Fifth Session - Thirty-Ninth Legislature

of the

# Legislative Assembly of Manitoba

## Standing Committee on Crown Corporations

Chairperson Mr. Daryl Reid Constituency of Transcona

Vol. LXIII No. 5 – 6 p.m., Monday, June 6, 2011

#### 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.
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GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer, Hon.	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
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MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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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.
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WOWCHUK, Rosann, Hon.	Swan River	N.D.P.
Vacant	Inkster	N.D.I .
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### LEGISLATIVE ASSEMBLY OF MANITOBA THE STANDING COMMITTEE ON CROWN CORPORATIONS

#### Monday, June 6, 2011

*TIME – 6 p.m.* 

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Daryl Reid (Transcona)

VICE-CHAIRPERSON – Mr. Gregory Dewar (Selkirk)

#### ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mses. Howard, Marcelino, Wowchuk

Mr. Altemeyer, Ms. Brick, Messrs. Briese, Dewar, Reid, Mmes. Rowat, Taillieu

Substitutions:

Mr. Cullen for Mr. Graydon

Hon. Mr. Struthers for Mr. Altemeyer at 7:25 p.m.

#### **APPEARING:**

Mr. Michael Werier, Chairperson, Workers Compensation Board

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

Mr. Alan Scramstad, Chief Appeal Commissioner, Workers Compensation Board

#### MATTERS UNDER CONSIDERATION:

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 Workers Compensation Board for the year ending December 31, 2009

Annual Report of the Workers Compensation Board for the year ending December 31, 2010

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 Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2009

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

*Five Year Plan of the Workers Compensation Board for 2010 to 2014* 

*Five Year Plan of the Workers Compensation Board for 2011 to 2015* 

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**Mr. Chairperson:** Good evening, everyone. Will the Standing Committee on Crown Corporations please come to order.

This meeting has been called to consider the following reports: the annual reports of the Workers Compensation Board for the years ending December 31st, 2007; December 31st, 2008; December 31st, 2009; and December 31st, 2010; the annual reports of the Appeal Commission and Medical Review Panel for the years ending December 31st, 2009; and December 31st, 2008; December 31st, 2009; and December 31st, 2010; the five-year plans of the Workers Compensation Board for 2007 to 2011; 2008 to 2012; 2009 to 2013; 2010 to 2014 and 2011 to 2015.

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

**Mrs. Mavis Taillieu (Morris):** I suggest we sit until 8 o'clock and then reassess.

Mr. Chairperson: It's been suggested to this committee that we sit until 8 p.m. and then review

our sitting at that point in time. Is that agreed? [Agreed]

Thank you.

#### **Committee Substitution**

**Mr. Chairperson:** Before we proceed any further, just for information of committee members, Mr. Cullen is substituting, I believe, for Mr. Graydon.

\* \* \*

**Mr. Chairperson:** Are there any suggestions from committee members as to which order you wish to consider the reports that I have just previously mentioned?

**Mrs. Taillieu:** Yes, if we could consider them in a global manner. I will be going somewhat through the book but more in a global manner.

**Mr. Chairperson:** It's been recommended to this committee that we review all the reports mentioned in a global fashion. Is that agreed? [Agreed] Thank you.

Now, does the honourable minister responsible for the Workers Compensation Board wish to make an opening statement, and would you also please introduce your officials in attendance here this evening.

Hon. Jennifer Howard (Minister charged with the administration of The Workers Compensation Act): Yes, with-joining me at the table I have Doug Sexsmith, the CEO of the Workers Compensation Board; and Michael Werier, the chair of the board for the Workers Compensation Board; and when Doug speaks, I'll let him introduce the rest of the staff that's with him.

I very briefly just want to say that for me it's been a real honour to serve as the Minister responsible for the Workers Compensation Board. I found the level of commitment to ensuring the safety of workers very inspiring from not only people that work for the board but also the people that serve on the board. And I think that commitment, combined with a lot of very good action on the part of employers and employees, has resulted in seeing the time-loss injury rate continue to decline in Manitoba.

Still more work to do there–absolutely, but we have seen some tremendous progress, and I think that's because the board has been very forward-looking and innovative, taking its responsibility to prevent workplace injury just as seriously as it takes its responsibility to compensate those who've been injured.

I think some of the highlights you'll hear from Doug and Michael tonight will include things like some of the education campaigns they've done. Of course, in the Legislature, we're familiar with the presumptive legislation for firefighters. The board has also been involved in all of that while being able to lower their assessment rates, and I think that's due to employers coming on board and making sure that they have fewer accidents, but also the fact that the board is incredibly well managed financially.

So, with that, I will end my remarks and we'll proceed.

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

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

**Mrs. Taillieu:** I don't really have an opening statement, Mr. Chair, just to welcome everyone here and hopefully we can–I have a number of questions I'd like to get through, so the more succinct the answers are, the quicker we'll go.

**Mr. Chairperson:** We thank the critic for the official opposition for the opening comments.

Do the officials of the Workers Compensation Board have an opening comment?

Mr. Michael Werier (Chairperson, Workers Compensation Board): Yes, I wouldn't mind taking the opportunity to make a few comments. I've had the privilege of serving as the chair of the Workers Compensation Board for over two years now and just wanted to comment very briefly on some of the developments and trends we've had at the board, particularly as they relate to the role of the–and the mandate of the board of directors.

The board itself, when I say board, the board of directors plays a crucial role in ensuring that the administration fulfills its mandate, and we oversee decision making in key policy areas and ensuring the sound investment of funds and overall management of resources and decide on future directions of the WCB.

In the-over the past year, the board's played an important role in a number of areas that I was just wanted to highlight. One, there is a decision to establish a new office in Brandon which is expected to open early in 2012.

There's been improvements to certain policy areas. One important initiative that we've undertaken has been an ongoing review of the policy on OPIOID medications which we hope to see passed and moved forward within the next number of months. There's been the establishment of the CORE program as a permanent feature of the construction industry. There has been the generating of knowledge for decision making through our Research and Workplace Innovation Program. We've been able to achieve a positive funding ratio.

#### \* (18:10)

A couple of things that I'm particularly proud of, as well, is we've worked very hard to maintain ongoing communication with our stakeholder groups. That means, on an ongoing basis, meeting with the Manitoba Employers Council, with various interest groups representing trucking, construction, as well as the Manitoba Federation of Labour, and that's all been designed to make sure that we let our stakeholder groups know what's happening at the board. We get input from them on issues of importance to them, and that helps to facilitate the overall operation of the board.

The–as well, I'm pleased to say that there's been a lot of collaboration between the respective members on the board. As you know, we have three public interest reps, three representatives of management, three representatives of labour and myself who is the independent chair, and we've really been able to develop a consensus approach to decision making at the board. Of course, there's different views that are expressed, but there's been a great deal of collaboration between the respective members of the various constituents' groups on the board, and that's enabled us to move forward on a number of the initiatives we've undertaken.

We've–as a board, we meet annually to have a planning symposium where we plan future direction on policy areas, which we just completed last week, and, in addition, a major undertaking we have is we're currently in the process of hiring a new CEO to replace Mr. Sexsmith, who's–who will be retiring at the end of this year, and that's a primary focus of the board as well.

In the area of governance, just wanted to highlight a couple of points that had been made under legislative changes that occurred in 2006. We've added an external member to our Audit Committee and we're adding an external member to our Investment and Finance Committee, just drawing on expertise from the community in a totally transparent process, having applications for those positions and bringing on people who have expertise in those areas to ensure that we're fulfilling our mandate on the board. In addition, we brought in Brown Governance just to assess our own board capabilities to assess where we require additional strength so–in order to fulfill our mandate. As part of its planning function the board has approved a five-year plan for '11 to 2015 and that builds upon the board's priorities of prevention, recovery, service and stewardship.

Overall, I just want to thank the board members for their ongoing participation, and with a board like the WCB it's a complex organization. There's a lot of issues that come before us, but I'm confident that with the representative we-representatives we have on the board of directors and the maturity, experience and knowledge that they bring to it, that, in addition to the staff that are here today, the people in leadership positions, that we're in a good position to move forward to deal with addressing the rights of injured workers and as well employers who employ these workers in the province.

So those are my comments. Thank you for your attention.

**Mr. Chairperson:** Thank you, Mr. Werier, for the opening comments.

Do either of you wish to introduce the staff you have in attendance with us this evening? Mr. Sexsmith?

Mr. Doug Sexsmith (President and Chief Executive Officer. Workers Compensation Board): Yes, I'll do that. I have a few brief comments, but I will introduce the staff first. Starting from my immediate left here we have Lori Sain, who is the corporate secretary and general counsel; and Lorena Trann, who is our chief financial officer; Dave Scott, who is our vice-presidents-president of Rehabilitation and Compensation; Alice Sayant, who is our vice-president of assessments-or pardon me, of prevention, Assessments and Customer Service; and Warren Preece, who is our director of communications. We also have here with us this evening Alan Scramstad, who is the chief appeal commissioner, and Roger Lafrance, who is the assistant registrar, should there-should any questions come up during the proceedings about the Appeal Commission.

And I do have a couple of comments to make about our activities, and I'll be brief. I'll confine my comments actually to the last year or so because we have in the last month or so produced our 2010 annual report, and since that's the most recent one, I'll talk about that mainly.

We're very, very pleased with our progress in a number of fronts. We have throughout the 2010 year, as the minister mentioned, enjoyed a reduction in injuries. Our injury rate is down-now down to 3.3 per 100 workers in-for 2010, which is over a 40 per cent reduction since 2000, a very, very positive development for workers and employers alike. Our claim duration, which is a measure of how long people receive benefits, has been reduced. It's been going down over the last couple of years. We have a long-term target of 37 days on average. At the end of 2010, we were at 37.4, which is great progress. I expect to surpass that goal sometime in 2011, we hope.

