

First Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Crown Corporations

Chairperson
Mrs. Sarah Guillemard
Constituency of Fort Richmond

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

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ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CHIEF, Kevin	Point Douglas	NDP
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YAKIMOSKI, Blair	Transcona	PC

**LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS**

Tuesday, July 19, 2016

TIME – 1:30 p.m.

*The Workers Compensation Board 2016-2020
Five Year Plan*

LOCATION – Winnipeg, Manitoba

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**CHAIRPERSON – Mrs. Sarah Guillemard
(Fort Richmond)**

Clerk Assistant (Ms. Monique Grenier): Good afternoon. Will the Standing Committee on Crown Corporations please come to order.

**VICE-CHAIRPERSON – Mr. Blair Yakimoski
(Transcona)**

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

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Mr. Jon Reyes (St. Norbert): I nominate Mrs. Sarah Guillemard.

Hon Mr. Cullen, Hon Ms. Squires

Mr. Altemeyer, Mrs. Guillemard, Messrs. Johnston, Kinew, Ms. Lamoureux, Mr. Lindsey, Ms. Morley-Lecomte, Messrs. Reyes, Yakimoski

Clerk Assistant: Mrs. Guillemard has been nominated. Are there any other nominations?

APPEARING:

Hearing no other nominations, Mrs. Guillemard, will you please take the Chair.

Mr. Michael Werier, Chairperson, Workers Compensation Board

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

Mr. Winston Maharaj, President and Chief Executive Officer, Workers Compensation Board

Mr. Scott Johnston (St. James): I nominate Mr. Yakimoski.

Mr. Peter Wiebe, Registrar of the Appeal Commission

Madam Chairperson: Okay. Mr. Yakimoski.

MATTERS UNDER CONSIDERATION:

Are there any other nominations? Hearing no other nominations, Mr. Yakimoski is elected Vice-Chairperson.

Annual Report of The Workers Compensation Board for the year ending December 31, 2014

Annual Report of The Workers Compensation Board for the year ending December 31, 2015

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2014

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2015

The Workers Compensation Board 2014-2018 Five Year Plan

This meeting has been called to consider the following reports: Annual Report of The Workers Compensation Board for the year ending December 31st, 2014; Annual Report of The Workers Compensation Board for the year ending December 31st, 2015; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2014; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2015; the Workers Compensation Board 2014-2018 Five Year Plan; the Workers Compensation Board 2015-2019 Five Year Plan; the Workers Compensation Board 2016-2020 Five Year Plan.

The Workers Compensation Board 2015-2019 Five Year Plan

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

Ms. Janice Morley-Lecomte (Seine River): I move we sit for two hours and then re-evaluate at that time.

Madam Chairperson: Are the—does the committee agree to sit for two hours and reconsider at that time? That's agreed? *[Agreed]*

Are there any suggestions as to the order in which we should consider the reports?

Mr. Rob Altemeyer (Wolseley): I'd suggest just a global discussion, if that's in agreement with the committee.

Madam Chairperson: Okay. Is a global discussion in agreement? Agreed? *[Agreed]*

Does the honourable minister wish to make an opening statement, and would he please introduce the officials in attendance?

Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade): Yes, I do, Madam Chair.

Madam Chairperson: Okay.

Mr. Cullen: Good afternoon, everyone. It is indeed a pleasure for me to be here as the role of the Minister responsible for The Workers Compensation Act. I'm joined today by the chairperson of the board, Michael Werier, and also the president and CEO, Winston Maharaj.

Madam Chairperson, 2016 is a milestone year for The Workers Compensation Board system as it marks the 100th anniversary of workers' compensation in Manitoba. The then-Workmen's Compensation Act was passed in 1916 and the Workers Compensation Board began operations in 1917. The past century has seen many changes, including a name change to The Workers Compensation Act in 1974, and it continues to be an exciting time to be the Minister responsible for The Workers Compensation Board.

The WCB continues to play a role in sustaining our economy by providing affordable insurance against the risk of workplace-related injury. Employers are assured of rate stability while workers who suffer an injury in their employment are assured of the benefits and services they need to return to health and work.

As a result of stakeholder consultations, working groups and reviews that have taken place over the last few years, there have been significant changes and enhancement to the WCB system. We have embarked on a new and better way to approach prevention with the creation of SAFE

Work Manitoba as the province's dedicated prevention organization, which includes oversight by representatives of key stakeholder groups and safety professionals.

In addition, and again as a result of collaboration with the WCB's principal stakeholder communities, the board proceeded on changes to the assessment rate model which are designed to support efforts around injury prevention and return to work while also striving to make the model more transparent and understandable.

In 2016 the WCB will undergo a legislated comprehensive review of The Workers Compensation Act. This review happens once every 10 years and is consistent with our government's belief that meaningful consultation is essential in developing effective legislation.

A committee comprised of the two stakeholder groups and public interest has been tasked with this review and will conduct the consultation process throughout the remainder of 2016.

* (13:40)

Before closing, I'd like to acknowledge the chair and the president and CEO for—and their staff for the work they do every day to improve the lives of injured workers, their families and their employers. I look forward to a fruitful discussion this afternoon.

Thank you, Madam Chair.

Madam Chairperson: We thank the honourable minister.

