:** We, we haven't done any work with EDS in recent years. It goes back a number of years, I believe, since we've done any work with EDS.

**Mrs. Taillieu:** It also says in strength through people that the Workers Compensation Board conducted a work force analysis to ensure the organization is able to meet staffing and stakeholder needs in the coming years. Who did you hire to do this analysis?

**Mr. Sexsmith:** We did the analysis ourselves.

Mrs. Taillieu: Okay. Thanks very much.

So I want to move along to page 23, well-we'll be talking about the financial statements, and it appears that this has been a very poor year for the Workers Compensation Board with investment

losses of 166 million and operating losses of 30 million. So it's, it's fairly significant, I think, quite significant, these losses. The funding ratio last year was 130, this year it's 106 from what I can determine here. But, at the same time, premium, premium revenues are going up and yet we're not seeing the corresponding drop in time-loss injuries, so there's, there's increased costs. What, what do you attribute the increased costs of the claim, claim costs?

Mr. Sexsmith: Well, there's a number of factors, actually, that, that influence claim, claim costs. We alluded earlier to intervention or early intervention in the back program. Some of the reasons why we're trying to target some efforts like that is because over the last while our, our—the duration of some of our longer claims has been increasing a bit, so we're facing a number of challenges.

The, you know, there is some aging of the population. There are a lot-increases in the number of musculoskeletal injuries which take longer to, to recover from. There are some economic factors. There's increased employment in some of the, in some of the sectors where it's a little harder to get people back to work; a lot of small firms, for example, in the construction area.

So all of those kinds of things lead to some challenges in, in-on, on some of our cost side, and we've been telling anybody who, who would listen, actually, since about 19-since about 2004 that our financial statements would be much more volatile going forward, because, because of accounting requirement changes we lost our ability to smooth in some of our investment return-gains and losses, and so our, our, our financial statements are much more volatile.

Also, on the cost side, whenever you have a growth in the costs, it gets multiplied by the actuarial factors because we have to make an allowance in our liabilities for future costs. So, you know, about two-thirds of the cost growth that you cited there on the cost side was not a cash, not a cash issue, not a cash cost, but, nevertheless, it was an expense that we had to book to allow for the future costs whenever there's growth in, in the existing costs.

Health-care costs, there are a number of areas where there have been some inflationary increases. Our health-care costs, of course, are growing as they are all across the country. So, so that's another issue that contributed to it. So, in general, that's what contributed to that part of it.

**Mrs. Taillieu:** Are you seeing more injuries that are more severe?

Mr. Sexsmith: No, I wouldn't necessarily say we have more injuries that are more severe, but I also would add that, while Manitoba's economy was booming last year, our injury rate actually decreased. We reported an injury rate of 4.1 at the end of 2008. That was a preliminary rate. We always wait until about now actually to report the final rate, which I can now tell you was 4.0, and so that 4.0 is about 29 percent down from, from 2000 and, you know, I guess I would add that in a year like 2008, you mentioned that premium revenues were pretty good.

They held up-premium revenues held up really well throughout 2008, so our premium revenue was good, which, of course, was an indication that there were lots of people employed, and the Manitoba economy was doing quite well. And so, when you've got an economy that's booming, in order to-and to have a decrease in the injury rate when you've got a lot of employers looking for people, and under those conditions you sometimes could expect to have more injuries because you've got perhaps more inexperienced workers and whatnot entering the work force.

I think we had a very good year in, in 2008 in terms of injury reduction and, you know, we haven't, I don't have any, I don't have any forecasts or anything to share with you for 2009, but I can tell you that in terms of new injuries, things are looking very positive in 2009 as well.

Mrs. Taillieu: It just seems that, you know, if the, if the rates are—time-loss injury rates are going down, but the costs are escalating. I mean, it's significant, significant costs there so—and you're saying it's not due to severity of injuries, so it's not due to more injuries, so what is it due to?

Mr. Sexsmith: Well, I think I've answered that the best that I can. We've had some increases, as I mentioned in the inflation of some of the, a number of the inflationary factors that affect it. Wage increases last year, there were some wage increases. There were increases in health-care costs. There were some increases in the length of the, some of the, some of our longer claims and those types of things. It's, it's, so those are the types of things that, that contributed to the, to the growth in the cost.

**Mrs. Taillieu:** It says on page 24, in about the middle of the page, these variances were the result of two factors: economic growth and employment being

shifted to industries with higher assessment rates. So were workers actually in different jobs at higher assessment rates or were, or were those categories actually reassessed at different rates?

Mr. Sexsmith: That's, that's actually one of the things that I mentioned earlier where you have, you have shifts in the various sectors. Like, for example, over the past number of years and especially recently, there has been some decreases in the, in the employment in some of the manufacturing areas, some increases in some other areas, such as some of the construction areas. Generally, the wages will be higher in, in the construction area than they are in the manufacturing area, not always but generally, and so then what you'll have is you'll have higher assessable payrolls and higher premium revenues. That's what that comment's alluding to.

**Mrs. Taillieu:** So are you saying then that, that as wages go up that's, that's an inflationary cost so that actually costs you money?

\* (18:20)

**Mr. Sexsmith:** Well, it actually does two things. This paragraph that you alluded to is actually talking about premium revenue. But you are right, of course, if we—when we pay wage loss benefits out to injured workers, we pay them more if their wages were higher.

Mrs. Taillieu: I just have made a note on the bottom of this page which doesn't really reflect what's on the page, but I wonder if you can tell me, as of June 30 of 2009, what gains or losses have there have been in your investment portfolio since, since—

Mr. Chairperson: I have to remind committee members that we're dealing with the reports that are listed on the, on the paper that you have before you as committee members, and I think the member is straying into another year beyond what we're currently considering on this particular committee. So I'd ask the member to rephrase her question, please.

**Mrs. Taillieu:** In the five-year plan, can you indicate what your projections are, then, for 2009 for investment revenue?

Mr. Sexsmith: Our projection would be 7 percent.

**Mrs. Taillieu:** So your projection for an increase in revenue is 7 percent for the next year. What did you project for 2008 in 2007?

**Mr. Sexsmith:** It, it's 7 percent. Seven percent is the assumption that we make, and it's not, it's not necessarily the income. It's the return on the portfolio. So that means both income and growth in the portfolio would amount to 7 percent.

**Mrs. Taillieu:** Can you tell me if there's any more expansion of coverage planned, to expand coverage to more workers?

**Mr. Sexsmith:** Well, certainly at the board, we—we're not making any plans at this time for further coverage other than we had made a commitment to look at marketing of voluntary coverage. So that's the only thing that is on the—you know, in the planning stages at this point.

**Mrs. Taillieu:** When you say you've made a commitment to market voluntary coverage, do you have a specific campaign in mind to do that?

Mr. Sexsmith: Well, what, what we—the commitment that we made last year and—was that once the, once the decision had been made and, and new industries had brought in—been brought in under the compulsory umbrella, we would then look at marketing voluntary coverage. So we are considering that now.

And I guess I would add to that what we've done most recently is we've been consulting with the employer community on that particular issue. And I don't mind telling you the advice they've given us is that this is probably not, not the right time to be marketing voluntary coverage. And so we might want to put that on hold for a period of time and talk to them later this year or early next year to think about it. In the meantime, we'll give it some thought about how we want to approach it.

Mrs. Taillieu: I just want to go back to the, the amounts—the increase from 56.6 to 91.8 in, in health-care benefits and also benefits liabilities. Those increases are, are quite large. I'd asked you about whether there was more staff to attribute to that. You indicated there might be a few more staff, but can you tell me what your costs are for—have the diagnostics costs, like for things like MRIs or surgeries or anything else, have those costs increased?

**Mr. Sexsmith:** I'm sorry. I don't know what page you're referring to there. Are you looking—

Mrs. Taillieu: I-it's not really on a page.

Mr. Sexsmith: Okay.

Mrs. Taillieu: I'm referring to the, the increases which are on page 26, just looking at the increase in health-care benefits and I'm wondering if health-care costs are, are attributed to diagnostics, if that's in this particular portion here.

**Mr. Sexsmith:** Diagnostic costs are a portion of our health-care costs, of course, but as you wouldn't—you would probably know, health-care costs seem to be growing across the board. So, yes, we've had—you know, the inflation rate in the health-care area is, is higher than it is generally.

So, yes, we have had growth in the health-care area. I'm not sure if I'm answering the question, but-

**Mrs. Taillieu:** Can you tell me how many more MRIs, then, that you've done this year over last year, just as an example?

**Mr. Sexsmith:** Yes, I can if you bear with me just for a minute while I look it up here.

Mr. Chair, am I okay to go ahead?

Mr. Chairperson: Mr. Sexsmith, yes.

**Mr. Sexsmith:** Okay. In 2008, we did 1,777 MRIs. In 2007, I believe it was 1,375 MRIs.

**Mrs. Taillieu:** So that looks to me like about a 400 increase.

Are you still using the Pan Am Clinic for your MRIs?

Mr. Sexsmith: Yes, we do use the Pan Am Clinic.

**Mrs. Taillieu:** Do you use any other clinics or health-care facilities?

**Mr. Sexsmith:** Yes, we occasion—we use the Maples, only they only did one MRI in 2008. And we also use hospitals from time to time. We did approximately 550 MRIs in hospitals.

**Mrs. Taillieu:** Just one other question from this section and that is: I'm quite curious to know on page 28 what this changeover to International Financial Reporting Standards is?

Mr. Sexsmith: That's—you know, I alluded earlier to the accounting changes that happened in 2004, and we've been advised by the Accounting Standards Board that further changes are coming in 2011. They're called International Financial Reporting Standards, and I don't know if I'll have all the accounting jargon down on this. But, essentially, what it means is that we have to move to the accounting standards that are used internationally,

and so it will mean some changes to how we report our results.

**Mrs. Taillieu:** Why do you have to do that?

**Mr. Sexsmith:** Well, essentially, our auditors won't give us a clean book—a clean report if we don't conduct our—we don't do our accounting in accordance with the Accounting Standards Board.

**Mrs. Taillieu:** Okay, so all workers compensation boards across the country and–because you said this is an international requirement, but–

Floor Comment: Yeah-

Mrs. Taillieu: Okay, so you do have to.

**Mr. Sexsmith:** This is not, this is not just WCBs. Insurance companies, et al, will have to do this as well.

Mrs. Taillieu: Oh, yes, thank you. I profess to be not, not an accountant, so some of the questions I'm asking are—I'm quite curious to know because I want to look at the funded position. In 2007, the funded position on the consolidated balance sheet was 257.900 thousand, and—I suppose that's in millions. Yes, well, 258 million and then it was at 61.5 million.

So was, is this just due to the losses in, in, in investment revenue?

Mr. Sexsmith: That is primarily an investment issue. That's certainly, by far, the largest factor. We've just gone through, in 2008 and early 2009, an investment year that hasn't been experienced since 1931. And so we had \$258 million in reserves at the end of 2007, and those shrank significantly in 2008, which is what they're there for, actually, to buffer the board against a bad year like that.

\* (18:30)

Mrs. Taillieu: Yes, I realize that's what reserves are there for, but I think they're also there to provide the services to injured workers should they need it, and this has significantly repleted—depleted those reserves. So how is that going to impact on your ability to provide services to, to provide the, the, the necessary monies, I guess, to people that are injured?

**Mr. Sexsmith:** It isn't going to impact on our ability to provide the service to injured workers because we're gonna provide the service no matter what. We're required to under the legislation.

Mrs. Taillieu: Do you have to borrow money?