Overall claim costs are actually down in real terms year over year, down 17–over \$17 million due to injury reductions and duration reductions as well.

Our revenue is-has been in good shape. Our investments performed at 9.5-pardon me, 9.1 per cent during 2010. Our premium revenue was solid and our overall revenue was up \$67.8 million, largely due to positive investments.

Our total comprehensive income for 2010 was \$19 million, very much in-above the-what we had budgeted in our five-year plan. Our reserves grew to \$231 million which gives us a funding ratio of 124 per cent, up from about 115 per cent in the previous year.

And so we were in a good position to be able to reduce rates during our announced rate reductions in 2010 for the 2011 year, and we now have rates at \$1.50 per a hundred dollars of payroll, which is the second lowest rate in Canada. So we're very proud of that.

And, throughout this time, we continued to work on our service goals. It's been mentioned a number of times that we'll be opening a Brandon office. We're confident that will enhance our service greatly in western and southwestern Manitoba. We continue to make good progress on a number of our-not only our service but our quality measures as well, which we can talk about during the proceedings. Timeliness of payments has continued to improve and the quality of our case management has also continued to improve.

So that's-with those few comments, I'd be glad to take any questions.

**Mr. Chairperson:** Thank you, Mr. Sexsmith and Mr. Werier.

The floor is now open for questions.

Mrs. Taillieu: Thank you both for those statements.

Can you tell me how often would you, as board chair and CEO, how often would you meet with the minister?

**Mr. Sexsmith:** Well, it certainly varies depending on whether there are issues to discuss. I think, going back over history, probably once a quarter or perhaps a little more often depending on what issues may come up from time to time.

**Mrs. Taillieu:** And when was the last time that you did meet with the minister?

Mr. Sexsmith: I met with the minister last week, actually.

**Mrs. Taillieu:** At that time, did you have any discussions about this committee meeting tonight?

Mr. Sexsmith: Yes, we did.

**Mrs. Taillieu:** Can you just tell me exactly when you did meet?

**Mr. Sexsmith:** You're testing my memory there. It was–you know, I'd have to check my calendar. I think it was–I believe it was Thursday.

**Mrs. Taillieu:** Thank you very much. So you met with the minister last Thursday, and was there any discussion, then, in the meeting in regard to the line of questioning that would be here tonight?

**Mr. Sexsmith:** Yes, it's normal procedure, actually, when we meet with the minister to talk about issues like this, what do we think the kinds of things are that will come up.

**Mrs. Taillieu:** Thank you. Any direction given in terms of types of answers that would be appropriate for you to give tonight?

#### Mr. Sexsmith: No.

**Mrs. Taillieu:** Any guidance given in what you should be saying tonight?

**Mr. Sexsmith:** No, I don't recall any guidance, you know. I don't mind telling you that it was a fairly brief meeting and we talked about a few issues and then away we went.

**Mrs. Taillieu:** What would be the issues, then, that you would be concerned about and would be–

\* (18:20)

**Mr. Sexsmith:** I don't think that advice to the minister is something that I should give you the details of, but I can tell you that, in general terms, that we talked about the kinds of things that I mentioned in my opening remarks, that those are the kinds of things that—the comments that I was going to make, and we talked about some of the kinds of issues that had have been asked in the past.

**Mrs. Taillieu:** Before coming to a committee such as this, do you, then, meet with members of the public or in terms of the groups that you spoke out with, you know, the trucking association, Manitoba Federation of Labour, construction association? Do you meet with these people too before you come to committee?

**Mr. Sexsmith:** No, we don't, actually. We do meet with those kinds of groups on an ongoing basis, but we-as part of preparation for this meeting we don't do that.

**Mrs. Taillieu:** Can you tell me if the–if there's any ministerial direction given in terms of policy directives to your board?

**Mr. Sexsmith:** No. No, I'm not aware of any policy directives at all, actually.

**Mrs. Taillieu:** Does the board, in general, then, meet with the minister or just would you be the one that meets with the minister or is it the whole board?

**Mr. Sexsmith:** It's usually the chair and I who meet with the minister. On occasions, ministers, when they have time, probably when the House is not sitting so much, occasionally meet with the board.

**Mrs. Taillieu:** What current procedures do you have in place for training for board governance for board members?

**Mr. Sexsmith:** Well, we're fortunate right now in that we have quite an experienced board, but we take a number of measures, actually, to train board members. We have specific sessions with a consultant that we use from time to time on investments. We hired a corporate secretary, and general counsel will brief new board members, will

bring specific items to the board on an educational basis. We will send board members to governance training that the Association of Workers' Compensation Boards of Canada put together, and those types of things are the kinds of things that we do.

**Mrs. Taillieu:** Then are all the current board members, have they all had this government–governance training?

Mr. Sexsmith: Yes, I believe so.

**Mrs. Taillieu:** And if there's travel involved with this, I'm sure–I'm assuming that this is covered under their expenses. Would that be correct?

**Mr. Sexsmith:** Yes, it would be covered. Most of the things that I mentioned would be done in Manitoba. Occasionally, we do send them on–we–they do travel to what I call AWCBC events.

**Mrs. Taillieu:** So where would that be to? I didn't quite catch what you said there, the 'anacronym' or-

**Mr. Sexsmith:** Excuse me. Annually, the Association of Workers Compensation Boards–which I use AWCBC for occasionally–every year there's a–what they call a learning symposium, and attached to that there's a special one-and-a-half to two-day session for board members, and it's hosted–each jurisdiction takes a turn hosting it.

**Mrs. Taillieu:** Mr. Chairman, and then, in terms of overall expenses for the board, did the board, I guess–is charged with approving their own expenses?

**Mr. Sexsmith:** Well, each board member would submit their expenses to the board chair, and then the board chair's expenses are approved by the chair of the audit committee and then co-signed by me as well.

**Mrs. Taillieu:** Is there an annual evaluation of board members? I guess I don't really want to use the word "performance appraisal" but for lack of a better term, I guess, just a review of board members to ensure that they've met the appropriate standards?

**Mr. Sexsmith:** We've actually done a lot of work around board evaluation, but it hasn't been of the individual members; it's been of the functioning of the board as a whole and the functioning of the committees. So, in a way, I guess, that gets down to how the board members themselves are functioning.

Mrs. Taillieu: And can you tell me who does that?

**Mr. Sexsmith:** We've used Brown Governance to lead that work.

**Mrs. Taillieu:** Could you tell me who Brown Governance is?

**Mr. Sexsmith:** It's a consulting firm which specializes in governance work.

**Mrs. Taillieu:** I'm not familiar with this Brown Governance. Is this a contract, then, that you would have a group come in and do this for you? You pay them on contract basis?

**Mr. Sexsmith:** Yes, it is, and, actually, our work goes back with them a number of years. I think they're a firm that used to be attached to the Conference Board of Canada. And we have used them and discussed their use with the Auditor General and whatnot, and they come very highly recommended. So that's-we've been using them for a number of years.

Mrs. Taillieu: Are they a local firm?

Mr. Sexsmith: They live in Ottawa, I believe.

**Mrs. Taillieu:** Are there any local firms that provide this type of service?

**Mr. Sexsmith:** I should correct that; they live in Toronto now. And sure, I assume there would be some local firms who would do this kind of work. However, we established a relationship with them at a time when we were looking for a national expert, I guess you would say, in terms of making sure that our governance was top notch, and so we developed that relationship and we've used them from time to time since then.

Mrs. Taillieu: When did you first hire them?

Mr. Sexsmith: We first hired them in May 2005.

**Mrs. Taillieu:** And was this a tendered contract or just an awarded contract?

Mr. Sexsmith: I believe it was an awarded contract.

**Mrs. Taillieu:** So there was just one firm awarded the contract, no one put out any request for services to determine if there was a best price? What are you paying this group to provide the services to you?

**Mr. Sexsmith:** Yes, we did it on-we did it-we sourced it with them because they came very highly recommended. It was a reasonably small contract. It was, I believe, less than \$10,000 when we first used them. The most recent cost that we used them for was to look at the-what we call the matrix of

competencies for the board members. That's what kinds of skills do they have versus what kinds of skills they should have. And that was the most recent contract, which was \$7,000.

**Mrs. Taillieu:** Is that per year, or per–can you explain that a little more?

**Mr. Sexsmith:** The \$7,000 would have been to do an assessment of the board's skill levels and a gap analysis and to meet with the board and to talk about what kinds of skills they should have versus what kinds of skills they do have, and that type of thing. So it would have been a consulting job as opposed to a time frame.

**Mrs. Taillieu:** Can you tell me who recommended them to you?

**Mr. Sexsmith:** I don't know that we had a specific recommendation. We did some research and found that they were, having had–Mr. Brown, having had experience with the Conference Board of Canada, had a national reputation, and we knew that the Auditor General in their governance work had quoted them and used them as a reference significantly. So that's how we landed on them.

**Mrs. Taillieu:** Who owns Brown Governance? Is it Brown Governance? Who owns that company?

Mr. Sexsmith: I believe it's Mr. Brown and his daughter.

Floor Comment: Mr. and Mrs. Brown, actually.

\* (18:30)

**Mrs. Taillieu:** Well, that makes sense. I guess I'm just–if you could maybe elaborate on their credentials. How do we know them here in Manitoba?

**Mr. Sexsmith:** I believe they're quite well known nationally, and it is David Brown and his wife. I said daughter; I should have said wife.