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

Mr. Tom Lindsey (Flin Flon): Just very brief, Madam Chair.

Madam Chairperson: Okay.

Mr. Lindsey: I guess, recognizing—and I'm sure everybody in the room recognizes how important the Workers Compensation is for injured workers, and we need to always keep that in mind, that that's what it's there for, is the protection, the welfare of injured workers. So whatever we're doing going forward as a government, as a committee, as the board itself, we should always be mindful of that so that that safety net for a worker that's injured is there to offer them to continue with some kind of lifestyle.

So those, basically, are my opening comments, I guess. So we'll just go from there. Thank you.

Madam Chairperson: We thank the member.

Do the representatives from the Workers Compensation Board wish to make an opening statement?

Floor Comment: Yes, I would.

Madam Chairperson: Mr. Werier.

Mr. Michael Werier (Chairperson, Workers Compensation Board): Good afternoon, everyone.

It's a pleasure to be here this afternoon. I just have a few brief comments with respect to the board of directors, which I chair.

The board of directors sets the strategic direction of the WCB and oversees its direction in key areas such as rate setting, prevention and compliance. Ultimately, our goal is to oversee an operation where workers are able to return home safely at the end of a day. It's critical—it's of critical importance and it's something that we are constantly keeping in the back of our mind when we're dealing with issues.

The board and its committees play a key role in fulfilling the WC's vision as a trusted partner, which is insuring today and building a safer tomorrow. And this includes ensuring that Workers Compensation, the system itself, is healthy and sustainable so that it can be there for future generations. As you've heard, it's been in operation now for 100 years.

Just a brief comment on the nature of our board, because sometimes it's misunderstood. It differs from other boards in that it's a tripartite board, equal representation from employers, from labour and public interest representatives, with an independent chair, which I am, chairing it. So we're a 10-person board. The government—this governance model allows input from across the spectrum and requires collaboration for the board to be successful. It also facilitates input from stakeholders in the business and labour communities who are our key partners and customers.

There has been a number of new initiatives in the past few years, which I'd like to highlight briefly. Many of these began in 2013 following extensive stakeholder consultation and came to fruition in 2014 and 2015. And we're undergoing a period of tremendous change for the organization.

A couple of brief comments—on our financial position: We're pleased that we've been able to manage the operations officially. There's a funding

ratio of approximately 143 per cent in 2015, and that's allowed us to reduce the average assessment rate, maintaining it in amongst the lowest in the country while improving services for injured works.

I should comment briefly on the assessment rate and the rate model review, which has occupied much of our attention for the past several years. The average assessment rate remained at \$1.50 per \$100 worth of payroll for a number of years, but has been lowered to \$1.30 in 2015 and will be lowered at \$1.25 in 2016, and it's projected to decrease further in the future, as outlined in the five-year plan, 2016-2020. This is the result of a number of factors, including, fortunately, positive investment returns and declining claim costs over the years.

While our rate-setting model has produced a very financially successful return, we are undergoing changes in our rate model to promote fairness, and we've had extensive consultations with stakeholders and we've had a buy-in both from organized labour and from the employers community. And we've begun implementation of a new rate model and this transition is going to continue over the course of the next four years.

Of great significance and great importance to the board operations, and as the minister has commented on, SAFE Work Manitoba has been set up in the last number of years. It's an operating division of the Workers Compensation Board and its goal is to provide prevention services and programs. It's become a leader in Canada in young worker safety and in education and research. And it's our hope, the board's hope, that these important strategic initiatives will continue to reduce injury rates, create a culture of safety in Manitoba and make Manitoba overall a safer place to work.

Just in closing, I'd like to acknowledge the dedication of our executive and staff. You can see them lined—they're seated behind us. They're not a jury. They're actually here to provide resources to us. We're very lucky to have the skilled people we have working in the organization. A lot of them have been with the organization for many years and they've developed a great level of expertise and commitment. And I'm also pleased to say that for the fifth year in a row the WCB has been recognized as one of Manitoba's top 25 employers, which is important to us, that we have a workplace ourselves that is a safe workplace and a happy workplace.

And on that note, I look forward to our discussion this afternoon. Thanks for your attention.

Madam Chairperson: Thank you.

The floor is now open for questions.

Mr. Lindsey: I guess we'll start off with some relatively simple questions, I guess, and see where that leads us.

Could the chairperson of the WCB please tell us how many claims have been approved as a result of the post-traumatic stress disorder legislation?

Mr. Werier: I don't have that information right in front of me. I believe that Mr. Maharaj would have the information there. I believe it's in the—have a general idea, but he'll give you the details.

Mr. Lindsey: If Mr. Maharaj could give us that information.

Mr. Winston Maharaj (President and Chief Executive Officer, Workers Compensation Board): Certainly. I—just take a moment. Between—for the year of 2015, I think your question was how many have been—I'm just going to have to clarify. Were you asking for 2015 or were you asking as of recently since 2016?

Mr. Lindsey: For 2016. I believe it got introduced just this year, so.

Mr. Maharaj: Certainly. The year to date for 2016, we've had 39 PTSD claims brought forward. We've had 17 accepted and 12 disallowed.