**Mr. Sexsmith:** No. We're actually, where—as, as you pointed out, we're actually in a fully funded position. We're—our assets exceed our liabilities by—we're at 106 percent funded, so we, we have enough money to operate. The only borrowing we do is short term for cash flow purposes.

Mrs. Taillieu: I just note in your line of credit, which you're probably then talking about, that last year you borrowed 5.3 million and this year you borrowed 37.5 million. So that's a significant increase in borrowing. Part of that was from your principal banker and part of that was from the Province. So that's a significant borrowing and that's, you say, short term. What do you mean by short term?

**Mr. Sexsmith:** Our revenues are quite lumpy, I would call it. They come in at various times of the year and we, of course, have cash flow requirements because we have to pay injured workers, and so there are gaps in there sometimes, so we borrow money. All of the borrowing that we do is short term, so we, we pay it back as soon as our revenue comes in. That's what I meant by cash flow issues.

**Mrs. Taillieu:** It's, it's, it's, it's still quite a significant amount that you've borrowed this year that you haven't borrowed last year. Have you ever borrowed like this before?

**Mr. Sexsmith:** The, the amount–you know, I'd have to look back to see if we've borrowed that much before, but I wouldn't consider it unusual or extraordinary. We deal with very large numbers, and so if we have gaps, it could easily be 25 or 30 million dollars for a short period of time depending on when the revenues come in.

Mrs. Taillieu: Well, thanks, but I guess the point I'm making is that if you had those reserves you wouldn't need to borrow. So depleting the reserves through investment difficulties has, has necessitated the borrowing situation which is actually going to cost you some interest, I'm assuming.

Mr. Sexsmith: Actually, that's not necessarily true. We, we may or may not sell investments to fund cash, cash requirements at any particular time. It may be to, it may be to our advantage to borrow money at certain times to fund cash flow requirements rather than taking investments. We, you know, we're a very secure organization in, in the views of borrowers, and, and borrowing money is, is fairly cheap for us. So we do that to smooth out our cash flow requirements sometimes.

**Mrs. Taillieu:** Did you sell off any of your real estate?

**Mr. Sexsmith:** Over time our real estate portfolio, like all of our portfolios, there is buying and selling in it, yes.

**Mrs. Taillieu:** Did you sell some in 2007-8 fiscal year?

**Mr. Sexsmith:** Yes, there would've been some sales in that period.

**Mrs. Taillieu:** Well, could you tell me what you sold and where I would find that in the financial statements?

Mr. Sexsmith: You're asking about a level of detail that you won't find in the financial statements. You'll—I'd have to look into the background. For example, we hire managers that do our buying and selling, for example, in the various equity portfolios. We get reports on it, but I, I don't know what they buy and sell on a monthly basis. In the—I can tell you, though, in the, in the real estate portfolio where there aren't quite, quite so many, I know we sold one, one, one, one building in Edmonton that comes to mind, but that type of detail I'd have to research it for you.

**Mrs. Taillieu:** Do you—could you possibly put all that detail of the, of the, the real estate sales that you've been speaking about and provide it to us?

**Mr. Sexsmith:** Yes, I could. What, what years are you looking for?

Mrs. Taillieu: 2007, 2008.

Mr. Sexsmith: Yes, I can undertake to do that.

**Mrs. Taillieu:** Okay. I'm-on, on page 49, I'm looking under operating expenses, and I notice that under Donations, in 2007 it was 80,000, and in 2008 it was 579,000. So you've made a donation or, or a, or a series of donations or some donations of almost \$500,000. What is that donation?

**Mr. Sexsmith:** That's a donation to the Human Rights Museum.

**Mrs. Taillieu:** Did you—when did you make the donation to the Human Rights Museum?

**Mr. Sexsmith:** The decision to make the donation would have been made in November of 2008.

**Mrs. Taillieu:** Who made the decision to donate to the Human Rights Museum?

Mr. Sexsmith: Our board of directors.

**Mrs. Taillieu:** Was it brought to the board then and discussed and voted on at the board?

Mr. Sexsmith: Yes, it was.

**Mrs. Taillieu:** When it was voted on, were all the board members present?

**Mr. Sexsmith:** No, all the board members weren't present. One, one board member was excused because of a possible conflict.

**Mrs. Taillieu:** How much money was donated at that—when the decision was made and then the donation—when was the donation made, and how much was the donation?

**Mr. Sexsmith:** The commitment was \$500,000. The actual cash flow would be \$100,000 per year for five years.

**Mrs. Taillieu:** Why is it listed in here then as 499,000? An increase of 499,000. Were there other donations here, then, included in this?

**Mr. Sexsmith:** That donation line would be primarily the Human Rights Museum and the United—the annual United Way contribution by the—I don't think there's anything else of any consequence in that line.

**Mrs. Taillieu:** How much was donated to the United Way then, of that?

Mr. Sexsmith: Yeah, it's approximately 79.

**Mrs. Taillieu:** I'm just curious as to why you would account for the full \$500,000 in one year's annual report when you say you're only going to donate 100,000 a year for five years.

**Mr. Sexsmith:** Well, that's the way we accounted for it under an accrual accounting basis, and we tend to do our books that way.

**Mrs. Taillieu:** Have you made any further commitments other than the 500,000 to the Human Rights Museum?

Mr. Sexsmith: No, we haven't.

Mrs. Taillieu: Back in November then of 2008, when you had made the decision to make—give this donation to the Human Rights Museum, which is a worthy cause, but I'm wondering, did you put out a press release or announce it in any way that you had done this?

**Mr. Sexsmith:** Actually, we—what we did, we did a couple of things. We left it to the Human Rights Museum to announce it in their publications, and

they did so. And we also in-it's also recorded in our board minutes, which are on our Web site.

**Mrs. Taillieu:** Was there any suggestion or direction given from government to suggest that this would be a good plan to give some money to the Human Rights Museum?

**Mr. Sexsmith:** No, we got no direction from government on this.

Mrs. Taillieu: When the other Crown corporations donated money to the Human Rights Museum, they donated money and they told the public that they donated this money. Was there a reason why you chose not to yourselves say, you know, we're good corporate citizens, and we decided we were going to make this donation. What prevented you from making the announcement that you had provided this money to the Human Rights Museum?

\* (18:40)

Mr. Sexsmith: Well, actually, we're quite pleased with the donation. However, you know, we, we don't put out a news release on everything that we do. We certainly didn't hide it in any way because we published the minutes that announce it, and we alsowe talked about the communication strategy and we talked to the human rights folks and we agreed with them that they would put it out in their publications. That's about all I can—that's the only—I think that's the only answer I have for you.

Mrs. Taillieu: Do you feel comfortable, in a year that the Workers Compensation Board lost \$192 million, that it serves the stakeholders, the employees and employers who the Workers Compensation Board is mandated to serve, do you feel that this was a prudent decision at this particular time with having a \$30-million operating loss and 166-million investment loss, that perhaps it would have been more prudent to look at the needs of, of your stakeholders and do this at a time when you're investments recovered and looked a little bit better? Do you feel comfortable?

Mr. Sexsmith: Well, I'm not sure it matters, if you're asking about my personal comfort level. I can tell you that this was, this was a decision that was made by our board of directors in full consideration of their—of what, whatever financial situation they knew at that time because, of course, our results were not in.

You'll note that it is cash flowed over a five-year period, and so, you know, they had a good, healthy

discussion at the board and decided this is a reasonable and prudent donation to make. It's smaller than a number of other organizations in the, in the city have made in consideration of the financial circumstances.

But projected over a five-year period, so-and, by the way, it will not, as I mentioned earlier in the discussion, it will not get in the way of providing benefits to injured workers.

Mrs. Taillieu: Can you explain to me what rationale you would have used to determine that this was a good investment for the Workers Compensation Board and its employers and its employees that it serves?

Mr. Sexsmith: Well, investment is an interesting way to phrase it. I guess, you know, we record it in our books as a donation, but certainly we have a relationship. There's a long-standing, I guess I would call it relationship, between the Workers Compensation Board and worker rights, labour rights, employer rights and, and human rights especially as they relate to workers and injured workers.

And so there is a relationship there. The WCB is a, is an important member of the community as an institution. So, you know, those were the kinds of things, you know, that are considered when you, when you make any donation.

Mrs. Taillieu: I'm, I'm just referencing back, I guess, to when the other Crown corporations made million-dollar donations, and I know that some of them said that there would be tourism spin-offs which would bring money to the province. So they felt that it would come back to them in that way and, and Hydro said that, you know, they were having a very good year; they could afford to make those kinds of donations.

But I'm-I guess I'm just wondering what the Workers Compensation Board can go to their employees and their employee-employer representatives and, and the people that they, they represent and, and say this is what return we expect to get from this donation.

**Mr. Sexsmith:** Well, of course, the Workers Compensation Board is as interested as anybody else or any other Crown corporation in seeing the economy of Manitoba booming. It's good for us. It's good for employers. It's good for premium revenue, if I want to put it in those terms, and so we're very

interested as a board in seeing, seeing the, seeing the economy boom which the Human Rights Museum will make a contribution to.

**Mrs. Taillieu:** When did the board of directors or the Workers Compensation Board decide to put their minutes on the Web site, and when did they put their minutes on the Web site?

**Mr. Sexsmith:** The board decided early in 2009 to put them on the Web site, and they were put on the Web site as of, as of June back to January of 2009.

Mrs. Taillieu: So if the minutes of the board, the minutes were put on the Web site as of January 1st of 2009, and a decision was made to, to make this donation to the Workers Compensation Board in November of '08, was it put on the Web site then?

**Mr. Sexsmith:** Minutes were put on the Web site as of January '09, as of the January '09 minutes.

Mrs. Taillieu: Were the minutes of the meeting in which it was decided to put the—to make the donation to the Human Rights Museum, were those board minutes put on the Web site?

**Mr. Sexsmith:** I understand that those particular minutes were not on the Web site, but we do have a mailing list of which your party is a recipient and so they were mailed out to the mailing list.

**Mrs. Taillieu:** Well, thank you very much, but I think you did say earlier that these minutes were provided on the Web site. So now you're saying they were not provided on the Web site?

**Mr. Sexsmith:** Yes, my apologies if I slipped up there. Those ones, apparently, are not on the Web site, but they were mailed out.

Mrs. Taillieu: I note on page 56 that your—there's a couple of tables there, Injured Workers Satisfaction and Employer Satisfaction, and they don't appear to really have moved too much over the last five years, they seem to be pretty stable. But you do, you have done a number of—undertaken a number of initiatives with what was called the CIRP grant and now is the RWIP grants. You've done a number of surveys and polls and all of these things. It doesn't seem to have changed anything.

I'm just wondering, you know, when you, when you spend a lot of money in contracts and research grants, how do you actually measure that these work, the results that you get from these grants and projects that you do actually work? If I looked at this, I, I, I don't see much in, in movement either way.

**Mr. Sexsmith:** Yeah, first of all, with the Injured Workers Satisfaction, if we went back two or three years further you would see quite an improvement. So we have a goal of eight. We're constantly—in the last two or three years, we were constantly in the 7.8, 7.9 range. Once you get to 7.8, 7.9 range it gets harder to improve the satisfaction beyond that.

So on the injured workers' side, we have made excellent progress. We have to maintain that progress, so we're constantly looking for ways to improve satisfaction. I mentioned a couple of things earlier, like early intervention, to see if we can move that bar even higher.

On the employer side, there are—we're not as happy with our satisfaction levels on the employer side so we're undertaking a major project there. We've been, over the last year, we're reengineering our processes and introducing some automated processes on the employer side over the next few years, which we are hoping will help to improve our satisfaction on the employer side.