They have a national reputation. I think he built up that reputation through years of work with the-in Ottawa with all kinds of groups and seems to be well known. Off the top of my head, I can't give you references in Manitoba, but I'm sure there are many and so he's just a nationally known governance expert.

**Mrs. Taillieu:** How often do your board of director–does the board of directors meet?

Mr. Sexsmith: The board of directors generally meets monthly. The legislation requires that they

meet 10 times a year so they didn't-it varies. They don't usually meet in July so-and sometimes not in February. So it's usually about 10 times a year.

**Mrs. Taillieu:** Of the present board members, have any of them held previous board positions? Or maybe you can just explain what previous board positions any of them have held or if not.

**Mr. Sexsmith:** Actually, I don't know the history of all of the board members in terms of what boards they've sat on over the years.

**Mrs. Taillieu:** Do you know if any of the board members held previous government positions?

**Mr. Sexsmith:** I can't think of any who've held government positions. I know that at least two of the board members have previously sat on the Appeal Commission, the WCB Appeal Commission, but I–nothing comes to mind in terms of other government positions that I can think of.

**Mrs. Taillieu:** And I guess none of them are related to Mr. and Mrs. Brown.

**Mr. Sexsmith:** If they are, it would be news to me, yes.

**Mrs. Taillieu:** Can you outline how many new health-care professionals the Workers Compensation Board has hired in each of the years under consideration here? I guess from 2007 to 2011, or at least '10.

**Mr. Sexsmith:** Well, I can tell you that we have 46 health-care professionals and I think the last time I answered this question, it was 45 and I know we've hired a nurse. We've added a nurse to the complement to help us keep, you know, look into what kind of care we provide, where a nurse might be able to relieve some of that work from a doctor. But how many we've hired each year, I–you know, I'd have to look for that information for you.

**Mrs. Taillieu:** Okay, thanks. I'll look forward to that then from you later.

What about physiotherapists, occupational therapists? Any new hires there? Would you know?

**Mr. Sexsmith:** No, I think we still have the same people.

**Mrs. Taillieu:** I just wanted to also talk a little bit about a backlog of wait times for the appeal process. Can you tell me exactly–I know that there–at least one time earlier this spring, there was a significant

backlog in the appeal process. Can you tell me where that's at right now?

**Mr. Sexsmith:** There are a couple of levels of appeal which I'll just explain. At the–and if–I assume we're talking about appeals of claims, so I'll start there.

There's-within the Workers Compensation Board, there's an appeal process called the Review Office and that's-that operates within the Workers Compensation Board. And from there, there's an appeal to the Appeal Commission and to the best of my knowledge, the level of service that we've been providing at the Review Office-we have a target there of meeting-of dealing with 90 per cent of the appeals within 60 days. And we've generally been pretty good in our service levels there.

So you may be referring to the wait times for appeals at the Appeal Commission, and there I'm not really that well placed to speak to that, but I can give you a little of information as long as the appeal commissioner doesn't give me the–a head shake here. And I think that there their wait times did stretch out a little bit over the last year to two years. However, I understand that they now have plans in place such that they're meeting or they're–they've got a lot more hearings planned and are starting to make progress on catching up on that backlog.

**Mrs. Taillieu:** Just to go further on that, what would be the normal number of cases that would be, sort of, in line to be heard before the Appeal Commission in any given time?

**Mr. Sexsmith:** I'm going to invite the chief appeal commissioner, if you don't mind, to the table, and I'll give him my spot for a few minutes.

**Mr. Chairperson:** Good evening, Mr. Scramstad. Welcome. I take it you heard the question?

Mr. Alan Scramstad (Chief Appeal Commissioner, Workers Compensation Board): I heard the question.

Mr. Chairperson: Please, when you're ready.

**Mr. Scramstad:** At the current time–those are the stats I am most familiar with–we've got–we have 75 cases that are scheduled for hearing between now and October of this year. We have 25 cases waiting to be scheduled. Scheduling depends on the complexity of the case and the willingness of the party to proceed with their case. We can handle–or we can schedule cases into September now if a party comes forward and they're ready and the case is one that doesn't involve a lot of file access and that. So,

at the current time, I don't know whether you would call it a backlog, because 75 is generally the number of cases that we carry forward–or that we schedule into, head into.

But I can tell you that, commencing in 2009 and into 2010, there was a bit of a delay in terms of scheduling. We've resolved that, we believe. This year, as of the end of June–I'm projecting three weeks–we will have dealt with 107 appeals. Last year, in that same time period, we dealt with 48, so we've made a significant difference–or improvement in our cases.

**Mrs. Taillieu:** Can you explain, then, was it the intensity, I guess, of the appeal or the–no, intensity's not the word I want–complexity of the appeal, or was it that there was more staff hired, or what enabled you to bring it up to less of a backlog?

**Mr. Scramstad:** Certainly, that's a–the answer is a very personal one. In–at the end of 2008, I was stricken with an illness and was away for 16 months. And during that time period, we had part-time appeal commissioners, chairs who carried a fairly good size of the load, but not sufficient, so a bit of a backlog developed. I came back to work in April of 2010, and since that time our numbers have improved. And this year, again, we've made a real effort to try to get them as I've been increasing my manpower, my work hours.

Mrs. Taillieu: And I'm sorry to hear that.

Floor Comment: Well, I'm here today.

**Mrs. Taillieu:** Yes. No, and–so, then, are you the only person, then, that can do this kind of work?

Floor Comment: No.

Mr. Chairperson: Mr. Scramstad.

Mr. Scramstad: Sorry, I should wait for the Chair to ask.

No, I'm not the only person who does this type of work. The Appeal Commission is a tripartite body. We have representatives of workers and we– representative of employers and representatives of the public interest.

With respect to chairs, there's myself and another full-time chair, Lindy Choy. Lindy served as acting chief appeal commissioner during my leave. We also have four part-time chairs who are lawyers in active practices, and they also can chair hearings. On the workers side, we have one full-time worker representative and we have five part-time worker representatives. On the employers side, it's the same; we have one full-time employer representative and five part-time employer representatives.

\* (18:40)

**Mrs. Taillieu:** What would be the average or normal wait time that someone would need to wait after they went through the Review Office to get a hearing before the Appeal Commission?

**Mr. Scramstad:** You know, I might ask Mr. Lafrance if he could come up and help me with some of these numbers. Can you tell me the time period you're looking for, and that might–

**Mrs. Taillieu:** What I'm looking for is what, in a normal time period of maybe a year, I guess, what-how-well, I won't even say within a year. I'll just say, normally, if I was to go before the review office to have my case reviewed, how long would it then be, normally, in a normal circumstance, that I would have to wait before my case would come before the Appeal Commission?

**Mr. Scramstad:** In 2008, it was 14–almost 15 weeks, and in 2010, it increased to 27 weeks; 2010, we also saw an increase in cases of 13 per cent.

**Mrs. Taillieu:** Can you indicate, the increase in cases of 13 per cent, was there a trend here as to the type of cases? Were they more complex or more severe, or just why did you have an increase?

**Mr. Scramstad:** Sorry, I couldn't tell you. We wouldn't assess the cases that way. We deal with every case that file–that an appeal is filed on. We try to give them as prompt a service as possible, and, as I said, for 2011, which isn't, actually, our topic today but just to give you an idea of where we're at, we are scheduling cases as of September and into October. Our summer schedule is fairly full at this time.

**Mrs. Taillieu:** Thanks. The members of the Appeal Commission, are they appointed members?

**Mr. Scramstad:** Yes, there's three types of members. There's members who are representative of employers, members who are representative of workers and public interest members.

The members from the employers and the worker community are nominated by their respective groups. In the case of employers, it's the Manitoba Employers Council. In the case of workers, it's the Manitoba Federation of Labour. Public interest members are generally lawyers and are appointed by the government and follow the board's and commission process.

**Mr. Cliff Cullen (Turtle Mountain):** Thank you very much for the responses.

I'm wondering in terms of total number of claims what percentage of claims make their way through to the Appeal Commission.

**Mr. Scramstad:** I don't have a number, but I can tell it's a very small number of cases that actually go to the Appeal Commission from the WCB. We're looking at–this year I would project we're going to deal with 200 appeals. That's a very small number when you consider the number of cases that the WCB deals with.

**Mr. Cullen:** Would you know what number of or percentage of cases or claims go internally to the review process within Workers Compensation, or do you have anyone privy to those numbers?

Floor Comment: I'm sorry, that's-

**Mr. Chairperson:** Mr. Scramstad, you have to wait until I recognize you so they can turn your microphone on and off, sir.

**Mr. Scramstad:** I'm anxious to answer. Yes, I don't know. That's something that Mr. Sexsmith, I'm sure, would have the stats on.

**Mr. Cullen:** Once someone goes through the appeal process and if they're not successful, what recourse do they have after that? If their claim is denied by the appeal board, what recourse do they have after that?

**Mr. Scramstad:** There's two recourses. One is that they can commence an application for judicial review if there's been a legal error in the decision. There's also the opportunity for them, again if there's been an error in the decision, to apply to the board of directors under a section of the act which deals with errors made by the Appeal Commission and the board of directors has the ability to stay a decision of the Appeal Commission.

**Mr. Cullen:** Is there a cost for a claimant taking an appeal to the commission?

Mr. Scramstad: There's no cost.

**Mr. Cullen:** Then, anything after that, if there's a subsequent appeal, then any cost would be borne by those that would want to appeal it further?

**Mr. Scramstad:** If they were to go to the board of directors they probably run it-they don't charge a cost I'm sure. If they were to appeal to a court, yes, they would likely have a legal bill. But the court can order costs against a party as in any civil proceeding.