Mr. Lindsey: So, I guess, really, it's too early to suggest that there's any kind of statistical information that you can glean from that. But do you have any assumptions as to which groups of workers will be the ones that will be most prone to that type of trauma?

Mr. Maharaj: Yes, unfortunately, it is too early at this point in time for me to really make any particular statistical analysis of those that have come in. I think it would be premature. I know that historically we have seen, obviously, first responders in the top maybe five. We've also seen social workers. We've seen nurses. We've seen public administration, corrections. They've all been within the PTSD groupings. But it is too early for us to be able to say.

Mr. Lindsey: Talking about first responders, full-time firefighters are covered by this. What about volunteer firefighters? Do they have any coverage under this?

* (13:50)

Mr. Maharaj: Yes, they are covered. *[interjection]*

Madam Chairperson: Mr. Lindsey.

Mr. Lindsey: —covered as well. Thank you very much. We'll get this figured out yet.

Let's just talk a little bit about industry-based safety programs. So, in your documents for the five-year plan from 2016 to 2020, it says that it's hoped that the percentage of Manitoba workplaces served by an industry safety program will increase to 60 per cent, and the 2015 annual report, on the other hand, uses the statistic that 21 per cent of WCB-covered workers have an industry-based safety program. So could you explain the differences in those numbers, what they mean and how it's going to go forward?

Mr. Maharaj: I'm going to have to ask for the page references so I can just compare the two numbers you're looking at.

Mr. Lindsey: Page 11, for the plan going forward, and page 21, for the 2015 annual report.

Mr. Maharaj: So, on page 21 of the annual report, we're looking at the current program or current coverage and percentage of WCB-covered workers have—so, currently we're at 21 of our covered workers having coverage. And on page 11, we're looking at targets—so we're looking at five-year targets. If I'm correct, you're looking at page 11 of the five-year plan.

An Honourable Member: Correct.

Mr. Maharaj: Yes, so it's 70 per cent or more. So it's a future-looking, five-year target.

Mr. Lindsey: Right, but it's talking about two different numbers: one is about the number of workplaces that are going to be covered, and then the other place it's talking about the number of workers that are going to be covered.

Mr. Maharaj: Sorry, it is actually just different wording for the same thing. They both can be interpreted as workers covered—covered WCB workers; it's just we use workplaces as a terminology in the future, and in the current annual report we use covered workers. But it is the same percentage, same denominator.

Mr. Lindsey: So 21 per cent of workers is the same, you're saying, as 60 per cent of the workplaces?

Mr. Maharaj: So our current level is 21 per cent coverage, and what we hope to do over time in our five-year plan is to increase that to 70 per cent—*[interjection]* sorry, 60 per cent; I'm looking at the wrong—to 60 per cent.

Mr. Lindsey: Right, so right now 21 per cent of WCB workers are covered, and you hope to increase it to 60 per cent of workplaces. So what number of workers will be covered?

Mr. Maharaj: Yes, it's actually—we just used—we should make that terminology consistent, but it is actually the same thing. We hope to increase it from 21 per cent of workers to 60 per cent of workers. So you can use that terminology interchangeably, and unfortunately we used it one way in the annual report and a different way in our future-looking plan. So we'll correct that in the future, but it is actually referring to the same denominator. So let's say, for example, we use the annual report denominator, it's saying we hope to increase from 21 per cent of workers covered to 60 per cent of workers covered.

Mr. Lindsey: Okay, that's certainly not what it says when you read it right now.

How many workplaces, then, presently are covered by a industry-specific safety program?

Mr. Maharaj: So it is 21 per cent. We don't have the number of what that converts into number of employers or workplaces. I think that's what you're referring to. So we go by payroll, and right now it's 21 per cent. So we don't have a conversion for number of workplaces.

Mr. Lindsey: So you don't know how many workplaces are covered by an industry-specific safety program? Is that correct?

Mr. Maharaj: No, it's 21 per cent of payroll.

Mr. Lindsey: All right. *[interjection]* You talked previously about their being 60 per cent of workplaces served by an industry-based safety program going forward. So what number of workplaces—you don't know what number of workplaces are covered by an industry-specific safety program today?

Mr. Maharaj: Just for a correction, the five-year plan should have read 60 per cent of workers that—of covered workers—and the way we measure that is by payroll. So we do not have the statistic on what the payroll converts into as far as number of actual employers. We could certainly undertake to get that and do that work if you like.

Mr. Lindsey: Okay. So going forward, can you clarify whether the target in the five-year plan includes all Manitoba workplaces or just those covered by WCB?

Mr. Maharaj: It's covered, WCB covered.

Mr. Lindsey: Okay. So do you have any idea of how many workplaces or how many workers, then, would fall outside of that and what kind of safety programs would be for them?

Mr. Maharaj: For the 30 per cent, approximately, which if you look at the target being—or, sorry; I keep looking at the top one. For the 40 per cent that currently—if you look at our target being 60, and then the portion of those that are outside of actually WCB covered, we are looking to engage those employers through a system where they could actually still join and be part of an industry-based safety program. And that's part of the contracts, the agreements and the way that our long-term plans work with the different industry-based programs that we're growing and the associations. So we hope that in—as we move out into the future, for the next five years, that we will actually engage those outside of the WCB coverage as well.