\* (18:50)

Some of the—we certainly had success in improving the satisfaction on our injured workers' side as we improve the timeliness of our—some of our processes at the front end of the system, and so we're hoping to do that on the employer side as well.

**Mrs. Taillieu:** I also note that you had undertaken some studies in the WCB's efficiency and effectiveness and you got a score of 67, but you got a score of 78 in 2007. Can you give me an indication as to why efficiencies and effectiveness seem to fall this year?

Mr. Sexsmith: Yes, I can. That, that, that particular measure is an accumulation of several measures, and they're sort of yes or no answers and then we tally them up, and they're—we got no's on a couple of items. Most notably the operating surplus did not get us where we wanted to. So that, that was probably the main difference between last year and this year. So when we had a difficult year financially, we gave ourselves a lower score on, on that measure.

Mrs. Taillieu: Well, thanks. I just—I was just looking through the, the notes from the last time we met, and I note that I had asked you about what pre-emptive steps that you might be taking to mitigate investments in U.S. economies, and you said that so I think we are very well positioned to last out any downturn in the U.S. market. In fact, one might argue that this is an excellent buying opportunity in

the United States, but we'll see how that turns out. Did you buy anything?

**Mr. Sexsmith:** Yeah, we probably did, actually. As I said earlier, we–I don't know what's bought and sold in the various portfolios every month, but, yeah, I think that was about October of '08 or was it earlier than that we had that disc—

An Honourable Member: March.

**Mr. Sexsmith:** March of '08. Yeah, if, if only one could see into the future, you'd, you know, you'd make some different decisions. But, nevertheless, what I said at that time still stands.

We have a well-diversified, conservatively managed portfolio which has performed very well on a relative basis. We are one of the top institutional investment performers you could find. So, so on the investment side, we've done pretty much as well as you could expect.

**Mrs. Taillieu:** Do you still have a contract with ChangeMakers?

**Mr. Sexsmith:** Yes, we do.

Mrs. Taillieu: What is the nature of that contract?

**Mr. Sexsmith:** Well, that, that contract is to provide us with communications and social marketing advice and assistance.

**Mrs. Taillieu:** What year did you first contract with ChangeMakers?

**Mr. Sexsmith:** We renewed the contract in 2006, and I believe the, the one prior to that was for five years. So it would have been 2001, I believe. I'd have to check the details, but I believe that's correct.

**Mrs. Taillieu:** If you, when you first contracted with ChangeMakers in 2001, was that a tendered contract?

Mr. Sexsmith: Yes, it was.

**Mrs. Taillieu:** And then you renewed it again in 2006?

Mr. Sexsmith: Yes, we did.

Mrs. Taillieu: And was that a tendered contract?

Mr. Sexsmith: Yes, it was.

**Mrs. Taillieu:** Would you be able to provide me with the, the dollar amounts that you contracted, or spent with, I guess, ChangeMakers in each of those years?

**Mr. Sexsmith:** Yes, I can, if you bear with me for a minute again.

Yes. The '06 number was 1.8 million, the 2007 number was about 1.7 million, and the 2008 number would be similar to that, but I don't have the full detail here with me.

Mrs. Taillieu: Could you provide me with the full detail then?

Mr. Sexsmith: I'd be pleased to do that, yes.

**Mrs. Taillieu:** Thanks. Who did you use before you used ChangeMakers?

**Mr. Sexsmith:** I'd have to do some research on that. I'm sorry. That predates all of us here at the table.

**Mrs. Taillieu:** Okay, thanks. Do you presently, then, have a contract with Viewpoints?

Mr. Sexsmith: Yes, we do.

Mrs. Taillieu: And, just going back a little bit. I, I brought this up at the last committee meeting in, in which you provided the contract that you did have with ChangeMakers and, in that contract, if they were going to subcontract or, or, to another firm to do some work, that firm had to be identified in the, in the contract and, and then have written permission from the Workers Compensation Board to do that, and that was—that did not happen. The ChangeMakers did not specify that they were subcontracting to anybody, Viewpoints or anybody, and, nevertheless, the Workers Compensation Board did not require them to put that in the contract, even though at the time you said that you were aware of it.

So I'm going to ask you again, at this point in the contract with ChangeMakers, are they required to list their subcontractors, have they listed their subcontractors and who are they?

**Mr. Sexsmith:** Well, I read back on that *Hansard*, and I think my answer last time was, was the right one. When we put these contracts together, we put them together to make sure that we have the wherewithal to protect the WCB and the WCB's best interests as we can. So we put a number of provisions into these contracts.

When we're—we're well aware that, that ChangeMakers subcontracts some of the groups, such as focus groups, which Viewpoints does. We knew that they work with Viewpoints. We didn't really have any concerns with that. If we have any concerns, we will certainly make it known, and we'll require them to, to provide us with lists of people

that they use and whatnot. We have not been doing that because we haven't had any, any reason to have concern about that particular issue.

Mrs. Taillieu: Well, it, it just seems to be, when you say you don't have any concern, that it's like one big happy family as long as it's certain people. But a contract is a contract, and, and if you specify in a contract that this is what you would like to have, you would like to have it listed who you're going to subcontract to, what would be the reason why you would not just put it in there?

**Mr. Sexsmith:** Well, I can only repeat myself there to say that we, we make sure that we have every provision in a contract that we feel we may want to use, should we need to.

It's certainly not one big happy family; all of these people are suppliers. They have to provide a good service or we have outs in the contract. We expect good service from them, and at this point we're quite happy with the service that we've been getting from them. So, you know, I'm not sure there's much more that I can add there.

\* (19:00)

Mrs. Taillieu: Well, I'm looking at the firm or the, the contract with ChangeMakers, and it says a firm may present a response that indicates the firm will carry out all work described in the proposal with no assistance from partners or subcontractors. Alternatively, a firm may enter into business arrangements with other firms to ensure that they are forming the strongest possible team to deliver on the WCB's requirements. Responses created in alliance with other firms are valid. If you are forming a consortium with other companies to offer to fulfil the work described in this RFP, you must observe these rules. All companies must be identified in the response. One company must be clearly identified as the lead responser. All members of the consortium must respect the privacy on confidentiality. If no-in the event no subcontractors are identified in the response, this will be interpreted as a consulting firm proposing to complete the work with their own Once the contract is awarded. resources. subcontracting will not be allowed of the written position-will not be allowed without the written permission of the Workers Compensation Board.

So you're actually violating your own agreement. You, you, you allowed the firm to subcontract to another firm. It's not in writing, and you did not give them written permission. And I'm—we brought this

up to you last year and now I'm just asking you again, have you taken steps to correct that, and the answer appears to be no.

Mr. Sexsmith: Well, the answer that I gave you last year, we didn't—we haven't taken action to change that process since last year because, as I said in my response last year, that, you know, we put all these provisions in these various contracts to make sure we have the wherewithal to handle these things in, in the way that we want to and for the protection of the WCB. We'll invoke any of those provisions if we feel that it's necessary or, or wise to do at any, at any particular time.

I can tell you that we have quite detailed and ongoing discussions and interaction with ChangeMakers about all of the work that they do with us. Our staff meet with them approximately weekly. I meet with them frequently myself. We received itemized billings from them on a monthly basis and regular reports and whatnot.

We will take any action necessary to ensure that we're, that we are getting the approp—the information that we feel we need at any particular point. So, on that basis, we think we're managing this contract quite responsibly.

Mrs. Taillieu: Well, it's all fine and good if you are cozy with the subcontractor, but you don't know who the subcontractor could be. That's why you have a contract like this, to protect the interests. It seems to be fine with you for this particular subcontractor, but what if it was another subcontractor, and that—you have an agreement here that you're violating and you've refused to, to correct that because you've not asked for, for them to put it in the contract that they're sub—who they're subcontracting to. And you have not given them—have you given them a letter of permission, then, to do this?

Mr. Sexsmith: In terms of con-you know, the drafting of contents, the content of contracts and whatnot, I never sign them or agree to them or enforce them without the advice of our legal department. We've had considerable discussion. The answer that I've given you is consistent with the advice that I'm getting from my legal department in terms of how we manage and, and how we manage and enforce any contracts that we have. If we feel we need to take action to enforce various items in the contract, we certainly will do so.

Mrs. Taillieu: Again, I, I just want to say-I'm quoting here again: Once the contract is awarded,

subcontracting will not be allowed without the written permission of the Workers Compensation Board.

Have you given written, written permission to ChangeMakers to subcontract to Viewpoints?

**Mr. Sexsmith:** No. We've never provided written permission. We have only had oral discussions with them in terms of who they're contracting with and how the—how it's being managed.

**Mrs. Taillieu:** Why is there a reluctance to put Viewpoints in the contract?

**Mr. Sexsmith:** I don't know that there's anynecessarily any reluctance, but the contract is written and, and, and they're not in there, so, you know, I don't have any reluctance to name anybody.

**Mrs. Taillieu:** Why are you reluctant to provide a letter of, of permission to ChangeMakers to use Viewpoints?

Mr. Sexsmith: Well, it's, it, it just seemed like an unnecessary move when the advice I get is that when we draft a contract, when our legal people put a contract together, they put in there any possible provision that we think we may need to use should we need to use it. And the advice that I'm getting is that we'll enforce it or put it into action if necessary at any particular point, and that's certainly what we'll do. So we haven't felt a need to do that at this point, but we'll certainly do it if we think we need to.

Mrs. Taillieu: Well, again, you know, you have a contract for a reason, and, and there's clauses in the contract for a reason, in case you have a subcontractor that is not providing the work that you wanted to have done and that's the reason you have a clause in here like this that you have to give permission, and you say, it's a nice cozy relationship; we know who you're using, you're using Viewpoints; we approve of Viewpoints, so that's okay. But if, if it was another contractor, if it was another contractor, then you would be actually wanting to have a contract like this, but it seems to me there's quite a bit of reluctance to put this into writing. And I, I would ask you again: What is the reluctance for Viewpoints in the contract with ChangeMakers?

**Mr. Sexsmith:** Well, first of all, I wouldn't describe our relationship as cozy. I'd, you know, I've never used that word, and we treat these, these folks as a supplier like we do every other supplier, and we expect them to perform accordingly.

And, by the way, you know, I should point out that Viewpoints does not use-pardon me-ChangeMakers does not use Viewpoints exclusively. And, on the other question, I've already answered that to the best of my ability. So, if you think we should be putting them in there, then I'll accept that as advice.

**Mrs. Taillieu:** So, in this contract then, ChangeMakers subs to other people in this—through this particular contract, as well as Viewpoints or just Viewpoints?

**Mr. Sexsmith:** The—there are quite a number of other subcontractors that they use. By no means is Viewpoints the only subcontractor that they use. Some of those numbers that I quoted for monies paid to ChangeMakers before, a lot of that is for things like buying media time and buying printing services, et cetera. So they, they do a lot of work with various subcontractors in the community to provide various services.

**Mrs. Taillieu:** Can you tell me how much you contracted to Viewpoint–ChangeMakers, I'm sorry, in 2005?

**Mr. Sexsmith:** I'm sorry. I'm not clear on what you're—how much we contracted to ChangeMakers in 2005?

**Mrs. Taillieu:** What was the, the amount of the contract valued at? You told me that in 2006 you spent 1.8 million with ChangeMakers; 2007 was 1.7; 2008 is about the same. What was it in 2005?

**Mr. Sexsmith:** I'll have to undertake to get that for you as well. That's further back than I have information with me today.

**Mrs. Taillieu:** I believe that your assistant had a book outlining that with her.

Mr. Sexsmith: I think it only went back to 2006.