**Mrs. Taillieu:** The members of the Appeal Commission, do they get paid?

**Mr. Scramstad:** Yes, the full-time members are paid on a provincial government senior officer scale. The part-time members are paid an hourly rate, and I believe the hourly rate, including the preparation time, is \$40 per hour for a worker and employer rep and \$55 per hour for a chair. The chair is responsible for writing the decision and conducting the meeting.

**Mrs. Taillieu:** And I guess–who does the Appeal Commission report to? Are they–do they report to the board? Do they report to the minister? Who do they report to?

**Mr. Scramstad:** The Appeal Commission is set up as an independent body under The Workers Compensation Act so we don't have a reporting relationship with the WCB, although we certainly keep them informed of issues that are of concern and of our general number of cases we deal with. We do provide to the minister to be filed in the Legislature an annual report.

**Mrs. Taillieu:** What–how many I guess–how many that–of the cases that would come before the Appeal Commission would be rejected?

**Mr. Scramstad:** Last year, for example, 2010, 125 decisions were issued, 85 were not accepted. In 2009, 127 cases were issued–or decisions were issued, 72 were not accepted, and in 2008, 168 decisions were issued, 106 were not accepted. Percentage wise, 2010 was 68 per cent; 2009, 56.7 per cent; 2008, 63.1 per cent. My understanding is that the range for appeal commissions across Canada is in about the 60 per cent range. Not that that's not a goal or a factor we consider. But, at the end of the year when we look at our numbers, there's generally–they fall into that category.

**Mrs. Taillieu:** Then how long does it term–take to settle an appeal process, then? First of all, it seems that the odds are stacked against a person. I mean, just in terms of the numbers that you've cited there, that the odds are that you're going to be rejected. So, I guess, just how long is this process to find out that at the end you're rejected?

\* (18:50)

**Mr. Scramstad:** The process can take, in terms of a decision from the Appeal Commission, the process can take–well, a stat from–sorry–I'm going to say approximately 35 weeks. Now, I said 35 weeks, that's an average figure for last year, but we have cases that take two years to deal with, not because of the actions of the Appeal Commission, but because the parties are having discussions. They are–sometimes they schedule the hearing and they're not prepared to proceed.

We've had cases that have been 80-plus weeks long. So that figure is skewed a bit by that. I mean, some cases—earlier in the year, we had our numbers down quite a bit, but certainly for last year, it was 35 weeks was the average.

**Mrs. Taillieu:** What's the total value, then, of compensation payments that would have been made through the Appeal Commission?

**Mr. Scramstad:** Sorry, we-that's not a number that we have any ability to track. Once we make a decision, it goes back to the WCB to implement. That person could be in benefits for the rest of their life, or it could be something that's a very short-term impact decision, but we have no-we don't follow the cases. We no longer have any legal ability to do that.

**Mrs. Taillieu:** Once a person has gone through the appeal processes and is found that, yes, they've been successful in their bid, do they then receive any compensation up–for the time period that they would've been pursuing their appeal?

**Mr. Scramstad:** It–I'll say generally, yes, depending on the issue before the Appeal Commission. If the issue is one of are they entitled to benefits from a particular date forward, then the Appeal Commission will make a decision that, yes, they are entitled to benefits from that date and sometimes that date will go on into the future.

Other times, that date will be for a limited period of time, because the issue is, as of this date, were they entitled? We'll say yes, but their circumstances might have changed in the interim. But the answer is, yes, they would be-generally, they're entitled to benefits until it's determined they're no longer entitled to benefits.

**Mr. Cullen:** When someone decides they're going to submit an appeal to the commission, does the commission or Workers Compensation Board provide an advocate for that individual to help him work through the process?

**Mr. Scramstad:** The WCB provides funding, I believe, through the Department of Labour for a program called the Worker Advisor Office. The Worker Advisor Office, as I understand, deals with cases both before the Workers Compensation Board and also before the WCB.

The-they carry a fairly large caseload, as I understand, and we would see anywhere from 40 to 50 appeals a year with people represented by the Worker Advisor Office. The Worker Advisor Office does not charge a fee for their services.

**Mr. Cullen:** Yes, just looking at the 2010 annual report, you know, we're looking–I'm looking at the year over year in terms of the average time from the date the appeal received until a decision published. I know we talked a little bit about this, but, to me, it's pretty disturbing when we see in 2008 we were at 23 weeks; in 2010, we're up to 35 weeks. There's certainly a substantial increase there.

Are you confident that we can-we've turned the corner on that?

**Mr. Scramstad:** Well, I'm confident that we are dealing with cases more quickly. Whether that number will change will depend on a whole bunch of variables, including the ability of the parties to proceed to the hearing when it's scheduled or when the date is offered. But, as I pointed out earlier and, again, this is 2011 stats because I think that's really the–it is my concern right at this point. We've dealt with–we will have dealt with 107 appeals in June–up to June of this year, compared to 48 for last year.

So I believe that we are—we've turned the corner in terms of offering appeals on a prompt basis.

**Mr. Cullen:** And, conversely, we're trending the same way. In fact, the average time from the date an appeal is received to a date of hearing had actually doubled in 2008 from, well, just under 15 weeks to over 27 weeks. So, again, yes, you feel pretty comfortable that we've turned the corner on that time as well?

Mr. Scramstad: Sorry, the average?

**Mr. Cullen:** From the day when an appeal was received until the actual date of the hearing in 2010 we were at 27 weeks. You know, people were waiting a substantial amount of time before they actually got to the hearing stage.

**Mr. Scramstad:** In fact, that is the date that–that is the time that really is our concern, is how long does it take for a person to get a hearing, once they come to the Appeal Commission. After that date that's when most of the other variables start to take effect, although we can have issues with whether a party is—when it involves two parties, an employer and a worker, we have problems setting a date, actually.

But the date that we're concerned with is getting a hearing date for people. Right at this point we're providing hearings, as I said, September and October, which does exceed the 14 weeks, but which is much better than the 27 weeks.

**Mr. Cullen:** So the delay, then, is it–it's a delay on the commission side, in terms of just physically getting people slotted into time or is it more on the people getting their information together?

**Mr. Scramstad:** There's two types of delays. One is the ability of the Appeal Commission to convene panels; the other delay is the ability of parties to proceed with their hearings.

In terms of the ability of the Appeal Commission to convene panels, my absence was the major factor in that delay. The other delay of parties being able to proceed is something that we have no control over.

**Mr. Cullen:** And the report makes mention to the Medical Review Panel. Can you explain where that particular panel and that process, where that would be in terms of the whole appeal process?

**Mr. Scramstad:** Medical review panels are a separate entity from the Appeal Commission. We happen to share an annual report. As chief appeal commissioner, I have no authority over the medical review panels. They're housed in our building. There's a chair of medical review panels who deals with medical review panels. Happens that our staff are the same staff. Mr. Lafrance may be able to offer some guidance there, but I–again, I have no authority over medical review panels. It just happens that as an entity we share staff and office space and an annual report.

**Mr. Cullen:** So, then, the commission, then, has no authority over in terms of issuing or asking the Medical Review Panel to review a certain situation, like an appeal that you're looking at?

**Mr. Scramstad:** We can certainly send cases to medical review panels, just as an adjudicator at the WCB can or the Review Office at the WCB. It's a third party that makes recommendations on medical matters to either the WCB or to the Appeal Commission. But in terms of-other than sending

cases to them, we don't have any involvement with their management or how they function.

\* (19:00)

**Mr. Cullen:** I wonder if that might be a part of the delay in actually reaching a judgment, because I notice there, the average date of request–when a request is made to the Medical Review Panel, that particular date, until they actually have a look at it, has gone from 20 weeks to 31 weeks over the course of two years. So there's certainly–if someone's going through a claim process and they're funnelled back to the Medical Review Panel, and there can be a fairly substantial delay there in terms of that assessment getting done.

**Mr. Scramstad:** I'm going to agree with you that it can impact on length of cases being decided, both at the WCB and at the Appeal Commission.

I don't believe that the Appeal Commission has requested very many Medical Review Panels in the last couple of years. So I think that it wouldn't have a big impact on our stats.

In terms of reasons for those delays, I'm not familiar with them, so I can't answer why they would have those delays.

**Mrs. Taillieu:** I don't have any more questions about the Appeal Commission.

Thank you very much.

**Mr. Chairperson:** Thank you, Mr. Scramstad and Mr. Lafrance.

**Mrs. Taillieu:** Back in 2005, the minister said that any expansion of coverage would be initiated–further expansion of coverage by Workers Compensation Board would be initiated by the board. So I just wonder if you can tell me if any expansion of coverage has been suggested to the minister this year.

**Mr. Sexsmith:** No, there haven't been any suggestions.

**Mrs. Taillieu:** I want to just draw your attention to page 10 or 11, I guess, of the Five Year Plan 2011-2015. And on the pro forma statement of operations, in 2010, the operating surplus is considerably higher than in this year as projected for the years to come. Can you just explain that? I mean, you've got a projection of 88. Is this in millions? And then the years into the–up until 2011 are quite a bit smaller. So why is there that difference?

**Mr. Sexsmith:** First of all, I should point out that these statements are restated, if I can use that word. Those numbers are restated in IFRS, International Financial Reporting Standards. So, if you see some differences in these numbers and what's in the annual report, that's the reason for that.

But that aside, as I mentioned in my opening remarks, 2010 was a very good year. Revenue from investments was well, well, well above budget and costs were below budget. So that's–and we don't plan on having that good a year every year. So that's really, in essence, why the numbers are smaller going out. We also reduced our rates for 2011.

**Mrs. Taillieu:** So what made 2010 such a good year? Was that investment income or that you had a lot more people under coverage with your expansion or what was it?