Mr. Lindsey: How many workplaces in Manitoba, what percentage, are covered by WCB now?

Mr. Maharaj: Approximately 75 per cent of payroll is covered.

Mr. Lindsey: So you don't have information on—you've got the total payroll that's covered, but do you specifically have a target number to get more workplaces covered by WCB going forward? Because as I recall, when I took part in a previous review at WCB in a previous occupation, that there was a plan going forward to keep increasing the number of workplaces covered by WCB.

* (14:00)

And I know for the first couple of years, and that may have been back in 2005, that number certainly went up, but I'm not sure where it's at now or what your target is, if there is still a target to, at some point in time, get to—close to 100 per cent of workplaces covered by WCB, which then, by extrapolation, would be close to 100 per cent of workers that would be covered as well.

Mr. Maharaj: So we don't follow a target, per se, to bring in different industries. We follow—that's a legislated matter where we have mandatory required industries under WCB, and we administer based on

that legislation. So there are no specific targets in WCB. Currently the percentage—and you're correct—increased, I think, about from 70 to 75 or 76, which is where it currently sits.

Mr. Lindsey: Perhaps I could ask the minister, then, if there's any plans to increase the number of workplaces that are covered by WCB if it's a legislated thing as opposed to being something that's done by the board.

Mr. Cullen: You know, we aren't necessarily looking at bringing in any other sectors. Obviously, as I mentioned in my opening remarks though, we are embarking on a review of the Workers Compensation Board program. And part of that process will be a dialogue with the public in Manitoba. So we will certainly be eager to listen to Manitobans to hear what they have to say. If there's a—you know, a big request from Manitobans to change legislation, we will certainly have a look at it, at that point in time, when the report comes back at the end of the year.

Mr. Lindsey: Thank the minister for that, and I guess we'll go back to the board then. The 2015 annual report reports a tentative figure for lost-time injury rate per 100 workers as 3.0. Has this been confirmed yet?

Mr. Maharaj: It has not been confirmed as yet, but I can tell you that we are tracking to that, so we just need to confirm the final numbers.

Mr. Lindsey: So the five-year plan, then, hopes to achieve a rate of 2.4 or less per 100 workers. Is that correct?

Mr. Maharaj: Yes, that's correct.

Mr. Lindsey: Okay, so looking at the past numbers in the last five years, it's gone from 3.2 to 3.1 to projected 3.0, I believe; not a very substantial change in that number. Now, to drop to 2.4, that's a fairly substantial reduction, which may be a good thing.

Could you explain to us exactly how you intend to get to that reduced number in four years?

Mr. Maharaj: Absolutely, it is a very aggressive target, but it's one that we feel is realistic and one that we can achieve. As you know, we've done—and it's been mentioned, I believe, in the introductory remarks—we've done a significant amount of work around prevention. We've actually developed a brand new entity known as SAFE Work Manitoba, and SAFE Work Manitoba, in the first two years of operation, has established new industry-based safety

associations, which is absolutely critical. They started to work on a certification program, again, also critical to the infrastructure around prevention. They are working on an incentive—a prevention incentive that is to come.

So primarily looking at increase in capacity, defining standards, providing an incentive and ultimately changing the culture, we continue to do our campaigns, which is, again, very, very important around raising awareness for prevention. As you've mentioned, certainly we've made very good progress over the many years. If you go back 10 or 15 years, we'll see a significant decline, but we have plateaued in the last three or four years, and a lot of this work is what's going to take us to the next level and to achieving those targets, and we'll be monitoring that annually. So that is a five-year target.

Mr. Lindsey: Certainly, from historic numbers, the lost-time injury rate is substantially less than it was. How much of that do you attribute to claim suppression?

Mr. Maharaj: Well, I mean, certainly, I don't have any evidence or statistical information that would say that the decline in the prevention rate is attributed to claim suppression. I know that we have taken very targeted programs over the course of that period that you're talking to and referring to that looked specifically at prevention. For example, we did significant investments in programming around campaigns to raise awareness. We did significant investment around reaching out to employers with a program called partners for prevention. And I know that there were partners throughout the province such as Workplace Safety and Health that were also undertaking prevention initiatives.

So I would probably be more inclined to attribute that decrease to the prevention programming that we had in place. But having said that, that programming has only taken us now to a certain point, and that's why SAFE Work Manitoba is going to take us, I hope, to the next level, as you mentioned, 2.4 being a five-year target.

Mr. Lindsey: And I guess claim suppression is somewhat difficult to prove or to track or to substantiate, and maybe the term itself is somewhat harsh. Things like modified work programs that changed, really, the definition of what a lost-time accident was to what a lost-time accident is today in workplaces has changed dramatically that number as much as anything to do with prevention. That's been my experience, anyway, from workplaces that I came

out of and dealt with in the past—certainly, there has been some good work done around prevention. But the modified return-to-work program where in some cases workers are returned to work before they've seen the doctor, or there's been instances where doctor's opinions have been changed under some kind of force or duress so that workers came back to work. So that has a big effect on that lost-time accident number when the overall numbers may not be as substantial as that.

So, if you look at the serious incidents, look at the number of fatalities, for example. Last year, it actually went up. Is there a better number to use for tracking your success other than the lost-time injury rate?