**Mrs. Taillieu:** Would I be able to get that information from you?

\* (19:10)

Mr. Sexsmith: Sure. We'd be, we'd be glad to provide that. I'm not at all sure that we haven't provided it. We provided you with the contracts for all of these folks every year and various pieces—but I'll look back, and anything that we haven't already provided you I'd be pleased to give you.

**Mrs. Taillieu:** What, the Workers Compensation Board has contracted with a, with, with

ChangeMakers who's then subcontracted to Viewpoints in the 2007-08 year. Is that correct?

Mr. Sexsmith: I believe that's correct, yes.

An Honourable Member: What is the-

Mr. Chairperson: Mrs. Taillieu.

**Mrs. Taillieu:** Sorry. What is the value and the nature of these contracts then?

**Mr. Sexsmith:** It's in the range of—the order of magnitude is in the thirty to forty thousand dollar range, we believe, and it's for work such as focus groups and research.

**Mrs. Taillieu:** Could you elaborate on what you mean by focus groups and research?

**Mr. Sexsmith:** I believe that's work that's mainly in support of the public relations there, the media campaign that we do around SAFE Work, and they do focus groups to test the viability of certain ads and whatnot and then they do some surveys and research to follow up to see how they're doing.

**Mrs. Taillieu:** Are the results of the focus groups, the research or the surveys made public?

**Mr. Sexsmith:** No, we haven't made them public.

**Mrs. Taillieu:** Would you be able to provide us with the, the questions that were asked in the focus groups, the research surveys and the surveys for the years 2006, 2007 and 2008?

Mr. Sexsmith: You know I'll have a, a look at that to see if we can. We generally use the public disclosure rules under FIPPA to see if we can release that and some of this is third-party information. So I'm not entirely sure that I can, but I know that we have, we have provided you in the past with a number of the questionnaires and whatnot that, that Viewpoints has used in the various surveys so, you know, I'll have a look back. I don't have any problem providing you with anything as long as we're not violating any of the proprietary rules here.

Mrs. Taillieu: I believe just in looking in this contract that, that the information that you would get from any group providing you with that service, that you would be the owner of that information. So if ChangeMakers provides you with information or Viewpoints provides you with any surveys or data then the Workers Compensation Board would become the owner of that data. So it's the data that we're looking for.

We're not looking for any information about third-party viewpoints. We're looking for the data, the questions, the surveys, what, what was done and we're also looking to find out how much you paid for that. Could you provide that?

**Mr. Sexsmith:** Well, as I said earlier, I think we've provided you with quite a bit of this information already. I'll go back and see what we can release, what we haven't already given you, and I'd be pleased to give you whatever we can.

**Mrs. Taillieu:** Well, thanks, but you did say that you did have a new contract with Viewpoints this year.

**Mr. Sexsmith:** We have, we have contracted with Viewpoints this year, that's right.

An Honourable Member: And you have a contract-

Mr. Chairperson: Mrs. Taillieu.

**Mrs. Taillieu:** Sorry—and you have a contract with ChangeMakers again this year.

**Mr. Sexsmith:** Yeah, it's the same contract. The contract with ChangeMakers was a five-year contract. The contract with Viewpoints for surveys and whatnot was a five-year contract, I believe, yes, and we've given you both of them before.

Mrs. Taillieu: When I asked for this information last year you used that same line of reasoning: that you didn't think that you could provide it because of under privacy legislation. But I'm pointing out to you that in the contract, that is information that belongs to the Workers Compensation Board. So you did not provide the information claiming that, that you couldn't, and that you would look into it, what was—what the, the questions that Viewpoints was asking in their polling and their focus groups and their surveys. So I'm just asking, now that I've pointed out to you that this is information that actually belongs to you, can you provide it to us?

Mr. Sexsmith: Well, I guess I—in terms of pointing out to me what's in the contact, before I provide any information which may or may not contain any type of third-party information, I always have our legal people review the con—the related contracts and the rules under the disclosure of information. So I thank you for pointing that out, but I will have it reviewed carefully by our legal people before we release anything, whether it says in there that we own it or not. There may be issues around releasing third-party information.

You may recall that some of the information that we released to you, for example, in the ChangeMakers contract, some of it was blacked out or whited out or whatever you will. So there is, there is some information that I can't release. I don't recall our exact conversation of this before, but I will certainly provide you with whatever I'm allowed to provide you under appropriate information sharing.

**Mr.** Chairperson: Before I proceed to the next question, just a reminder to committee members that, when we're asking questions or providing answers, that we need to make reference to the annual reports that are currently under review and that the new information, if I can use that term, with respect to the current year under way would not be before this committee's consideration at this time. Just a reminder for committee members.

Mrs. Taillieu: There seems to be this, this reluctance to be open and transparent with what Viewpoints does through ChangeMakers. It's not specifiedthey're not specified as a subcontractor in the contract, but you know-you are aware that they are doing work for ChangeMakers. It's-you don't want to provide the infor-the, the data that's collected, which you use for the betterment of the Workers Compensation Board, I'm assuming, but I'm just trying to find out what exactly Viewpoints does for you, and it, it just doesn't seem to be all that transparent. You would think that you would have no problem in providing the information, 'cause we're not asking for personal information about the company of Viewpoints; we can find that out anywhere. But we're just asking what that company does for you, and we'd like to see what kinds of questions that are being surveyed through the public and what kind of things the focus groups focus on, and then what, what do you use that data for.

So, maybe I'll ask you that. When you get the surveys and the focus groups and the polling all done, then what do you use that data for?

Ms. Allan: I think we've spent a considerable deal of time this evening on this particular question and on this particular company, and I would just like to remind my colleagues across the way that the first time it became public knowledge that Viewpoints Research was working for the WCB wa—was many, many years ago, and I think I'd like to, to compliment the president and the CEO of the WCB in regards to transparency. I think that he has said

over and over again many times this evening that he believes the MLA for Morris (Mrs. Taillieu) already has the information that she is requesting, and he is also saying to the MLA for Morris that whatever information is provided to her or anybody else—

### Point of Order

**Mr. Chairperson:** Order, please. Mrs. Taillieu on a point of order.

**Mrs. Taillieu:** Yes, on a point of order. I don't think that the minister can point out what the CEO is trying to tell me. I think that the CEO can tell me that himself. She's trying to put words in his mouth, and I don't think that's appropriate.

**Mr. Chairperson:** The honourable member does not have a point of order. It's a dispute over the facts.

\* \* \*

\* (19:20)

**Mr. Chairperson:** The honourable minister, to continue.

Ms. Allan: Thank you very much. No, I think what I'm saying to the MLA for Morris is that the president and CEO of WCB has actually repeated himself several times in regards to the information that he is giving her, and the information isn't really changing all that much. He has said that he will provide her with—he will be transparent and accountable, as the organization is, and I'm quite sure that that is what she would want the WCB to do.

I think, also, the chair of the board, Michael Werier, would concur that we always try to be transparent and accountable in the dealings of the WCB, and whatever we provide, whatever information we provide or they provide, it has to be, it has to be in accordance with legislation. And the MLA for Morris knows full well about third-party disclosure information and how important that is, and he's also said that most of the information she's asking for, she already has. He has said he is going to look at what information she has already been given, and if there is any other information that he can give her, he is going to provide that information.

So I think that, you know, you can ask the question over and over and over again, but I would, I would ask it not to become almost a case of being belligerent about it because the information isn't going to change; it's going to be provided.

### Point of Order

**Mr. Chairperson:** The honourable Member for Morris, on a point of order.

Mrs. Taillieu: Yes, I, I take exception to the minister's comment. I don't think there's been anybody being belligerent at the table. We're asking questions. That's what this committee is intended for, for us to be able to ask some questions. Whether or not the minister feels that the CEO has given me the answers that I'm looking for is irrelevant. I'm searching for answers, and I need to ask them in a variety of ways. So I don't believe that I have done that in any type of a belligerent manner whatsoever. In fact, I think it's been a fairly good discourse. So I would like to ask her to apologize for that.

**Mr. Chairperson:** The Chair would have to rule that there is no point of order, but I would ask all honourable members that are asking questions and providing answers that we pick and choose our words very carefully to allow this committee to proceed in an orderly fashion.

\* \* \*

**Mr. Chairperson:** The floor is open for questions.

Mr. Kevin Lamoureux (Inkster): Just–I wanted to carry on just a few questions in regards to the polling work that is done. I realize that we're dealing with the 2000–and I want to go to the 2006 reports. I understand that WCB does, it seems, a considerable amount of polling. Is this polling you do on an annual basis, or how much polling does WCB do?

Mr. Sexsmith: We do a number of things, actually. We do annual surveys—or, pardon—yeah, we do annual surveys of employer satisfaction. We do regular surveys of our claimant satisfaction. We do surveys of our staff around staffing, and then, and then, on our behalf, and as Mrs. Taillieu mentioned, we—there is some work that's done around our media campaigns that is subcontracted in terms of focus groups. And I just want to add that—my staff just reminded me that focus group surveys that Viewpoints did for ChangeMakers were provided to you in April of 2008.

Nevertheless, what I said before still holds true. I'll look back and see what we've provided you with and what we haven't provided you with and—

**Mr. Lamoureux:** You'll do surveys of different sorts through polling, or different forms of polling, for employers, claimants and staff, and I can appreciate those three. And I don't quite understand why you

would do it on an annual basis if, in fact, it is done annually, and I'd be interested in comment in terms of how frequent you do do it on those three, and then I'll go on to the next one if you can just maybe address that one quickly.

**Mr. Sexsmith:** Yeah, the reason why we do as much surveying as we do is because over time the board has expressed a very strong commitment to service-level provision, to make sure that we're providing good, sound service to all of our stakeholders. And so it's, you know, it really helps us in terms of looking at what we're doing, steering the ship, if you will, if we do regular surveys.

We do-every second year we do an important, I guess I would call it important, staff survey and we do a small one in between every other year. We do an annual survey of employers, and we actually do quarterly surveying of injured workers to see how they're doing.

Mr. Lamoureux: Now, in order to get an appreciation of exactly what's taking place with—between the claimants and the employers, in particular, I guess it would be the claimants—the results of those surveys, are they—have they been made available to the public and, if not, is it possible to get myself and the Member for Morris (Mrs. Taillieu) a copy of those results?

**Mr. Sexsmith:** It, it's my recollection that we have provided them previously at, at these meetings. I'd have to look back and see. I'm certainly willing to provide them as long as there's nothing preventing us from doing so. So I'll have a look at that and provide them whatever we can.

Mr. Lamoureux: Yeah, I, I wouldn't need consecutive years. I would be interested in, let's say, a 2006 versus your more—most recent one, and I just want—I'm looking more so in terms of a trend. Like, is there more satisfaction with the employees overall—or claimants, I should say—more satisfaction with the employers? Is, is it improving? Is it somewhat stagnant? Is there a decrease in satisfaction? That's really what I'm looking for, and if I can get you to provide that, that would be great.

Mr. Sexsmith: Yeah, I'm not-sure, we can provide that, those surveys. I'm not sure you'll really get that from the surveys, though, because they're the questions. But we can have a look at what information we have and make sure that we provide you with something there that might help, help you get to what you're, what you're getting at.

As I, as I mentioned earlier, we've had—we have over, gosh, over a period of seven or eight years, I guess, had significant improvement in our claimants' satisfaction. That's the satisfaction by injured workers.

We're not happy with the, with the improvement in our employer side. That's why I mentioned earlier that we're undertaking some special initiatives there to try and, try and enhance that.