**Mr. Sexsmith:** Probably the biggest single factorwell, I would mention two or three things. As I said in the beginning, injuries continue to go down. The duration of those injuries go down. Investment revenue was up significantly because we performed at 9.1 per cent, whereas we budget for six and a half per cent. And so that makes a very big difference. So I would say those three things are the main reasons why.

**Mrs. Taillieu:** Then what are you anticipating in the future years that isn't going to be as rosy then as this year?

**Mr. Sexsmith:** Well, we budget for investment returns at six and a half per cent every year so that makes a big difference. We also don't assume that we can't make the assumption that costs will go down every year. We've had some very good years in terms of cost reductions, but we can't assume that that will go down every year so we don't make that assumption every year. We're a little more conservative than that in our forecasting.

**Mrs. Taillieu:** Okay. It just seems like quite a substantial difference. You know, I can see the difference between 13, 20–I mean, we are talking millions, I realize, but still that–it's a large amount. So there must be some particular factor that you can point to that really solidified that.

**Mr. Sexsmith:** I think I've said at this committee every year that I've been here over the last 10 years or so, don't be surprised at volatility in the financial statements at the WCB. Prior to 2004, we were allowed under accounting rules to smooth investment returns into our returns; since 2004, we haven't been able to do that. So the investment side of the business is quite volatile, and the differences can be significant from year to year.

**Mrs. Taillieu:** So, in your investment portfolio, then, do you have some high-risk investments?

**Mr. Sexsmith:** Actually, that's a very good question, because what we do in our investment portfolio is we take what, I guess, what I would call an institutional approach, where we manage the risk absolutely as well as we can. And, in fact, if you were to look at institutional results sort of across the board, I think you would find that ours are–well, not only they're very good over the past number of years but in terms of on risk-return basis, they are very good. What I'm trying to say there is the return on the basis of the amount of risk that we take is very good as well, so there you go.

**Mrs. Taillieu:** Yes, I just wanted to go right actually to the 2010 annual report–just a few questions in there before I get to the financials. On page 17, it says that–about just halfway down the first column on page 217, it says that the WCB developed and piloted new case management statistical framework. What is that?

**Mr. Sexsmith:** That's a measurement that we introduced and we're still working through, actually, which provides our case managers with more comprehensive information about how–what all the various statistics are with regard to their cases. For example, what is the duration of the cases, how many of the cases have good–or have case plans on them and all of those kinds of things that help them to manage their cases better.

**Mrs. Taillieu:** Is there technology involved in this, then, that it costs more?

**Mr. Sexsmith:** There is some–I guess I would call it small tinkering, I guess I would call it, with the electronic system that we have in place, but it's not a major technology undertaking. It's more of a management undertaking, I'd say we'd call it.

**Mrs. Taillieu:** On page 19, under the heading Improving Services to Injured Workers, I notice that the Workers Compensation Board worked with an external auditor to begin an audit of short-term claims, which generally manages claims of eight weeks or less, and WCB is looking forward to any recommendations the auditor may make for improvements in this area.

Has that been completed? Have you received recommendations from the external auditor?

**Mr. Sexsmith:** That audit has been completed. The auditor has finished their work.

**Mrs. Taillieu:** And have the recommendations then been acted upon?

**Mr. Sexsmith:** Some of the recommendations were acted on as we worked through the audit, and others we're making plans to act on.

Mrs. Taillieu: Is that a public document?

**Mr. Sexsmith:** It hasn't been made public yet. We-we're still going through that process.

Mrs. Taillieu: Do you know when it will be public?

\* (19:10)

**Mr. Sexsmith:** No, I don't have a specific date to give to you yet.

Mrs. Taillieu: Who is the external auditor?

Mr. Sexsmith: PricewaterhouseCoopers.

**Mrs. Taillieu:** Yes, I'm just–and just below that, the statement is the Workers Compensation Board launched a modern electronic-based system. Does that mean you have new computers?

**Mr. Sexsmith:** Can you point me to that reference so that I know which one it is?

**Mrs. Taillieu:** It's on page 19, and it's under the heading Improving Service to Employers: In 2010, the WCB launched a modern, electronic-based system that will change the way in which the organization serves employers. Can you explain that?

**Mr. Sexsmith:** That's a project that we have going on in what we call our assessment services division, and what it's doing is it's moving us from a paper-based system to an electronic system, and we implemented the first major phase in that last fall.

**Mrs. Taillieu:** Does that, then, involve a new computerized automated system then? It sounds like it.

**Mr. Sexsmith:** Yes, to some extent, but we're not finished yet. We've introduced the first phase and it will be a couple more years before it's fully implemented.

**Mrs. Taillieu:** Now, is this a–again, is this a contract work that's been awarded to a group to do this?

**Mr. Sexsmith:** Most of the work is being done internally. We do hire some outside people to help us where we don't have certain kinds of resources. But for the most part, it's being done internally.

**Mrs. Taillieu:** So who would you hire, then, as external-the external resources?

**Mr. Sexsmith:** We would hire–we may hire someone with a specific expertise, a certain type of contractor in an IT area where we don't have enough resources, for example, or we may–we occasionally also hire people to help us with training and whatnot where resources might be more than we have internally.

Mrs. Taillieu: Do you contract out to EDS systems?

**Mr. Sexsmith:** No, I don't believe we've had any contracts with EDS. Sorry, no, we haven't had any contracts with EDS for quite some time.

**Mrs. Taillieu:** Okay, are these, again, tendered contracts or you just award them to–

Mr. Sexsmith: No, we would put out an RFP.

**Mrs. Taillieu:** I'm also now looking on page 21 under Community Leadership, and it says: The WCB is committed to being a valued member of the community by partnering with and supporting organizations and initiatives such as the Information and community–Communication Technologies Association of Manitoba, the United Way of Winnipeg, the Canadian Museum for Human Rights and the SAFE Roads membership–Partnership, sorry.

Can you tell me, do you then support by contribution to these organizations, information and community technologies association of Manitoba, the United Way of Winnipeg, the Canadian Museum for Human Rights and the SAFE Roads Partnership?

**Mr. Sexsmith:** In some cases, we do support them. For example, the information and community technologies association of Manitoba, that's an organization that we have a relationship with who are-they help people, mainly in the information technology area, new immigrants, for example, to find jobs in Manitoba, and we've actually been successful in hiring several people through that organization.

The United Way, there's a United Way campaign every year in the WCB, and the Canadian Museum for Human Rights, we haven't made any new donations there since we last discussed that, and the SAFE Roads Partnership, that's-we just made an announcement there. That's led by the Manitoba Heavy Construction Association, actually, and we're one participant in that program. It's a very good one, actually, which encourages people to be safe around people working on roads.

**Mrs. Taillieu:** So, just to clarify, then, you haven't given any further donations to the Canadian Museum for Human Rights. The United Way of Winnipeg, is that by way of just employee contributions or does WCB make a contribution–a corporate contribution?

**Mr. Sexsmith:** The WCB has a matching program for the United Way.

**Mrs. Taillieu:** Do you mean you match the employer contributions–employee contributions?

Mr. Sexsmith: That's correct.

**Mrs. Taillieu:** Can you indicate, ballpark, what that would be every year?

**Mr. Sexsmith:** It's-it was about \$80,000 in total, both contributions.

**Mrs. Taillieu:** And, just to get on the information and communication technology association of Manitoba, what kind of a contribution do you make to that organization?

**Mr. Sexsmith:** In that case, I don't believe we make a contribution at all. I think we have a relationship with them and we've hired some people who've gone through their organization.

**Mrs. Taillieu:** And you may have told me this already, but just bear with me. The total reserves right now for Workers Compensation Board are?

**Mr. Sexsmith:** At the end of 2010, they were \$231 million.

Mrs. Taillieu: And the target balance is what?

**Mr. Sexsmith:** Again, at the end of 2010 it was \$306 million.

**Mrs. Taillieu:** So can you explain that shortfall then?

**Mr. Sexsmith:** Well, that–how do I–that shortfall is what we're working toward, I guess is what would I say. The gap between the target reserves and the reserves at any one particular time, is what we're looking to make up through the surpluses that we have over a period of time.

**Mrs. Taillieu:** But, yet, you did have surpluses, right? In 2010?

Mr. Sexsmith: Yes, we did.

**Mrs. Taillieu:** So those surpluses were not put into the reserve fund then?

**Mr. Sexsmith:** Yes, those surpluses automatically go into the reserves, and they would have reduced the gap between the target and where we're actually at, as they would every year.

**Mrs. Taillieu:** Okay, then, how do you plan to achieve the full target, then, for the reserves?

**Mr. Sexsmith:** We plan to get there by–through the surpluses that we're forecasting throughout our five-year plans.

**Mrs. Taillieu:** You mentioned the new financial accounting standards. I may not be naming them exactly correctly, but I think it does say on page 30 that this is a–it's going to cost \$13 million. It will result in a \$13-million reduction to the WC reserves in 2010. So is that an ongoing cost or is that a one-time cost?

**Mr. Sexsmith:** That is a, I believe, is a one-time cost on the conversion to slightly different accounting standards.

**Mrs. Taillieu:** This conversion to the different accounting standards, that is something that's ongoing. It's not complete right now, or is it complete, or is it going to be completed in the future, which is going to result in more costs?

**Mr. Sexsmith:** Well, it's complete in that our 2011 results will be reported under international financial reporting standards. However, they seem to be coming out with new wrinkles all the time, so I, you know, I can't predict whether or not there will be new things introduced in the future. Well, actually, I can predict. There will be, but–

#### \* (19:20)

**An Honourable Member:** Can't predict what they'll be.

#### Mr. Sexsmith: Yes.

**Mrs. Taillieu:** I think the CEO did touch on this right at the very beginning, in terms of a new guideline for authorization and payment for narcotic medication for injured workers. Could you elaborate on that, and what exactly that is, and how that was arrived upon?