Mr. Maharaj: Certainly I can answer that. I just wanted—take a moment because I'm—I think that the number of fatalities, in fact, is probably not the right metric.

So I just want to clarify. The long-term trend on number of fatalities continues to go down, and that's really what I was looking for: 2012 it was 36; 2013, 24; 2014, 15 and, unfortunately, 2015 did go back up to 19. Of note in that is the majority of fatalities are due to occupational health—or we have occupational diseases, sorry. And, in fact, even—you know—as you know, there's mental health issues and other things that go along with that that are in that mix. But there's other occupational diseases that contribute to that number which are—have long latency and can impact year over year.

* (14:10)

So it's difficult to look at fatalities and say, unless there's a true trend, that one-year increase is necessarily due to, as you've kind of said, a particular measure of prevention, because, in fact, we're trending down.

But certainly the time-loss injury rate is just one measure that you might use to look at prevention and how we're doing. One of the things that we do like to look at is the days lost to work from injuries, which, in fact, we are trending downward, and as you mention severity as well is an important factor when you're looking at the makeup of our injuries.

Having said that, when we talk about return to work and if it's impacting—and claim suppression, as you've outlined it, if it's impacting our statistics on our prevention efforts, I would say that, you know, we're always looking to promote best practices in return to work and, in fact, what we're doing now is

looking to facilitate amongst the many partners in return to work the best practices in that to ensure that there is actually appropriate and reasonable return to work happening, and that we're assisting injured workers in getting back to health and work as soon as possible as is reasonable.

We did, in fact, undertake a study for—around claim suppression a number of years ago, and partnered with the Ontario government—this was a leading-edge study never done in Canada before—in order to determine what the prevalence and nature of claim suppression was in the two provinces. And we went further then and did further research within Manitoba that resulted in a number of initiatives, return to work—looking at the return to work and manner in which we can lead that at WCB, was one. But also it led to us looking at our rate model and undertaking a comprehensive rate model review. And as I'm sure you're aware, you know, some would say that the aggressive rate model that leans too much towards experience rating can be a root cause to claim suppression.

So we looked at that with the help of our partners and stakeholders, and through their work and the WCB and a third party, Morneau Shepell, we were able to develop a new rate model that is under way today. The first year has been implemented, and it's a multi-year implementation initiative that'll end somewhere between 2019 and 2020.

Mr. Lindsey: We'll discuss the rate model a little later on, I think.

What kind of incentives have been offered to workplaces under SAFE Work certified programs, and how has that been received by employers and workers?

Mr. Maharaj: Well, we're still in the process of creating our—as I mentioned, our certification program, and down the road we will have a broader provincial incentive—prevention incentive. Today, the incentive that exists is the COR program, which I'm sure you're familiar with, that operates through—mainly through the Construction Association and their safety-based program. It has shown very good results.

Oh, if you look at the COR and if you look at the construction industry over a period of time, you'll see that COR has made an impact on prevention, and certainly that's today what exists as far as incentives.

Mr. Lindsey: So you're not looking at things like reduced assessments as an incentive for workplaces

that lower their lost-time injury rate, because that was done in the past, I believe, which, I guess, there's varying trains of thought on the success or the outcome of that model. So are you looking at doing things like that again?

Mr. Maharaj: No. I mean there are various models throughout the country, and we've looked at the different models that do exist. It was best practices as well as having both stakeholder input and third-party assistance with the development of what could the rate model—and that's why I go back to the rate model comprehensive review—what could that look like, and the best approach at this time seems to be that the rate model is more purely for the distribution of the cost, although there will be certain experience rating built in which therefore will see a rate fluctuate based on your experience. It will be capped, and you mentioned you're probably going to have further questions about that later.

But as far as the actual prevention related to your safety programming within your organization, that will be done outside through SAFE Work Manitoba through the prevention incentive.

Mr. Lindsey: Just before it slips my mind, the industry-specific safety programs, are they ones that are developed by the industry safety associations and who monitors those programs to make sure they're actually doing what they say they're doing?

Mr. Maharaj: They're developed in partnership with SAFE Work Manitoba and the industry. Part of having industry-based safety associations is ensuring that the training is relevant to that organization, but also taking into consideration legislation and minimum standards and, actually, we try to go above and beyond that. So, certainly, SAFE Work Manitoba has a part to play in that in partnership with the industry-based safety associations.

As far as actually monitoring, as far as certification is concerned, there is an audit program that is being developed with the certification. And the audit program would have independent auditors approved to audit those different industry-based safety associations. SAFE Work Manitoba itself would not have particular staff that go out and audit. It would be independent auditors.

Mr. Lindsey: How many industry-specific safety programs or associations are there in place now in Manitoba?

Mr. Maharaj: There are five.

Mr. Lindsey: And what industries specifically are they?

Mr. Maharaj: Construction, for sure. Construction; heavy construction; trucking, which is actually a new industry-based safety program and association that was recently formed; motor vehicles, which is also a brand new association that was just formed; and manufacturing.

Mr. Lindsey: Does the Mines Accident Prevention Association still exist, or is there something that takes the place of the mining industry safety association?