**Mr. Lamoureux:** I'm encouraged to hear, in terms of increased satisfaction with the employees, and that's why it would be nice to—or the claimants—and that's why it would be nice to be able to ultimately see some statistics to, to support that. Not that we don't believe you, but it would be nice just to be able to see something.

The other polling that you do, or I would ask, would be of, of the broader public. The first series of polling we talked about, I suspect, is very limited. How often, or to what degree does WCB commission any form of pollings or surveys of the broader public that go outside those three stakeholders?

**Mr. Sexsmith:** Once a year we have the opportunity to add a few questions to an omnibus survey that's done by a firm which gives us some insight into the public's perception and attitudes, understanding of the WCB.

Mr. Lamoureux: What would be the, the justification in terms of, of having that public wide-like, I don't quite understand, you know, from the Workers Compensation, if I was a board member, I'd, you know, you'd have to somehow justify to me how or why would we be canvassing the public. Like, I can appreciate the stakeholders, but I don't necessarily understand the nece—the need for, for public. Is that something that other WCB offices would do, for example, in Saskatchewan and Ontario?

**Mr. Sexsmith:** We, we think it's very important for us to know how we stand in the community, what is the reputation of our firm, what we're doing, right or wrong, in order to create, you know, the right public understanding of our firm, and, and, besides, one-third of our board is representative of, of the public at large.

So, you know, we, you know, we think it's very important that we have, have some understanding of where we're placed in the community. We're an important member of the community and we, so, you know, we think, we think there's some importance.

But we don't do all that much surveying in that area. As I pointed out, we get the chance to put aseveral questions a year in with a, an omnibus survey.

\* (19:30)

**Mr. Lamoureux:** Quite often a polling firm will look for a company that will invest some money so that they can conduct a, a larger poll, and then you become kind of like a, an add-on, and that helps them in terms of their, their justification, ultimately, they go forward with a poll.

Am I correct to understand, then, that what WCB does on the public is it's just add-ons only? They don't commission a poll right out?

Mr. Sexsmith: Yes, that's correct.

Mr. Lamoureux: It would be, I think, of, of interest to get an example of one of the polling—I don't need the results, but I'd love to be able to see an actual poll that was done with WCB as, as an add-on. I think there would be some benefit to that, and then I think if the member from Morris wants to be able to continue on, she can continue on after that.

Mr. Sexsmith: Yes, we can undertake to, to provide that

Mr. David Faurschou (Portage la Prairie): I do have a couple of questions that pertains to long-term disability claims. I understand through research that the board actually is supporting individuals in, in two types of categorization, one that was prior to January 1st, 1992, and the other being after January 1st, 1992.

Now, my understanding of an individual that received a permanent partial disability prior to January 1st, 1992—was offered disability payments in a number of different fashions of which one could actually receive those, those monies over a long-term basis, but it's not as flexible as a person receiving permanent partial disability after that date. I'm wondering, first off, how many individuals are—is the corporation still dealing with that are under the pre-1992 scenario?

Mr. Sexsmith: What you're talking about is in January 1st, 1992, there were significant changes made to the legislation and it moved to—at that point it moved to the format that we have right now. I would have to do—we don't break out our caseloads by pre '92 and post '92. I could have a look and see if I'm able to find that for you, and if I can, I'll provide it.

Mr. Faurschou: The reason I'm asking is that there has been an individual that has been in correspondence with the corporation. He is one of the pre-1992 individuals. Obviously, one of the factors of a permanent partial disability award or compensation being provided to the individual is that it is indexed up until you turn 65. But being a situation where you effectively have limited income through your years to which you are afforded the opportunity to contribute to Canada Pension and then once you turn 65 and you're relying on that Canada Pension which is the only component that is indexed, that is very limited, and I believe you see where I'm going on this, is that over time an individual ends up in very dire straits as far as income.

And I'm wondering because I've asked the question as to how many people are actually affected by this, as to whether or not the corporation could consider rolling back the current level of support to individuals prior to the 1992 level?

Mr. Sexsmith: Yes, I think I understand where you're going with that, and I understand the point you're making. The short answer is, no, we don't have the wherewithal to do that. That's a matter that's governed by the legislation, and the legislation that you're talking about was introduced in 1992, and it did away with the indexing at age 65. I think that's the point you're referring to. So that would require a change in the legislation.

I might add that there was a significant review of the legislation in 2005, and I don't recall that being an issue that was raised. No, that wasn't, wasn't one of the recommendations put forward. So I guess all I could suggest is that it could be put on a list foracknowledge it for the future.

**Mr. Faurschou:** Well, whether it's one person or 50 people, they're all individuals that, that contributed significantly to Manitoba's economy over the years. And, I, I think it's, it's something that we should look at even if it is only one individual, but I suspect there's many more in regards to this.

The change in legislation, as you, as you refer to, into it, did, in fact, allow for permanent partial disability individuals to effectively provide compensation through an annuity over a lifetime period. And this actually did allow for the annuity to provide for indexing even past the year age of 65. And that being the case, I don't think that we should be discriminating against individuals that when they effectively were unfortunately affected by an on-site or on-work or work-related disability.

So, I would like to ask for further follow-up as to how many individuals are, are currently receiving partial disability claims that would be considered pre-January 1st, 1992. And then I'd also be interested in, in seeing the breakdown as to the individuals that after January 1992, that, how they have actually organized how many are receiving the annuity types of clause, or a over a five-year, 10-year, 15-, 20-year, whether they're receiving a lump sum. If this is too complicated to, to provide or is it easily, easily scheduled? Maybe you might interject to that information.

**Ms. Allan:** I have to be honest with you. I think—I never thought I would be in committee with the opposition lobbying us to make legislative changes to something that you didn't—your—you did in 1992. But I do find it interesting.

As, as the CEO has said, they will attempt to have a look at this particular issue in regards to the legislative changes that were made in 1992. Obviously, if those changes were made, there would have to be a cost determined and I'm having a sense that that it may be substantial. But at the same time I think I'm hearing you say it's certainly something that you believe is unfair. So I think that what we would also like to do is-or what I would like to suggest to the MLA for Portage, that maybe perhaps one of the things that we could do once we have that information and have a look at it, is whether or not the stakeholders would be interested in making that kind of legislative change if there was unanimous consent to do it, or the board, for instance, where the stakeholders are.

So I think it's something that we could possibly look at in regards to whether or not (a) we can find out the information for you (b) what that cost would be and whether or not there would be unanimous consent at the board to move forward on something like that if we could pull it all together for you. So I'm—just like to offer that up.

\* (19:40)

**Mr. Faurschou:** Well I do, do appreciate and I believe the minister has summarized where I'm going with this.

Yes, the, the changes were made by the, the Tory administration in 1992, recognizing that it was a necessary change to provide fairness to those persons that, unfortunately, had a, a, a partial disability which is of a permanent nature.

But we're also looking at a, a, a very substantially different scenario as far as financial situation. Back in the early '90s the workmen's compensation board was effectively teetering on, on insolvency, if I can use that word. It was very deep in deficit, and I want to compliment the board that is, even in these rocky times, is—has been affected, but up until now has been pretty well balanced in—between the—in its, in its ledger.

Now, so I'll, I'll leave that particular one with the, with the board to presu-peruse, but I, I-this is of a very timely nature. The gentleman to which has contacted myself and has been rejected for any further consideration by the board is, is very substantially affected by the-by having no indexing, and, you know, it's, it's very dismaying to see an individual that has contributed so substantially to-all his working career-to be left near destitute in his retirement years.

I also want to ask the question, just out of curiosity, when you're seeking medical assistance for individuals and wanting definitely to provide the, the very best of care and sometimes the specialized nature of that care is not available in Manitoba, could you, perhaps, give a ballpark as to how many individuals have been sent out of province in the past year that—to, to seek medical care.

**Mr. Sexsmith:** Yes, it's, it's actually quite unusual, in the scheme of things it's quite unusual to send people out of province who, in general, we would only do it if service is not reasonably available in Manitoba, and I don't have an exact figure, but it's, it's in the ballpark of 10, 12 sorts of people. It's that small I believe.

Mr. Faurschou: Yes, and just expanding on the, the changing view of, of the public towards a more holistic type of, of healing process, I—a significant adoption, shall I say, of traditional Chinese medicine for one, herbalists and, and others. Is some of this type of treatment recognized by the board for, for the healing purposes? And I'm, I'm going to look at a very well-known athlete, Lance Armstrong, who has adopted this type of, of medical treatment, and four years out of retirement he's now, you know, world's leading athlete again because of this type of treatment. I, I just want to ask whether the board is open and acceptant of this type of, of treatment.

**Mr. Sexsmith:** Well, I got a few shaking of heads from behind me here and my advisers on some of these treatments, but I, I would say that we do certainly support acupuncture, but we would, we

would generally take the advice of our, of our medical advisers on this. So, you know, I think that's all I can tell you.

**Mr. Faurschou:** I, I appreciate that, yeah, the, the response, and I, I would just want to ask that the open mind be, be allowed for in, in examining the, the options and, and the benefits.

I also want to ask one final question as it pertains to an e-mail received today and to the policies of, of, of pets in the workplace. I'm just going to ask the—it has been referred to the workplace health and safety committee. What liaisons do you have with, with the local workplace health and safety committees between you as a workmen's compensation board and others? Is there any at all?

Mr. Sexsmith: I, I would say, yes, there is, but our, our main, our main relationship with Workplace Safety and Health is with the Workplace Safety and Health division in the Department of Labour and Immigration, and they actually are the ones charged with the responsibility of making sure there are Workplace Safety and Health committees in all of the workplaces and keeping track of minutes, et cetera, et cetera.

So that's a little bit outside of my area of expertise, but, certainly, you know, in terms of our interaction with firms, we're, we're encouraging them all the time to adopt best practices in their workplace around safety and whatnot, and certainly Workplace Safety and Health committees, well, they're required, but, certainly a well-functioning Workplace Safety and Health committee is a, is a positive thing in a workplace so we would encourage it.

**Mr. Chairperson:** Mr. Faurschou?

Mr. Faurschou: No.

**Mr. Chairperson:** No further questions?

**Mr. Lamoureux:** Mr. Chair, just a couple of questions for the minister actually: In regards to the polling work—and the minister heard the discussion that we had in regards to that—what would be the minister's take in terms of the need to have polling work done of the public as a whole, not necessarily one of the stakeholders, but the public as a whole?

**Ms.** Allan: I don't have an opinion on that. The polling work that is done by the WCB is managed by the senior management team at WCB and we never discuss that, ever.

**Mr. Lamoureux:** Was—would the minister have been aware of the fact that Workers Compensation would be polling outside of the three major stakeholders?

**Ms. Allan:** I think I just said in my last answer to my question that I was—we never have any discussions at our meetings about any polling work that is being done by WCB.

**Mr. Lamoureux:** So the government had no idea that polling was done at the public level that went beyond the three stakeholders of staff, workers and employers.

Ms. Allan: That is correct.

**Mr. Lamoureux:** Being the minister responsible for Workers Compensation, does she believe that there is value to having polling done at the public at large?

**Ms.** Allan: I'm the minister responsible for the Workers Compensation Board and I am the minister responsible for the administration of the act, and I really don't think my opinion on that has anything to do with this committee meeting.

**Mr. Lamoureux:** Is the minister aware of any other arm's-length corporation—for example, Manitoba Hydro—that does province-wide polling?

Ms. Allan: No.

**Mr. Lamoureux:** Can the minister provide any comment whatsoever as to why she believes there, there could be value to public polling?

Ms. Allan: No.

**Mr. Lamoureux:** Does the minister not recognize that she does—what role does the minister have with Workers Compensation?