**Mr. Sexsmith:** Well, there has been some considerable concern over a period of time about the use of narcotic medications and what their impact

can be on injured workers who, I guess, they're experiencing pain or some other serious symptom from an injury, and what happens when these types of drugs are used over a period of time.

So we thought it was important to develop a policy within the WCB to develop more–what I would call more rigorous guidelines around how these are used. And so we have undertaken a consultation process over the last year and a half, actually, with the medical community and with our key stakeholder groups. And we're working on a policy now which in–which will introduce a more, I guess I would call it, a more rigorous process around approving for the payments of these types of drugs within the WCB.

**Mrs. Taillieu:** What is the policy at the present time in regard to narcotics?

**Mr. Sexsmith:** Our policy doesn't contain specific reference to narcotics now, so that's what we're developing.

**Mrs. Taillieu:** So is–just bear with me so I understand this, does this mean that Workers Compensation Board is going to pay for narcotic treatment, then?

**Mr. Sexsmith:** Yes, we will, and we do now, where it's necessary.

**Mrs. Taillieu:** So how is it going to be different then?

**Mr. Sexsmith:** Well, the board hasn't approved the policy yet; they're working on it. But I can tell you the kinds of things that we're thinking about are more rigorous guidelines when a person has been in receipt of narcotics for a certain period of time, more back and forth between the medical people, ensuring that there is an appropriate plan in place, and ensuring that there's been all the medical input and whatnot that would be required to make sure this kind of drug is managed–well managed.

**Mrs. Taillieu:** How long have you been doing this, then? You say you are doing it right now, but the board hasn't approved it, so it's not official. So I'm just asking, how long have you been doing this?

**Mr. Sexsmith:** Well, we haven't introduced a new policy yet, of course, because the board hasn't approved it. So we're hoping that will happen by about the fall of this year. So–

**Mrs. Taillieu:** I guess I'm just a bit unclear as to the program here for narcotics. I guess I'm just seeking a

little bit more information as to how this is managed with people that—is it—are you paying for these drugs for people, or how does it work?

**Mr. Sexsmith:** Well, we pay-the Workers Compensation Board acts outside of the normal, outside of the Canada Health Act. And what I mean by that is that any medical treatment that an injured worker gets when they're eligible for compensation is paid for by us. So we-yes, we pay any medication that an injured worker requires; it's us who pays for it.

So, under this-what we're doing here, I guess, simply in layman's terms, is looking to make sure that in this difficult area that we've got a rigorous program in place to make sure that anything we're paying for is doing more good than harm. That's what we-that's-in layman's terms, that's what we're trying to do.

So I can give you an example of one of the kinds of things that we're looking at, and that would be, we would pay for narcotics for a two-week period, if prescribed by the doctors–pardon me, by the worker's doctor. But, beyond that, our own medical people in the WCB would have to have back and forth with the doctor to make sure that there was an appropriate plan in place to manage that going forward, whether the person, you know, should be weaned off of that or whatever, just to make sure that it doesn't continue and cause more problem than good. That's the kind of thing. As I said, we haven't approved the policy yet.

#### **Committee Substitution**

**Mr. Chairperson:** Before I proceed to the next question, for information of committee members and effective immediately for this standing committee, Minister Struthers will be substituting for Mr. Altemeyer.

\* \* \*

Mr. Chairperson: The floor is open for questions.

Mrs. Leanne Rowat (Minnedosa): Just on the topic that we're on.

Do you also work with addictions facilities if individuals are going through that process?

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

**Mrs. Rowat:** Could you indicate to me which addiction facilities you are working with?

**Mr. Sexsmith:** Our internal doctors who are working with people will from time to time refer people to organizations such as the Addictions Foundation.

Mrs. Rowat: Thank you.

I represent a rural riding, and I know that there have been probably times where I've had clients that probably would fall under this category that have come forward.

Do you work with-do you have staff in the rural areas that are able and capable of working with people that are going through an addictions withdrawal?

**Mr. Sexsmith:** Well, we do have case managers, yes, who are assigned to every case and should be able to give them advice. And we also have a number of–well, we have 46 medical staff and within there we have doctors who give us advice on all of this type of thing.

So, yes, we can-anybody who's receiving benefits now and is having difficulties, we'd be pleased to work with them.

I might add, as well, in your part of the country we will soon have a Brandon office, which, I think, will help in terms of back and forth over time.

Mrs. Taillieu: Thanks very much.

Can you indicate if a summary of funds that would be provided to projects sponsored by Manitoba Federation of Labour, CUPE or MGEU? Are there any projects that these organizations do that would be sponsored by the WCB or funds provided to them?

Mr. Sexsmith: That was CUPE, the MFL-

Mrs. Taillieu: MFL, CUPE and MGEU or others.

**Mr. Sexsmith:** Well, the only thing that I can think of is that the MFL's Occupational Health Centre has occasionally applied for grants under the grants program that we run, although not in the last–we haven't awarded anything to them in the last couple of years, as I recall.

**Mrs. Taillieu:** Is this clarify–if I'm–was this under the Research Workplace Innovation Program?

Mr. Sexsmith: Yes, that's what I was referring to.

**Mrs. Taillieu:** Can you tell me–the WCB Realty Limited is identified as a wholly owned subsidiary. What does that mean exactly?

**Mr. Sexsmith:** That's a company that we set up that holds real estate. Many of our real estate holdings are held through that vehicle.

**Mrs. Taillieu:** What properties then do you hold through that company?

**Mr. Sexsmith:** If you can bear with me for a minute, I think I can get you a list.

It looks like I don't have them broken down by the real estate company versus not within the real estate company, so I can undertake to provide you with a list.

**Mrs. Taillieu:** Do you have any partners in this company?

\* (19:30)

**Mr. Sexsmith:** No, that company is wholly owned by the WCB. We would occasionally–we might occasionally partner with somebody else in a real estate venture, but it's wholly owned by the WCB.

**Mrs. Taillieu:** Are you currently partnered with anybody in a real estate investment?

Mr. Sexsmith: Yes.

Mrs. Taillieu: And what would that be?

**Mr. Sexsmith:** Well, there's a number of them, actually. We hold a number of properties jointly with other owners. For example, I can–just off the top of my head, I can tell you the building next door to us is owned jointly with the sup fund, for example, on 363 Broadway. But there's a long list of various partnerships in the real estate area. Twelve and a half per cent of our portfolio is in real estate, and it's an important investment for us, so we often have partners.

Mrs. Taillieu: Perhaps you could provide a list.

Mr. Sexsmith: Sure, I'd be pleased to provide a list.

**Mrs. Taillieu:** Does the Workers Compensation Board lend money to other organizations or companies?

**Mr. Sexsmith:** Not in the traditional sense that youthat I think that you're referring to. No, we're not in the business of loaning money. We might finance something in some kind of a deal, like a real estate deal or something with a partner or something like that, but generally speaking, the answer is no.

**Mrs. Taillieu:** I think–my memory might not be exactly correct here, but I think that several years ago there was a investment of \$2 million in the

True North centre. Could you explain if that has been recovered or what is the status of that?

**Mr. Sexsmith:** Actually, that's one of our most successful ventures, I might add. It's-so I'm glad you asked about that one. It-that-we've sold that investment and we sold it for \$2 million. We paid nothing for it. We provided a standby line of credit and we sold it a year ago, roughly a year ago.

Mrs. Taillieu: So who bought it?

**Mr. Sexsmith:** The subsidiary of the real estate arm of the Thomson family.

**Mrs. Taillieu:** So do you have box seats at the–for the Jets games?

**Mr. Sexsmith:** No, I'm afraid we're on the outside looking in, like everybody else.

**Mrs. Taillieu:** Well, come on, Workers Compensation Board must have box seats.

Mr. Sexsmith: Only in my dreams.

**Mrs. Taillieu:** What–do you have a line of credit with a banking company?

Mr. Sexsmith: Yes, we do.

Mrs. Taillieu: And who is it?

Mr. Sexsmith: It's the Royal Bank.

**Mrs. Taillieu:** You're probably going to get box seats through the Royal Bank then. You also have a revolving credit with the Province of Manitoba in the amount of about \$40 million. Is that correct?

**Mr. Sexsmith:** We have a revolving line of credit with the Province. The amount varies from time to time, and we use that line of credit to fill in any gaps that we have on a cash-flow basis throughout the year.

**Mrs. Taillieu:** Does any of-does revenue from thejust a sec. What revenue from the-does the Province receive from Workers Compensation Board by being the banker? Is there money that the Province then recovers from Workers Compensation Board just for services?

**Mr. Sexsmith:** Well, no, they don't charge us any fees, if that's what you mean, yes.

**Mrs. Taillieu:** Are there any monies that flow from Workers Compensation Board to general revenues of the Province?

**Mr. Sexsmith:** My apologies. I was getting some info there and I missed your question.

**Mr. Chairperson:** Ms. Taillieu, would you please repeat the question, please?

**Mrs. Taillieu:** What–is there any revenues that flow, or any monies that flow, from Workers Compensation Board to general revenue of the Province of Manitoba?

**Mr. Sexsmith:** Yes, there are. We provide the Province–we pay for the cost of the Workplace Safety and Health division and the Worker Advisor Office.

**Mrs. Taillieu:** And what does that amount to annually?

Mr. Sexsmith: It's about \$9 million-about 9 and one-half.

Mrs. Taillieu: That would be for 2010?