Mr. Maharaj: So there's a technical answer to that where they don't exist in that same form anymore, but they have been rolled into a larger organization. They do still exist as an industry-based safety program. However, they don't have an agreement with us so they don't qualify as an industry-based safety program. They run independently. So they—we still have ties to them and we certainly still have links to—and joint partnerships, but they aren't formally part of the industry-based safety programming that SAFE Work Manitoba has. *[interjection]* Although we are in discussions with them—sorry.

Madam Chairperson: Mr. Maharaj.

Mr. Maharaj: Although we are in discussions with them.

Mr. Lindsey: So looking at young workers, page 15 to 24, probably one of the highest injury rates of any group of workers. Can you tell us what the injury rate has been for this age group over the last five years and what SAFE Work has done to reduce that injury rate?

Mr. Maharaj: Unfortunately, we don't have the specific breakout of the injury rate for young workers, so that I am unable to provide.

But I can tell you that young workers, we have a very focused and concentrated program on the young workers including a brand new young workers strategy. The programming includes campaigns, but it also includes reaching out through SAFE Workers of Tomorrow to the various—to young—potential future young workers in high schools. There's—quite a number were visited this year, and then we've in fact increased our funding towards SAFE Workers of Tomorrow to increase the number of young people that will get this type of knowledge and programming prior to entering into the workforce.

* (14:20)

We also have—so, I mean, our campaigns include a multitude of different mechanisms, the contests, social marketing, et cetera, and those—and ultimately we also include it within our training that we do for supervisors and built in to our training that we provide broadly for our employers; the difference is between working with young workers new to the program or the employment field. So those are some of the things that we do for young workers.

Mr. Lindsey: So one of the terms of reference for the prevention committee—and I guess before we get into that, can you tell us just a little bit more about the prevention committee itself, what their role and function is?

Mr. Maharaj: So the prevention—as you know, SAFE Work Manitoba is a fairly new organization. The arm of WCB was developed in 2014, and a part of the idea behind SAFE Work Manitoba is that it would engage all the partners within the province and it would bring together employers, it would bring together labour, it would bring together experts in prevention—and that really is the purpose of having the committee—as well as key stakeholders. And government sits on that committee as well, which is very unique to WCB, as our other committees, as you know, are represented by the board which already has tripartite representation.

So the committee itself provides oversight on the policy and the development of the prevention mandate. There was a prevention plan that was established, and the committee uses that plan as a starting point. There are some key fundamental infrastructure initiatives that are under way. I mentioned them already: the certification program, the incentive, are two key initiatives. The committee would have significant input review in the development of that as it goes along its way to the ultimate finalization and approval. The committee would have oversight and input into the budgeting, year over year, of this arm. Ultimate approval is still with the board, WCB board, however the committee ultimately recommends to the board.

The committee would also look broadly at the future and, for example, would undertake its own planning session to ensure that over the next five years, that once the fundamental infrastructure is in place, that we are continuing to meet our targets and that we look to further push ourselves to bring that—initiatives that need to come to align with the

environment that we have in place at that point in time.

Mr. Lindsey: So the prevention committee, one of their terms of reference is to develop operating in capital budgets for prevention activities. So can you tell us, generally, what budgetary expenditure for prevention activities are in the plan and on how it's planning to be spent?

Mr. Maharaj: So, you'll find it on page 22 of the 2015 plan, we have broken out SAFE Work Manitoba expenditures separately and apart from WCB, however you should note that it does form part of WCB, so it really flows into our budget process which is a—which I'm sure you can imagine is a very in-depth and significant process that begins sometime end of summer. Actually, I think my—the CFO here would tell you, from WCB, it's already begun. But—so this flows into that. However, we have broken out separately that budget for you.

Mr. Lindsey: So are there any additional expenditures forecast other than those reported on page 22 of the 2015 annual report?

Mr. Maharaj: Well, this would be our expenditures for the 2015 year. So we would have our 2016 year which is part of our budget which is not publicly published, and from that, again, we would be quarterly comparing to it to see if there are any variances.

What I can tell you is we have a five-year plan put out, and within our five-year plan, as you probably have noted, is we have a projection of our expenditures. SAFE Work Manitoba is included in those projections and we are on target.

Mr. Lindsey: While we're on the topic of SAFE Work Manitoba, then, looking at page 22, I see that salaries, employee benefits and training has gone up quite a bit from 2014 to 2015.

Can you break that down a little further into what portion is salaries, what portion would be salaries-benefits, as opposed to training?

Mr. Maharaj: I can tell you that the main increase for that is our development of programming year over year. So SAFE Work Manitoba has started in 2014 and is rolling out programs and the programs, for example, I've mentioned them already, the development of the certification program, the development of our reaching out for—bringing online new industry-based safety associations, development of the prevention incentive. More importantly, you'll

see a jump in the salaries because we brought on for the—that'll be the first year that was the full year for our chief operating officer. So the organization started in 2014. There were a lot of partial years and started with lesser FTEs. It's forecasted to—and, unfortunately, the FTE count isn't here, but it's forecasted to grow. And you'll—it actually grew in 2014 from 13 to 23 FTEs, and that would account for much of the growth, and so that really does account for the start-up of the actual organization.

Ultimately, it still has—it's gone through the majority of its growth, however, it still has some growth to go in the last year as it brings—as it finalizes the programming that's brought on-stream.