**Ms. Allan:** Well, you know, I think it's pretty clear what my role is. My role is the administration of the act, and I'd like to remind the MLA for Inkster that when I was the, when I was the minister, one of the legacies that I will leave this province is the 30-year review of The Workers Compensation Act.

It was a review that was done and there had been no overall review of The Workers Compensation Act in 30 years, and that legislation was reviewed, and there were a hundred recommendations, and 96 of them are contained in that legislation, and all of those recommendations were reviewed by a committee chaired by Wally Fox-Decent and there were—all of the stakeholders were on the review committee. So that has been my role with the WCB.

**Mr. Lamoureux:** Okay. Just so that I got—I don't want to put words in the minister's mouth on this. She—this would be the first that she heard of public polling of the province by Workers Compensation and she doesn't have an opinion whether it's a good or bad thing.

Ms. Allan: In fact, the very first time that I even knew that Viewpoints Research or anyone else was hired by the WCB was in this committee when the CEO was asked a question if they were hired. I didn't know that until you were informed, about three years ago, I believe, that they had been hired, and it's not my responsibility as the minister responsible for the administration of the act to be aware of those kinds of—that level of detail.

\* (19:50)

**Mr. Lamoureux:** The, the latter point was, and from this minister's point of view, it doesn't really matter to her whether or not there's polling done or not.

**Ms. Allan:** Well, I, I think you can, you can try to put words in my mouth. You can try to twist it and turn it to whichever way you think would benefit you as the MLA for Inkster. I think I've already commented on that.

**Mr. Lamoureux:** Yeah, Mr. Chair, we'll go to the CEO and ask, does workers compensation in Saskatchewan or other jurisdictions—is he aware of other jurisdictions that actually do polling outside of the major stakeholders?

**Mr. Sexsmith:** The only one we're aware of for sure is B.C. We don't—we, we know that B.C. does, but we don't know about the others.

Mr. Lamoureux: I'm, I'm wondering, if you could just provide maybe for the next committee meeting, or if you can provide me information in regards to other jurisdictions that actually—I suspect that WCB here has fairly good connections with WCB across, across Canada. I think there would be some value in getting a better appreciation of to what degree other corporations are actually doing with regards to polling to the public. If you could make that commitment, I'd appreciate it.

**Mr. Sexsmith:** I can undertake to do that, yes.

Mr. Lamoureux: Thank you.

And then the, the last question I'll ask, 'cause I know the Member for Morris (Mrs. Taillieu) does have some more questions, is in regards to the process of, of appeals. You know there's—I was really

glad when, Mr. Sexsmith, when you indicated that the client satisfaction seems to be improving. Of course, as MLAs we often hear of the, of the problem cases, and one of the problem cases is an individual that comes on a regular basis to the Manitoba Legislature who happens to be a constituent of mine—and we're not going to talk about a specific case, having said that. And I'm wondering if you could just comment in the simplest fashion as to your interpretation of an injured worker that gets injured and the entire appeal process.

**Mr. Sexsmith:** Well, you know, I guess what I would say about that in general is that we try very hard not to let people get to the appeal process because we're, we're trying to improve service overall. And I can say that in my tenure at the WCB, what I've tried to do is build a management team that has service at the forefront. And, and I can tell you that the management team we have right now triesfalls over backwards to try to provide a good service to injured workers.

So, you know, once, once they—and so, I guess what I would say is the first level of appeal is to, to appeal or complain or call or what—the organization, and we'll, we'll try and do our best to, to sort out whatever we can in, in the best interests. Sometimes, though, we can't. We're unable to please, please the workers; we're at a loggerhead. They—and sometimes, you know, those people that know the system very well, unfortunately, don't want to appeal because, because they do know that that's the end of the road, you know, because once they've gone through the appeal mechanism and, and it's either been found in their favour or against their favour, then that's sort of the end of the road. So, some of them actually avoid that.

A vast majority of the claimants operate in good faith, though, and try to go through the system, and, and I think by and large, good and fair decisions are made for the most part.

I'm not sure that answers your question, but-

Mr. Lamoureux: Yes, my understanding would be that if I'm an injured worker and an initial adjudicator makes a decision that's not favourable for me, I can then appeal it to the supervisor. The supervisor makes a decision and, again, if it's not favourable in my eyes then as an injured worker I could appeal to the appeal board, and the appeal board then would make the final decision. Now, there's medical reviews and medical appeal boards

and all this kind of stuff in between that facilitate the flow of additional information. Fair assessment?

**Mr. Sexsmith:** Yeah, that's generally correct, and I, I guess I can tell you our vice-president of rehabilitation and compensation gets involved in a lot of individual cases too, where people, you know, if they're aggrieved and they're trying hard—they're just dissatisfied. So we, we go to some great lengths to try to resolve issues.

Mr. Lamoureux: This'll be my last question, and you can choose whether or not you want to ask at—it's something in which I, I suspect that the number of MLAs are put into a position of—and that is, a constituent comes to them and says, well, my doctor says that I cannot go back to work, and they'll actually show something in writing from the doctor, and then the challenge for us is to be able to say, well, your doctor, you know, you know, what should we be saying? And this is after maybe they've gone through the first appeal. What would you recommend that we suggest? Other than talking to Gary Alexander, I think.

**Mr. Sexsmith:** Well, I think that they should, you know, if they've started the appeal process, they should go through it because they will get a fair hearing, and if, and if—they get to various stages in the, in the appeal hearings, if there are, if there are, if there's other information that should be gathered, it'll be asked for. So if anything's been missed, you know, they will, you know, they will ask for more information.

This question of one doctor having one view and other doctors having another view can be a difficult one. We, we certainly try to work on that and, and the direction we've taken over the last few years is with our own internal medical advisers, is we really require them now to be in touch with the person's doctor, you know, to make sure that we're communicating well, because rarely is there an instance where, where a person–unless they have a very serious injury–where there isn't some sort of reasonable accommodation that can be made in the workplace over some period–reasonable period of time. And so that's generally what we're looking for, that type of thing.

**Mrs. Taillieu:** I just want to ask some questions about your research workplace innovation program, which was formerly the CIRP program, and I'm, I'm wondering what brought about the, the change there? Why did you change that particular program?

Mr. Sexsmith: Well, one of the–certainly the main impetus for that was the employer community asked us to have a look at the program, and we did that, and so we conducted a, a–we conducted a, a consultation with them and, as a result, we made some changes to it.

**Mrs. Taillieu:** What specifically was the—you said, employer group? What, what specifically were they looking for? What, were they not happy with it?

Mr. Sexsmith: You know, yeah—I, I'm trying to remember exactly what the correspondence said. They asked us to, to have a, yeah, they asked us to have a look at it because they thought—just thinking back to the wording—they asked us to have a look at it from the point of view and making sure that it was a, you know, it dealt with well thought out and researched, well researched projects. It was something of that nature in the correspondence, and so we, so we did. We had a look at it, and what we did is we revised, we revised the program to be more along the lines of—directed at, at research projects and what we—what I guess, what I would call practical shop floor sorts of innovative projects that would be of benefit to all stakeholders.

**Mr. Chairperson:** Before I proceed to the next question, we're rapidly approaching the 8 o'clock hour, and this committee indicated that we would be prepared to review at that point in time. So I'm asking for the will of the committee with respect to the 8 o'clock hour.

**Mrs. Taillieu:** I, I do have some more questions, so I wonder if we could go for another half hour and then reassess at 8:30.

**Mr. Martindale:** I agree with the honourable member. Since we've already given up a warm summer evening and we're paid to work in any case, we should stay here and try to at least pass one report, if not more.

**Mr. Chairperson:** It seems like there's consensus of the committee, then, to continue to sit until 8:30 p.m. and then review at that point in time. Is that the will of the committee?

**Some Honourable Members:** Agreed.

**Mr. Chairperson:** Agreed. Thank you. We'll proceed back to questions then.

**Mrs. Taillieu:** I, I believe that in the, the review done in 2005–and I'm just going from memory now, but I think one of the recommendations out of that was that these grant, grants be discontinued. I, I'm

not sure, but was—is there some dissatisfaction in the, in the amount of money, or just in the way it's how the programs are being awarded, or what, what's, what's, what is it?

\* (20:00)

Mr. Sexsmith: That's not my recollection. I don't believe the report dealt with the CIRP program. No, it didn't, I don't think. What is their satisdissatisfaction? I, I, I, you know, quite frankly, I think they were concerned that a million dollars was being spent and it's a—it affects employers' premiums and they felt that sometimes there were projects being approved that they might not like. They thought it could be directed, you know, could be improved in terms of how it was directed. Just finishing that. That's putting words in their mouth, but I think that's generally what the sense was.

Mrs. Taillieu: I just noted in, in the requirements for the applications that it said that applicants who have defaulted on a previous Workers Compensation Board grant will not be eligible for funding. How many defaults would you have on this? I mean, I know this program's been running since, I believe, 1997, so this will be the 12th year, I guess. So is this significant faults that people don't provide these service for the grant?

Mr. Sexsmith: Occasionally, we've run into a situation where a person didn't follow through and so we ceased funding. It would be, it would be a small number. I'm not sure exactly how many but occasionally we've run into that problem. I think it—sorry—I don't think that would be unusual in a program of this nature. We are quite rigorous in our requirements in terms of follow-up and reporting requirements. And we don't give funding until they meet milestones and we enter into contracts with each of them and whatnot.

If we-we're back to contracts but the-yeah, sobut anyway, that's, that's, you know, we've been quite rigorous about it but occasionally we do run into an issue.

Mrs. Taillieu: Well, speaking of contracts, you have a service purchase agreement I suppose somesomething along that line, where they get \$100,000. They have to provide you with monthly, semi-annually, reports? How does that work and how do you assess that?

**Mr. Sexsmith:** They have to provide us with regular reporting before they get further monies along the way. You know, I can't tell you if every contract is

the same if it's monthly, quarterly, but it's certainly very regular reporting. And so that's how it works.

Mrs. Taillieu: With these organizations that would apply for the, I'll just call it the RWIP, do they have to be an organization already before they can apply for this, or can someone just say, okay, I am going to create a job for myself, I guess, if you will, and I'm going to do a research project and so I'm going to apply for funding to do it? And therefore they could support themselves in that way. Or does this have to be a, an established workplace already that would benefit from workplace activity innovation research?

**Mr. Sexsmith:** Well, on the research side of things, you'd have to be very credible to get through the process because it has to be peer reviewed by researchers and whatnot. So I can't imagine somebody sort of off the street, if I can call it that, putting together a research project just to support themselves that would get through this process.

**Mrs. Taillieu:** And as I said, you've been, this program's been in existence, albeit under another name, I guess, since 1997, and I note that it's \$10.7 million spent on 122 projects. And it says that 65 percent of that funding supported workplace prevention education initiatives.

What would the other 35 percent had been for?

**Mr. Sexsmith:** Well, there's a broad range of projects. Some of them would have been community initiatives and-did you include research in that 65 percent? Some of them, there would have been research.

**An Honourable Member:** It says, workplace prevention education initiative.

**Mr. Sexsmith:** Yeah. So you know, it just as the name suggested, it would be community initiatives and research where the main things that were funded it would, it would of included a broad range of proprojects. Some put forward by employers. Some put forwarded by workers. Some put forward by the community, universities and those types of things.

Mrs. Taillieu: Yeah, I'm still wondering about, you know, 65 percent of that funding supported something in the workplace and then 35 percent supported something other than in the workplace. So were these the types of grants that were looked on as not being beneficial to the Workers Compensation Board then?