**Mr. Sexsmith:** Yes, it is. It was \$9.4 million in 2010, yes.

Mrs. Taillieu: Can you tell me what it was in 2007?

Mr. Sexsmith: It was \$7.8 million.

**Mrs. Taillieu:** May as well fill in the blanks of '08 and '09 there as well.

**Mr. Sexsmith:** Mr. Chairperson, '08 was \$8.3 million, and '09 was \$9.1 million.

Mrs. Taillieu: Is the increase, then, added workers?

**Mr. Sexsmith:** I believe the most significant increase there would have been the addition of workplace safety and health officers.

**Mrs. Taillieu:** Okay. I'm just going to go to page 45 in the 2010 annual report. Under Commitments, on the top part of page 45, it says: The WCB has contractual agreements to contribute further funding to a maximum of \$1.8 million, \$2.8 million in 2009, to specific investment projects to be financed from the existing portfolio or from available cash.

So what are those specific investment projects?

**Mr. Sexsmith:** Those would be private equity investments where we have commitments to make further investments over a period of time. As you may recall from some of our previous discussions, the board of directors has made a decision over the last few years that we will not make any new investments in private equity. However, over time we have to honour the commitments that we made in earlier, so there are still, on the whole, some relatively small investments that we may still have to make. **Mrs. Taillieu:** Well, could you just elaborate on what those commitments are then–to who?

**Mr. Sexsmith:** Yes, we're getting into a very detailed conversation here, so I'm going to have to go through the books and make a commitment to give you that information.

**Mrs. Taillieu:** Can you indicate which of the WCB's fixed income assets have not received an A rating?

\* (19:40)

**Mr. Sexsmith:** No, I wouldn't be able to give you that level of detail. I simply don't have it. I can tell you, however, that the vast majority–well, all of our bonds would be at triple B or above. I'm not sure that answers.

**Mrs. Taillieu:** Yes, I'm just curious, under capital assets on page 47, there's costs of \$4 million for computer equipment, furniture, fixtures. Is–can you just explain the \$4 million for computer equipment, furnishings? Is that–it seems like a lot to me, but.

**Mr. Sexsmith:** I'm looking for the line you're referring to, I'm sorry.

**Mrs. Taillieu:** It's about three quarters of–it's just above No. 9, intangible assets, just above that.

**Mr. Sexsmith:** The only number I see there is the 2010 cost of 4,658 for building renovations and leasehold improvements. Is that what you're referring to?

**Mrs. Taillieu:** There's just a paragraph under the numbers, asset dispositions in 2010. Maybe I'm reading that wrong. Costs of \$4 million for computer equipment and furnishings, fixtures and equipment were removed from the accounting records.

**Mr. Sexsmith:** Yes, I'm advised that that's a result of doing things such as evergreening computers over a period of time, you know, turnover in the various equipment and the like. I don't have a detailed list there for you, but it's that type of–

**Mrs. Taillieu:** Can you provide an update on the exterior repairs to 333 Broadway, what the project is costing, what was the original budget, and are you on target on your budget?

**Mr. Sexsmith:** Well, the budget has been revised a few times as we-as tends to happen with construction projects. The estimated-right now, we're-we seem to be making good progress and are on budget according to our current budget. It's a

long-term project. We expect–we don't expect it to be completed until approximately late fall of 2012.

**Mrs. Taillieu:** Now, when you started the project, can you tell me when you started it and what the initial budget was when you first started the project?

**Mr. Sexsmith:** We had an estimate that was about half what it currently is, which was in the seven-to-eight-million-dollar range. The current estimate is just under \$15 million.

**Mrs. Taillieu:** And when was that original budget put together when you first started the program?

**Mr. Sexsmith:** The original budget was a high-level estimate done on the basis of what do-what has been the experience of the architectural firm with buildings of like size but not like complexity. That budget was done a little less than-or that rough estimate, I would call it, was done a little less than-it would have been late in 2010.

**Mrs. Taillieu:** So late in 2010 would be, like, about seven, eight months ago was the original budget of seven, eight million, and so seven or eight months into the project it's now doubled. What do you anticipate the cost to be by the time the building is completed in 2012?

**Mr. Sexsmith:** We expect the cost to be a little less than \$15 million.

**Mrs. Taillieu:** Well, I would, too. But, in reality, have you thought about what cost overruns there may be? You're saying, you know, you started out thinking it was going to be seven or eight million. It's now \$15 million, and so you've got a ways to go before it's completed. Are there any indications that there would be other things that would be increasing your budget?

**Mr. Sexsmith:** Actually, we're pretty confident of the budget we have in place now because all the tendering and whatnot has now been done, which was not done at the time that the original rough estimate was done. And so we have a much, much clearer handle on exactly what has to be done and what the costs of the job are now.

**Mrs. Taillieu:** Then the project was tendered, then, and so-but all of the entire project was not tendered in the beginning, just part of it?

**Mr. Sexsmith:** What we had to do was hire an architectural firm to help us figure out how to do the tender, what exactly and how to tender it. But, beyond that, everything has been tendered.

Mrs. Taillieu: And was it awarded to the lowest bidder?

Mr. Sexsmith: Yes, it was.

**Mrs. Taillieu:** Yes, the member for Minnedosa (Mrs. Rowat) has reminded me I need to ask about the Brandon office. I think that you did indicate that the Brandon office would be open around the same time, or at least in 2012. So can you tell me, again the same question, what was the initial budget for that building? When was the initial budget made? And what is the current budget, if it is different?

**Mr. Sexsmith:** We haven't revised that budget yet. We did a budget. We made an estimate and we haven't revised it yet, so–I don't know if that answers your question.

**Mrs. Taillieu:** Not really. What was the original budget and when was that budget projection made?

**Mr. Sexsmith:** You're testing my memory on the timeline. We would have put that together last fall, I believe, to discuss with the board of directors.

**Mrs. Taillieu:** Again, and what was the projected budget at the time, in late 2010, for the Brandon Workers Compensation Board office?

**Mr. Sexsmith:** We had estimated salaries and benefits to–or total costs of running the office at about \$1.7 million, and that would, of course, be offset by reductions in Winnipeg. Because we'll–most of the staff that are going to be there, will be–not the same people necessarily, but positions will be moving from Winnipeg. So we had estimated an on–an incremental cost of about \$385,000. And we haven't found anything yet that would make us think that that's not a good budget still.

**Mrs. Taillieu:** Just to clarify, then, is this a brand-new building you're building or is it a renovation? And are you saying it's going to be \$385,000?

**Mr. Sexsmith:** No, what I was saying there was that the ongoing costs of running the building, that was our-pardon me, not the running the building, running the office. We don't-at this point we're going through a process to determine where we're going to be. We hope to have that settled fairly soon, but we expect to be leasing space in Brandon and we're not expecting to be buying a building. But we're going through that process right now. **Mrs. Taillieu:** Okay, so you're not buying a building, you're leasing space so–and what you just gave me in terms of numbers is operating costs, then, of that space? Of employees? Human resources?

**Mr. Sexsmith:** Everything. The full cost of running the office.

**Mrs. Taillieu:** So, then, why would it take until 2012 to have the office up and running, then?

**Mr. Sexsmith:** We have to find space, we have to hire staff, all of these kinds of things. And, we've been working away at it, and you may know we've hired a director, who's now in place, is helping us organize. We put out a tender for space. We've been working through that and hope to have that resolved fairly soon. And we've been running competitions, both internally, and we're going to be running a job fair in Brandon sometime over the next few weeks to promote positions at the WCB. All these things take us some time to organize and get in place. Our target is the first quarter of 2012 to have the office up and running.

**Mrs. Taillieu:** Yes, I have a few more questions, actually, but we are getting–doing pretty well here.

Can you tell me who pays for the advertising campaigns like SAFE Workers of Tomorrow, Work Shouldn't Hurt? Who pays for that advertising?

Mr. Sexsmith: The WCB pays for it.

**Mrs. Taillieu:** And what is the cost of that advertising campaign, yearly?

**Mr. Sexsmith:** We spend–it's about \$1.3 million a year.

**Mrs. Taillieu:** Now, is that mainly for print and television advertising, or is there any other advertising that you do with-that you pay for, for this Work Shouldn't Hurt program?

**Mr. Sexsmith:** The–by far and away, the single largest cost is buying media time, but everything else that goes into it–production and whatnot–all contribute to that cost. There's billboards, there's various types of costs like that. Yes.

**Mrs. Taillieu:** And how do you assess the efficiency of that advertising campaign? And by that, I mean, how do you know if it's working?

**Mr. Sexsmith:** Well, it's-there's a number of things that we do, and social marketing is not an exact science, but we measure a number of things. We measure awareness. We have very high awareness, in

\* (19:50)

terms of the program and the whole issue of what should a safety culture be in Manitoba. Injuries are going down, which is probably our most important measure, and-yes. So those are the types of things that we use.

**Mrs. Taillieu:** Yes, I guess \$1.3 million for an advertising campaign for the year for 2010. Can you indicate what it has been over the last four years from 2007? Has it increased or decreased through the last four years?

**Mr. Sexsmith:** I understand that in 2007 and 2008, it was one and a quarter million, and so in 2010, it's gone up to \$1.328 million, so it's increased somewhat over the years. In the very early years, when the part years, it was smaller than that.

Mrs. Taillieu: Who runs the ad campaign for you?

**Mr. Sexsmith:** Well, we have a social marketing consultant group, named ChangeMakers, that provides us with assistance.

**Mrs. Taillieu:** And this is a company that you've had before or ongoing, ChangeMakers. And, again, is this a tender contract with ChangeMakers?

Mr. Sexsmith: Yes, it is.