Mr. Lindsey: So just, again, looking at that same chart on page 22, the SAFE Work Manitoba programs go up from 39, 38 to 48, 46, but SAFE Work Manitoba initiatives take quite a drop. Can you explain those two sets of numbers and what they mean?

Mr. Maharaj: So the programming costs would be the permanent costs that you're seeing go up as we grow the organization. The initiatives that you're referring to would be specific to the year that they're launched or multi-year; so those would not be permanent initiatives. So RWIP prevention grants: the RWIP program is actually a WCB program where we provide research and workplace innovation funding for proposals from—could be innovation. It could be training or—forget the last stream, but academic scientific research. So there's three streams, so this would be one of those grants that was provided.

So, you know, same with sponsorships. You'd see those fluctuate depending on the number of associations as they grow, et cetera. And safety associations grew, so you'll see a slight increase there. So these are not—other than the safety associations which you would expect to see go up because we're trying to grow safety associations in the province—you would not want to see that go down—the others are really particular to an initiative that's that year or multi-year.

*(14:30)

Mr. Lindsey: Without knowing what the SAFE Work Manitoba initiatives are, I'm not entirely sure I'd want to see that number going down either, but it has, so it—does that mean there's—SAFE Work is undertaking less initiatives, or was it a big hoopla at

the start and now it's kind of died off? Could you just explain that a little better?

Mr. Maharaj: No, actually, it doesn't mean that whatsoever. It—quite the contrary. As—I'll just go over that. The top portion where you see it going from 3.9 to 4.8 relates to salaries, office communication, overhead, et cetera. That's the organization as it grows. So the organization is growing. Staff are being brought on, programming is being made permanent. The—what you see below the line, for example, the RWIP prevention grants, would relate to—and I recall that—I believe I recall correctly that that relates to the start-up of safety associations and some research that was done around that, I think.

Having said that, that doesn't relate to ongoing programming of the organization, so it's quite the opposite. It's—you know, that—those are specific to one-time initiatives, whether it's research or whether it's supporting the development and the implementation of a safety association, it's not needed on a permanent basis. Whereas above the line that you've pointed out, that's our actual organization; that's our actual programming that's delivering services.

Mr. Lindsey: So could you tell us what kind of things that you've given grant money to in the RWIP category and what kind of outcomes have come out of that that's helped increase prevention or something along that line? What kind of success has there been from those grants?

Mr. Maharaj: So there are various different initiatives put out under the RWIP. I don't have the details with me. I can certainly send that to you. However, the RWIP program puts out a report every year. It's public. It's on our website. And the RWIP—each and every single initiative that's been funded through the RWIP grant is in there, and from that, it actually speaks to the deliverables and it speaks to the ones that have been completed as to what the outcomes were. So I can certainly have that report sent to you, and if you like, if there's any follow-up questions, I can undertake that.

Mr. Lindsey: Appreciate that. Thank you.

Just on sponsorships, very briefly. Without giving a complete list of everything you sponsor, what kinds of things do you—does the WCB sponsor, and how do you see that relating back to the original intent of the Workers Compensation Board, which would be providing wage loss and prevention and things like that?

Mr. Maharaj: So, I mean, I should mention that our sponsorships are on our website. We are completely transparent about our sponsorships. So, any time you wish, you could go up there and take a look at the types of the things that we do sponsor. However, we have sponsored, for example, Aboriginal Business Education Partners, as an example. We've sponsored Canadian Agricultural Safety Association training. We've sponsored Construction Safety Association of Manitoba safety conference. We've sponsored Junior Achievement for Manitoba Business Hall of Fame for our younger—our youth strategy. We have—I'm just picking randomly here from them, but the Manitoba Heavy Construction Association EXPO South. We've sponsored Skills Manitoba, the 18th annual Skills Manitoba provincial competition; again, youth. University of Manitoba Labour Studies, we've done work with them.

So, I mean, it really runs a gamut of different activities that you can go on to the—our website and you can look through, and it really relates to us being a couple of things. Number 1, that there is some direct support as far as prevention programming, prevention training, prevention awareness. There's also their outreach to youth. There's outreach to different diversity groups that we wish to—even as an employer—we wish to attract, especially when you're talking about the university. There's partnerships, both whether it's with labour or with employers, that we wish for them to view us as a trusted partner and we wish to be present and have influence, and, ultimately, it leads to our programming around prevention, our programming around return to work and the idea that we really are all in this together. Certainly, we cannot bring down that injury rate on our own. We also can't get to having the best practice in return to work on our own.

Mr. Lindsey: So both the five-year plan for 2015 to 2019 and 2016 to 2020 forecast, declining revenues from premiums and investment income together with a fall on the average assessment rate for employers and lands up with a deficit in the total comprehensive income.

So if the revenues are going down, the premiums are going down, the investment income is going down and the plan is to get rid of whatever you have for a surplus. What's, then, the rationale for looking at, for example, putting a cap on what the worker would be able to have for earnings on WCB if the overall plan is to just get rid of the excess money that's in the plan, but not to be giving it—and giving it isn't the right word—but for workers that have

become injured to make sure that they have income maintenance. Do you understand what I'm trying to get at? If investment income is forced to go down—or forecast to go down and premium income is planned to go down, how do you plan to maintain the rate for which workers get paid at the end of the day?