Mr. Sexsmith: No, not at all. I think we would consider them all to be beneficial to the Workers

Compensation Board and its stakeholders. I think when-I'm assuming when we made that comment about the 65 percent, we were just trying to give some sense of where the money goes, et cetera.

We have produced an annual report, by the way, on that program every year which lists every grant. I don't know if you've seen it, but we'd certainly be pleased to provide it to you. It lists every grant and says what it is.

Mrs. Taillieu: Yes, I've seen, at least, what I believe that you're speaking of, and I noted that there's a number of companies or organizations that have received more than one grant, subsequent grants. Can you tell me how many of these projects or grants have been awarded to companies on, maybe—I know that some of these will be a one-year project and some may be a two-year project, but there seems to be a couple in there that have come back for another grant and another grant. So how many of these projects run more than one year or two years or three years, and how many companies apply year after year or every second year as their project terminates?

**Mr. Sexsmith:** Well, in order to answer that in a detailed way, I'd have to go through the annual reports and add them up. But I can tell you that, you know, it varies on the projects. Some are one-year projects, some are two, some—two years is usually—would be sort of normally about as long as they would go.

Mrs. Taillieu: Then, after the two years and the, the program is completed, they submit a report to the Workers Compensation Board. Then how do you measure that this is—you've got value for your money, that what has been provided to you has actually been implemented in some way and there's a measurable outcome? How do you measure the value for the money?

**Mr. Sexsmith:** Well, you know, if you're asking if we do a value-for-money audit or a review of each one, we don't do that. What we do is, as I mentioned earlier, we put them through a very rigorous process as we're working with them to make sure that what they committed to doing that they're actually doing for the money provided. So that, that's really the main mechanism that we use to make sure they're doing it.

I guess, our work at the front end is, you know, these proposals are reviewed in detail, and we try to make sure that they're being awarded in the best manner possible.

Mrs. Taillieu: Can these grants—they have to be used for a project. Can they be used to employ people? To actually say, okay, I'm applying for a grant for \$100,000, but because I need this grant to do this job, I'm going to have to employ two people.

**Mr. Sexsmith:** Well, sure. There have been grants that, you know, that could have involved employing someone to do the work. In fact, that's usually the case. You know, someone, someone is doing the work of the grant, so they're probably being, there's probably some costs for the staffing of that.

**Mrs. Taillieu:** Yeah, I'm just thinking that, I guess, if someone were to keep applying, then they could, over several years, actually create work for several years for people. Is that, is that the, is that the intent of some of these grants, then?

**Mr. Sexsmith:** No, it's not intended to be an employment creation project. They would have, you know, if someone was repeatedly applying, they wouldn't necessarily get through the process. There are some that have shown up, you know, more than once and, I guess, you know if they show up with a good project that's useful to all stakeholders, then it may very well be approved.

You know, I should add, as well, that there's a pretty rigorous approval process. You know, it's screened by the administration and it's also approved by a committee of the board and then by the board. So, certainly, you know, through the approval process, there's the perspective of the general public of employers and of workers. So, you know, they get a pretty good look in terms of what's approved.

\* (20:10)

**Mrs. Taillieu:** Is it the board, then, that finally awards the grants?

**Mr. Sexsmith:** Yeah, the board is the final approval level, yes.

Mrs. Taillieu: And is that done by a vote?

**Mr. Sexsmith:** Yes, everything–every time there's a motion, every time there's a motion, there's a vote.

**Mrs. Taillieu:** What are the conflict of interest requirements? Board members.

**Mr. Sexsmith:** On the RWIP program?

An Honourable Member: Yeah, like-

**Mr. Sexsmith:** Oh, if—sorry, now I know what you mean. Well, if a, if a board member has some sort of involvement with a group that's submitting—or some—

or if there's some way, some way that they could benefit personally, for example, from, from a grant, they would have to excuse themselves in the discussion of that grant.

Mrs. Taillieu: And how close would that relationship need to be, whether it's identified as a real conflict or perceived conflict? Specifically, if the person is involved with an organization that's receiving money, they would have to exclude themselves?

Mr. Chairperson: Mr. Sexsmith?

**An Honourable Member:** Or do they have to receive money themselves? How close a relationship–sorry–is it?

**Mr. Chairperson:** Maybe I'm moving ahead too fast here. I'm going to need some kind of an indication here—

An Honourable Member: Okay.

**Mr. Chairperson:** –to allow the *Hansard* folks to turn the microphones on and off. So if the member can kind of give me an indication or find some way that would allow me to recognize the next person, that would be helpful.

So, Mrs. Taillieu?

Mrs. Taillieu: Done.

Mr. Chairperson: You're complete? Mr. Sexsmith.

Mr. Sexsmith: I think it's pretty hard to give you a really hard and fast rule. I think that what—our corporate secretary and general counsel really gives us guidance on this. What we usually try to do is advise the board members that if there's any question, possible question of a conflict, that they raise it, and then, you know, we can say whether or not there's a conflict, and we, I—my sense would be that we try to err on the side of caution, and so if they think there might be something that's perceived as a conflict, we—they would leave the room when there was any discussion.

Mrs. Taillieu: Okay, thanks for that.

How many organizations receive funding from the Workers Compensation Board other than through the grant process? For example—and I'm only using this as an example, Safety Services Manitoba. Do they receive money through the Workers Compensation Board? And other organizations—are there other organizations that do receive money from the Workers Compensation Board?

**Mr. Sexsmith:** If you're talking about funding their operations, the, the only ones that come to mind are SAFE Workers of Tomorrow and the Injured Workers Association of Manitoba.

**Mrs. Taillieu:** And are those two organizations funded completely, then, by the Workers Compensation Board?

**Mr. Sexsmith:** In the case of the SAFE Workers of Tomorrow, no, we're a partial funder, and in the case of the Injured Workers Association of Manitoba, we are, if not fully, certainly the majority funder.

**Mrs. Taillieu:** Could you indicate what funding you would give these organizations annually?

**Mr. Sexsmith:** SAFE Workers of Tomorrow is \$157,000 a year at this point, and the Injured Workers Association of Manitoba is approximately—it would be a little bit more than \$100,000, I believe.

**Mrs. Taillieu:** Any other organizations that receive funds, maybe not specifically operating funds but other funds?

**Mr. Sexsmith:** There are a number of organizations where we may support some activity. For example, we would provide—as an example, we would provide funding to the construction associations to support their annual construction safety conference, that we do that type of thing.

You know, actually, now that I mention them, I should add that we also—we don't provide the money, but we serve as a flow-through for the safety associations in Manitoba. The two construction and safety, safety associations are the main examples.

**Mrs. Taillieu:** Would those kinds of funds show up in the annual report anywhere? Are those—is that too detailed, the funding that goes to other organizations?

**Mr. Sexsmith:** That, that's, that's a level of detail that's beyond. It would be rolled into somewhere in the, in the numbers in the annual report. We wouldn't list that level of detail.

**Mrs. Taillieu:** I noted that the Manitoba Federation of Labour Occupational Health Centre received \$62,000 in 2007. What would that be for? Can you tell me?

**Mr. Sexsmith:** I'm not sure what that is. I'd-you know, I'd have to look. Is it-was it reported in the, in one of the-in the grants annual report?

Mrs. Taillieu: We're just checking where we, we got that information from, but I believe it was listed—she, well, she's just checking what specifically it came from. That's why I'm asking the questions though is to—like, who gets funding and—because, I mean, it doesn't seem like very much, but you know 150,000 here, 60,000 there and it, it's, it's still significant to, to know where the money is going and who's getting funding for what and what the funding is for.

**Mr. Sexsmith:** I'd be pleased to research that one or any other one to make sure, you know, where it's come from. If you give me a bit of a lead on it I'll, I can follow up.

Mrs. Taillieu: Thanks.

I, I'm, I'm just wondering if you can tell me, I, I, I note in the *Free Press* a request for proposal inviting—the Workers Compensation Board is inviting proposals from qualified management consultants to undertake the review and analysis of the organizational infrastructure environment and programming for workplace injury prevention in Manitoba. What is that?

**Mr. Sexsmith:** That's an R-that's an RSP that we issued under the umbrella of the RWIP program, and we did that-actually, it's interesting that you asked that one because that's, that's a very good question. What we're doing there is we want to have a look really at the injury prevention infrastructure in Manitoba.

I think I mentioned earlier that there are some safety associations. There are actually four of them in Manitoba, with the two construction ones being by far the largest and the most active, and other provinces have more associations. There are other kinds of, of, you know, activities around this in Manitoba. For example, in the Morden, Winkler area, there's a group which is sort of a loose association that—it isn't an association but they, they-various businesses of different kinds work together and they form relationships with the medical community in the area.

So what, what we're looking for there is some research and advice to help us determine what kind of safety and prevention infrastructure should we best promote in Manitoba to reduce injuries. So that's, that's really what that's about.

**Mrs. Taillieu:** Has that been awarded? Because I know the deadline has passed on June 19th.

**Mr. Sexsmith:** No it hasn't been awarded yet. You're right, the deadline has, has expired and proposals have been received and we're, we're reviewing them now.

**Mr. Chairperson:** I think we're straying a little over the line here with respect to the reports before this committee for consideration, so I ask members to confine their comments or questions to the reports under review here.

**Mrs. Taillieu:** Yeah, thanks, and actually as it turns out that was a, a, an award under the RWIP program, so it was an appropriate question.

How many, actually how many organizations would apply every year for the CIRP or the RWIP grants?

\* (20:20)

**Mr. Sexsmith:** It's—it varies by year, you know, I, I don't—I can't give you a number. Some—it, it varies quite a bit, actually. In some years there's a lot; other years there's not as many, and so, you know, it might vary from—I'm going from memory here—they might vary, you know, to as high as 50 or 60 or to as few as, you know, 8 or 10 or 12. And that's sor—that's sort of the order of magnitude.

**Mrs. Taillieu:** And do you find that there are people that repeat—repeatedly apply?

**Mr. Sexsmith:** Sometimes there are, you know, names that show up fairly frequently. Yes.

**Mrs. Taillieu:** So there's no provision to say that if you've got a grant one time that you are not eligible to get another grant, like you're still eligible to keep getting the grants. Is that how it works?

Mr. Sexsmith: My recollection of the policy is that it doesn't, it doesn't stipulate that you can't apply again to get a grant but certainly, you know, that would be looked at if, if you've been getting grants frequently. But if they're, you know, valuable grants then they may, you know, they—we have awarded grants to the same organizations more than once in—over the history of the program.

**Mrs. Taillieu:** Would you say that the services that have been provided by Viewpoints over the last several years have been about the same every year?

Mr. Sexsmith: Yes.

**An Honourable Member:** Yes?

Mr. Sexsmith: Yes, I, I would.

An Honourable Member: Well, it's interesting because-

Mr. Chairperson: Mrs. Taillieu.

Mrs. Taillieu: Well, thank you. It's just interesting to note that, if the services have been the same, that in 2005 Viewpoints was paid \$500,000, and then in 2006 that dropped to \$93,000 and then it was around \$100,000 after that. So that's why I asked the question, if, if the services had been the same, one contract was for \$500,000 and then the other ones were, were a lot less. So, perhaps, you can clarify.

**Mr. Sexsmith:** I think the, the \$500,000 number comes from projecting about \$100,000 over five years. It's generally about \$100,000 a year that we provided. We have, we haven't paid them \$500,000 in any one year.

Mr. Cliff Cullen (Turtle Mountain): Good evening, and thank you for being forthright in your, your answers this evening.