Mrs. Taillieu: When was it last tendered?

**Mr. Sexsmith:** Do the math in my head here. It expires at the end of this year, and it was a five-year contract.

**Mrs. Taillieu:** Okay, so were they the lowest bidder?

**Mr. Sexsmith:** I'm advised that they were lower in some aspects and higher in others, but there was not a great difference in terms of the costs in the end.

**Mrs. Taillieu:** If it was close, would it not have been preferable, then, to tender again the next year rather than award for five years, as you just said that cost has gone up every year.

**Mr. Sexsmith:** No, I don't think so. This is the type of work that goes on year after year and over year-ends. We really–in order to put an effective program in place, we need someone to do this work for us on an ongoing basis.

**Mrs. Taillieu:** So who are the principal owners of ChangeMakers these days?

**Mr. Sexsmith:** I understand it's Jim Kingdon and Correy Myco.

**Mrs. Taillieu:** And, again, do you do any focus groups to determine the effectiveness of the advertising? Like, asking people how they're reacting to the advertising. Just to see, again, if you can really tell which of the advertising is more effective or less effective. How do you determine that?

**Mr. Sexsmith:** In general, we do use focus groups but generally we use them at the front end when we're building the campaign to see how it might sell, if you will, and we do some surveying at the end to see how it turned out and what we can learn from it.

**Mrs. Taillieu:** So what companies do you use to do that kind of work?

**Mr. Sexsmith:** ChangeMakers would either do that or subcontract it to somebody else.

**Mrs. Taillieu:** Would that someone else be Viewpoints still? Is that the–still the same arrangement as previous years?

**Mr. Sexsmith:** They have used Viewpoints at times in the past but they've also lately been using Prairie Research Associates, I believe.

**Mrs. Taillieu:** So who are Prairie Research Associates, the principals in that company?

**Mr. Sexsmith:** Sorry, I don't know the principals in that company.

**Mrs. Taillieu:** Can you tell me the cost of the safe– Find a Safer Way contest?

**Mr. Sexsmith:** I believe the costs there were just over \$15,000.

**Mrs. Taillieu:** And what kind of feedback did you get from that Find a Safer Way contest?

**Mr. Sexsmith:** That was one of our ventures that I think wasn't as successful as many. Yes, we only had a very small number who entered that contest and so, you know, we didn't continue with that one on an ongoing basis. So, yes.

I can add a little bit more to that. I think if you were asking about the whole SAFE Find a Safer Way contest, some aspects of the feedback were positive and on the specific reaction video, which is what I was thinking you were referring to, wasn't as positive.

**Mr. Chairperson:** The hour being 8 p.m., this committee indicated that they wished to review the sitting time, and so we've reached that hour and what's the will of the committee?

Mrs. Taillieu: One more question; 8:15 or earlier.

\* (20:00)

**Mr. Chairperson:** Is it the will of this committee to sit to 8:15 or earlier? [*Agreed*] Thank you.

Mrs. Taillieu, to continue with questioning.

**Mrs. Taillieu:** One last question, I was trying to get it in.

I'm told that there are some oil companies that are-presently have workers in the province that are not paying Workers Compensation Board. Do you know anything about that? Can you elaborate on that?

**Mr. Sexsmith:** No, I'm not aware. If that's a covered industry, they should be covering their workers. If you know of any, let us know.

**Mrs. Taillieu:** No, I–that's why I'm asking you because this is the information that I've been given, that there are. So I'm just asking the question.

**Mr. Sexsmith:** That's not an issue that's come to my attention, so.

**Mrs. Taillieu:** I just want to review just to make sure that I've covered all my questions here.

**Mr. Cullen:** I'm just going through the five-year plan, and there was some five-year targets that had been noted here, and maybe you could help me answer some of these questions here and maybe in relation to where you want to be in relation to where we're at right now.

And the one issue is to increase the number of Manitobans who believe the WCB makes a positive contribution to the province to 70 per cent. Can you explain, you know, how you do the analysis and what the current statistics are on that and then in terms of how you want to move that forward?

**Mr. Sexsmith:** That particular goal is one that is important to us because as an important institution in the province we're really looking to make sure that the citizens of Manitoba are confident that they can count on the Workers Compensation Board to provide good service and to be a reliable member of the community.

And, in addition to that, we have three members on our board of directors who are representative of the public interest. So it's, you know, it's-in that respect it's particularly important that we're doing that, and we survey that by putting-I believe we survey that by putting a question into an omnibus survey annually, and-but off the top of my head I don't know the last number that we received. If anyone can help me with that, I'll share it with you. The last number we had was 69 per cent.

**Mr. Cullen:** Yes, I guess the other important statistic that I think people would be interested in, especially those who are using your services, is the success rate, how-the people who have had claims, how they feel about the process, and you're looking for eight out of 10 in employer satisfaction.

Can you tell us where you're at now in terms of that scale?

**Mr. Sexsmith:** Actually, that's an area that we're quite proud of. We have raised the customer satisfaction in that area quite a bit from the low sevens to the high sevens, and we seem to be bumping along just below eight over the last number of years. So that's about where we're at now.

**Mr. Cullen:** And the other target was to pay at least 70 per cent of injured workers within the 14 days of an injury. How are you making out in that regard?

**Mr. Sexsmith:** Pretty well, actually. We started out a number of years ago down around the 30 to 35 per cent area and we're now running–I believe in 2010 it was about 65 per cent or 66 per cent on average, and each month we're–in some areas we're bumping up against 70, and so we're very close. I'm pretty confident. That's a long-term goal and I think we'll get there.

**Mr. Cullen:** I know you had discussed a little earlier and it was in terms of the–approximately the \$10 million that you turn back to the Province for some of the services that are provided.

Does the Province send you a detailed billing for that amount or how does that process work?

**Mr. Sexsmith:** Yes, we have lots of back and forth, actually, with the Province and we set up a schedule. We discuss budgets and they provide us with quarterly information on finances.

**Mr. Cullen:** Would you be able to provide us a list of the type of services that the Province are providing for that \$10 million?

**Mr. Sexsmith:** Yes, that \$10 million covers the–all of the Workplace, Safety and Health division. So it's all of the inspections and all of those types of things as well as the Worker Advisor Office, which was discussed earlier, which assists people with appeals.

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**Mr. Cullen:** Could you supply us a detailed list of–a breakdown in terms of the number of staff in each of those departments?

**Mr. Sexsmith:** Yes, we do get that. My preference would be to have that information come from the department itself. So I would undertake to ask them if they are in a position to share that with you.

**Mr. Cullen:** The operating budget here was \$62 million operating budget and your premium's about \$225,000–or \$225 million, pardon me. So we're looking at about 25 per cent. How does that compare to other jurisdictions in terms of the operating expenses versus revenue?

**Mr. Sexsmith:** Well, actually, I'm glad you asked that because there is a stat that the AWCBC produces which–it measures approximately that, which talks about the administrative costs per time loss claim and whatnot, and we've always been one of the lowest cost jurisdictions in the country.

**Mrs. Taillieu:** I know that, in past committees, we've discussed the arrangement that WCB has for MRI service at Pan Am Clinic. I'm just wondering, with respect to surgeries and consultations for surgeries and fee schedules or fees paid to other day clinics, what other day clinics would you be using for surgeries.

**Mr. Sexsmith:** We–in addition to Pan Am, we use the Maples and Western.

**Mrs. Taillieu:** Those are the only two that you're using for surgeries, then, for Workers Compensation Board claims?

**Mr. Sexsmith:** There's also one reasonably new one called the Ageless Cosmetic Clinic that we do a few–that we use.

**Mrs. Taillieu:** I'm sorry. I didn't hear that, the name of that clinic.

Mr. Sexsmith: Ageless Cosmetic Clinic.

**Mrs. Taillieu:** Is that like a cosmetic surgery clinic, or–

**Mr. Sexsmith:** It would be for things like plastic surgery if someone was injured and requires plastic surgery to treat that injury.

Mr. Chairperson: Ms. Taillieu?

Mrs. Taillieu: No, I think we're done.

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

Seeing no further questions:

Annual Report of the Workers Compensation Board for the year ending December 31st, 2007–pass.

Annual Report of the Workers Compensation Board for the year ending December 31st, 2008– pass.

Shall the Annual Report of the Workers Compensation Board for the year ending December 31st, 2009 pass?

#### Some Honourable Members: Pass.

#### An Honourable Member: 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, 2010, pass?

Some Honourable Members: Pass.

An Honourable Member: No.

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

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

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

Shall the Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2009 pass?

#### Some Honourable Members: Pass.

#### An Honourable Member: 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, 2010 pass?

#### Some Honourable Members: Pass.

An Honourable Member: No.

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

\* (20:10)

Five Year Plan of the Workers Compensation Board for 2007 to 2011–pass.

Five Year Plan of the Workers Compensation Board for 2008 to 2012–pass.

Shall the Five Year Plan of the Workers Compensation Board for 2009 to 2013 pass?

#### An Honourable Member: No.

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

Shall the Five Year Plan of the Workers Compensation Board for 2010 to 2014 pass?

#### An Honourable Member: No.

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

Shall the Five Year Plan of the Workers Compensation Board for 2011 to 2015 pass?

An Honourable Member: No.

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

That concludes the business before us in this committee this evening.

The hour being 8:11 p.m., what's the will of committee?

An Honourable Member: Committee rise.

**Mr. Chairperson:** Thank you to committee members, and if you do not require the annual reports in front of you, would you please leave them for subsequent committee meetings.

Thank you to members of the committee and to members of our Workers Compensation Board for their attendance here this evening. See you again.

Committee rise.

COMMITTEE ROSE AT: 8:11 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