Just watching the news prior to supper time tonight, there was quite a dire warning out of Alberta where the Alberta Health and, and their—this is a technology question—apparently some hackers were able to get into the computer access—gain computer access to the Manitoba—or Alberta Health records, and I think they're just trying to ascertain just how serious the repercussions could be. But it, it's pretty evident, at least early on, that there's a lot of personal information involved in, in those particular accounts, and, obviously, that's certainly a concern for everyone. And I am just wondering what actions Workers Compensation Board has taken in terms of protecting the security of, of whatever computer technology that you're using at the board.

Mr. Sexsmith: Well, I'm, I'm not qualified to get too technical on this point, but I can tell you that our security is pretty tight. In fact, our staff grumble about it all the time because certain things can't get through that are, are legitimate and we have to make special requests to get it, but we certainly do, we take a number of security measures. Our IT folks are very security conscious. We do things like we test the system for security by doing what's called ethical hacks and those types of things to test our security. So, you know, that's the kind of stuff we do.

**Mr. Cullen:** Is, is all your IT stuff done internally, or do you tender out for any of the technical aspects of your computer programming or computer work?

**Mr. Sexsmith:** It is mostly internal. As I, I think I said earlier, we do contract out some things from time to time, but it's, it's mostly done internally.

**Mr. Cullen:** Then, your, your system is not available to anyone outside of Workers Compensation staff.

Mr. Sexsmith: Well, that—that's generally true. Other than, you know, things like our Web site and whatnot, where the public can go and there's, you know, if you're an employer, you can report claims on-line and there, there are, there are certain systems that allow for interaction. But generally, yes, what you—that's true.

**Mr. Cullen:** I guess in reviewing the claim side of things, assuming nowadays that all claims would be on-line—or I shouldn't say on-line, within your system at least on-line. So, do all your employees then have access to those particular files of, of individuals?

**Mr. Sexsmith:** The answer to that is no. They have access to various components of the system on an as-needed basis.

**Mr. Cullen:** Okay, thank you. A, a question in regard to my, my role as the critic for Manitoba Hydro, do Manitoba Hydro participate in the Workers Compensation Board?

**Mr. Sexsmith:** Manitoba Hydro is a covered employee, yes.

**Mr. Cullen:** So Manitoba Hydro are not self-insured then?

Mr. Sexsmith: They are self-insured, yes.

**Mr. Cullen:** In terms of the, the appeal process, when, when an individual finally gets down to the actual appeal process—and I, I know in your report they talk about how many weeks it is, and it certainly—it looks like you're, you're taking amends to try to shorten that, that wait time, but when an individual does get to the appeal process, does the corporation provide that individual with, with a staff person to help him work through that process?

**Mr. Sexsmith:** Well, in fact, there is an office called the Worker Advisor Office, which is avail—which is actually in the Department of Labour and Immigration, which is available to workers to help them through these processes.

**Mr. Cullen:** And then once, once an individual does get to the actual process and he goes in for a hearing, he could take either that particular individual with him or he could take someone of his own to work as

an adviser. Would he be able to, to use his own adviser or, or could he hire legal staff as well to, to participate in that, that appeal process?

**Mr. Sexsmith:** The answer to that is, yes, they can hire legal people if they want to.

Mr. Cullen: A question in terms of rates: I know that agriculture has now been included under the, under the Workers Compensation Board coverage, and in broad terms, for agricultural producers or farmers, is there one rate that's charged for all agricultural producers or is there a segmented rate, you know, based on, you know, the different—that would reflect the different undertakings on a given farm?

**Mr. Sexsmith:** There are different rates for different sectors, generally, generally tied to the lev–you know, the level of risk of that particular type of activity.

**Mr. Cullen:** And just in terms of, of rates in general here, recognizing that we've had certainly a downturn in terms of the markets and obviously, your income is, is reflected in that, where, where do you see the, the rates going in the future?

Mr. Sexsmith: That's a very good question, given the difficult economic circumstances we have right now. But what—all I can tell you about that at the present time is that the board makes decisions annually about rates. The board is monitoring our current financial situation very carefully over time. In fact, we've been reporting to them and discussing it regularly over the last few months. No decision has been made about, about any change in rates at this time. And, and, you know, the rates are normally announced by November, and I expect that would be the process again this year.

**Mr. Cullen:** Yeah, you talked earlier about targets in your funding ratio, and you talked about being in that 7 percent range. Whereabouts are you in today's terms? Can you make a comment on that?

\* (20:30)

**Mr. Chairperson:** Before I proceed to the answer, we've reached the 8:30 time that the committee agreed to review the sitting time.

So what's the will of the committee?

**Mr. Martindale:** I think we're here to, to work, and I think we're prepared to continue sitting, hopefully with a view of seeing at least one annual report passed—

An Honourable Member: Or two.

**Mr. Martindale:** –or two would be even better, rather than have them sit on the order paper for the next meeting, and if opposition members want to ask more questions, I think they should feel free to do so in order to make progress in trying to pass one or more reports.

**Mr. Chairperson:** Is it the will of the committee—Mr. Cullen?

**Mr. Cullen:** Yeah, just a comment. I think we only have—you know, if Mr. Sexsmith could answer my question, I think the, the critic might have one or two more questions or comments, and then we're certainly prepared to, to wrap things up here.

**Mr. Chairperson:** Does the committee, then, wish to continue sitting until 8:45 p.m. and then–

An Honourable Member: Nine o'clock.

**An Honourable Member:** Just a couple of questions.

An Honourable Member: Ten o'clock.

Some Honourable Members: Till we're done.

**Mr. Chairperson:** So we'll continue to sit until we've concluded the questioning then?

**An Honourable Member:** Yeah, and pass the report.

**Mr. Chairperson:** Okay. Thank you to committee members. Sounds like there's agreement.

Mr. Sexsmith, then, if you can recall the question, sir, please respond if you have the answer.

Mr. Sexsmith: We have, we do have funding—actually, you know, you're on to a very important point, and maybe I'll just elaborate on it a bit. The—you know, when you're looking at our, our financial statements, probably, you know, in the long term, the most important thing is what level are we funded at. So, you know, what are our reserve levels, and right now—or, right now—at the end of 2008 they were at 106 percent funded, so there were about \$62 million in reserves.

The target would be in the area of 240 to 250 million dollars. So at the beginning of 2008 we were pretty much right at our funding levels. So our funding levels were very negatively affected by the, the downturn in the financial–mainly the downturn in the financial markets, which is what we, what we discussed earlier.

So we do—the board does have a funding policy, and it stipulates what the board feels is an appropriate level of reserves to be kept in, in, in place for things like this year. So I don't know if that answers your question, but that's, that's the gist of it.

**Mr. Cullen:** Yeah, and I appreciate the, the response there, and this is maybe a, a political question in terms of policy. Like, the Workers Compensation Board basically has the ability to set its own rates and premiums. In other jurisdictions, such as Manitoba Hydro, they have the PUB to act as a watchdog for rates.

Has there been any discussion, to your knowledge or to the minister's thoughts—whether there has been any discussion about having a regulator oversee the rates that are set by the Workers Compensation Board?

**Ms. Allan:** That is certainly something, though, that we have never considered. We've never had a discussion about that. I think one of the things that is unique about the Workers Compensation Board is that it has a tripartite board of directors with the employer stakeholders and the worker stakeholders and the public interest stakeholders on it, and they are appointed in consultation with the stakeholders.

So there is a confidence level that the governance is quite strong in regards to decisions that are made at the board level, and they are—as probably everyone is right now, employers and workers alike—watching the downturn in the economy and what that might do to any increase in the assessment rates. So it's a matter that is of great concern to the board right now.

**Mr. Cullen:** Just to get a sense, then, from other provinces, other jurisdictions, do they operate the, the same way that the, the board does here in Manitoba in terms of establishing their own premium rates?

Mr. Sexsmith: That is my understanding. I'm not aware of anybody that has any other regulatory process. It's—you know, the rates are set, you know, in consideration of, of a number of things. For example, you know, what is the risk level, et cetera, of, of the portfolio, what is—or, pardon me, what is the risk level of the various industries that are covered. So, you know, you'll find it'll vary across, across the country, so that, you know, the rates will vary.

Our rates that we're proud to say are the third-lowest in the country.

Mrs. Taillieu: I don't have a question. I just wanted to clarify, when I asked about the, the funding to the Manitoba Federation of Labour Occupational Health Centre, that came from the statement of their financial position ending March 31st, 2007, that they received \$62,538 from the Workers Compensation Board, and in 2006, received \$130,515 from the Workers Compensation Board. So that's why I was asking that question. That's where that information came from.

**Mr. Sexsmith:** I'd have to check and see exactly what that is but I know, I know that the MFL Occupational Health Centre has occasionally successfully applied for grants under the RWIP, formerly the CIRP program.

Mrs. Taillieu: And I guess that's what I was trying to look to see whether there was organizations that received grants outside of the grant process, or whether this was part of the grant process, because I am aware that they have received grants under the CIRP program. And so I just was trying to find out if this was something separate and how many other organizations would, would, would do, would receive similar, similar funding.

**Mr. Sexsmith:** You know, I can't think of any funding that goes to the MFL Occupational Health Centre, other than something through the grant program. Certainly, we don't provide any regular funding to the MFL.

**Mrs. Taillieu:** And I just, I don't want to belabour the point, but I think that the cap was 130,000–or \$100,000, and so, in 2006, when \$130,000 was received, I guess that was sort of a trigger for the question.

**Mr. Sexsmith:** Well, you know, there's no hard cap of \$100,000 on any one particular year. It would depend on how the grant was approved and how much was cash flowed in any particular period of time and whatnot. But, I'd have to, you know I'm speculating a little bit here, I must say, so I'd have to look at it and see.

**Mr. Chairperson:** Any further questions from committee members?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** Seeing none, then we'll proceed to the reports before the committee for its consideration.

Shall the annual report of the Workers Compensation Board for the year ending December 31st, 2006, pass?

Some Honourable Members: Pass.

**Mr. Chairperson:** The report is accordingly passed.

Shall the annual report for the Workers Compensation Board for the year ending December 31st, 2007, pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

Shall the annual report of the Workers Compensation Board for the year ending December 31st, 2008, pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is accordingly not passed.

Shall the annual report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2006, pass?

Some Honourable Members: Pass.

Mr. Chairperson: The report is accordingly passed.

Shall the annual report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2007, pass?

Some Honourable Members: Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

Shall the annual report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2008, pass?

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Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

Shall the five-year plan of the Workers Compensation Board for 2006 to 2010 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed. *[interjection]* 

Does the committee wish to have that matter reviewed?

Some Honourable Members: Yes.

**Mr. Chairperson:** We will reread it then.

Shall the five-year plan for the Workers Compensation Board for 2006 to 2010 pass?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The report is accordingly passed.

Shall the five-year plan of the Workers Compensation Board for 2007 to 2011 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

Shall the five-year plan of the Workers Compensation Board for 2008 to 2012 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

Shall the five-year plan of the Workers Compensation Board for 2009 to 2013 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

**Mr. Chairperson:** The Chair hears a no. The report is not passed.

That concludes the business before this committee here this evening. The hour being 8:40 p.m., what's the will of the committee?

**Some Honourable Members:** Committee rise.

**Mr. Chairperson:** Committee rise.

Also, would members not needing the copies of the annual reports before them, and the five-year plan, please leave those copies on the table for future committee use.

Thank you to committee members for your co-operation this evening and for our members of the Workers Compensation Board for your attendance here at this committee.

COMMITTEE ROSE AT: 8:40 p.m.

The Legislative Assembly of Manitoba Debates and Proceedings are also available on the Internet at the following address:

http://www.gov.mb.ca/legislature/hansard/index.html