Because I can see at some point in time, as has happened in past years, long time ago, but where all of a sudden the WCB is in deficit and workers really bore a disproportionate brunt of that in what was available for them. So what kind of protection remains to protect those workers?

Mr. Maharaj: So just one clarification on your question and statements. Actually, our investment income is forecasted to go up. What you're looking up is the actual in 2015 at \$111 million. The budget in 2016 is \$85 million and that speaks to our surplus. You know, we've had some very good years where our investments—*[interjection]* Sorry, where our investments thankfully have been in excess of our assumed rate. So I could understand why you would think it's going down, but that's actually the actual versus the forecast, the budgeted. So it's still forecasted to go up as far as investments.

However, you are correct that you see a decrease in the premium revenue, and the reason you see a decrease in the premium revenue is because our rate goes down. So as you can see, our rate is projected to drop, the assessment rate, the first line, from 125 to ultimately in 2020 to 110, which is what drives that decrease in premium revenue. And what we do there is, of course, the further out—with any projected five-year plan the further out you go the more assumptions play into the actual view that you're seeing at that point in time.

* (14:40)

So we do 10-year—maybe even 20-year, I'm not sure, but I'll say 10-year forecasts and run an actuarial model that does tell us what the system requires to be sustained over a long-term basis. And then we project out based on that cost and based on our established reserve, which is 130 per cent, what these—what the average rate is required to be. We also, obviously, build into that projection inflation and other increases that would happen over that course and period of time, and ultimately we come out with what we feel is a sustainable rate.

We review that—*[interjection]* Wow, we review that each and every year—*[interjection]* Yes. We review that each and every year, so that is repeated

each and every year, and each and every year if there's—needs to be an adjustment in that rate, projected rate. So based on unforeseen circumstances or assumptions being incorrect, then this would be adjusted out and you would see the changes. So it's a rolling five-year plan. So what's the most relevant, obviously, would be the years that are current. And outside is a forecast, and it's just that; it's a forecast that's actually an estimate that's reviewed every year.

So, you know, we are very conservative as far as our forecast on investments, so—and our forecasts on costs, so we ensure when you talk about the sustainability of the plan, our administration is quite sensitive to that to ensure that on a long-term basis our assumptions are conservative and reasonable.

So, having said all of that, we are in a surplus position over the 130 per cent, and that's why you see in the out years here, running the deficit in order to utilize the disposition of that surplus. In other words, we have to provide for our reserves to come back to the policy amount of 130 per cent, and we chose to do that over a five-year period. And that—again, that speaks to the sustainability of the system and doing things in such a way that we can ensure year over year that we're on track.

Mr. Lindsey: I guess I'm just concerned when I see the operating surplus or the total income go from being in surplus to a plan to be in deficit. And then once you get into deficit, what happens? How do you maintain and grow things like prevention services and all the rest of that while still maintaining the proper level of support for injured workers?

Mr. Maharaj: So the deficit is a planned deficit that would not continue beyond those years. In other words, the way that it's forecasted out is that we forecast out the number of claims we expect and we take into account various different initiatives that are under way, various different costs, and we purposefully built in in those years the deficit, to utilize the surplus and down to 130 per cent.

So, if you think of it another way, we could do it upfront today. We could say we have 13 per cent over the target, we need to dispose of that 13 per cent, and it could be done in all in one year, and then you have a lot of variability over the next four years, not knowing from year to year if you are right on your assumptions, especially since we have a lot of change under way in the overall system. It—the system then returns to equilibrium after that deficit is—flows through.

And just a final comment on the benefits. Benefits, regardless of a deficit or operational cost, if we were to run—as you mentioned in your first comment, benefits would not be impacted, but the rate would be. So we are legislated to provide the benefits regardless.

Mr. Lindsey: I guess the problem with that theory, depending on which government is in place at the time, the legislation could change, as it has in the past, and benefits for workers didn't stay at the same level they were. So is it a legislated mandate that you have to stay at the 130 per cent funding, or can that change?

Mr. Maharaj: No, that is not legislated. That's policy under the board. But we have done research on it and we've actually had a third-party actuarial firm review what would be the appropriate reserve rate in order to ensure that we were actually on track with the amount that we feel, under policy, is the correct amount, and 130 per cent is the amount that they arrived at. So it is a policy under the board.

Mr. Lindsey: So the WCB is tasked with supporting a 10-year review of the compensation act by conducting consultations and research.

Can you tell us how these consultations will take place, who you plan to consult with, what research has been and will be undertaken, and by whom? Just kind of lay out that whole structure, if you will.

Mr. Werier: I have been appointed to chair the committee and we have a committee in place with the stakeholder groups' representative, one from organized labour, one from public interest and one from the employer's community. We are proceeding with doing our work. We're going to have a wide consultation process. Our committee is meeting for the first time actually next week and I suspect we'll be committed to getting as widespread input from interested groups who wish to make representations with respect to any of the major issues governing the system. It will be a comprehensive review and we have to decide what areas we will be researching and specific, after we get briefs and input from the—from various groups that have an interest in the system.

I hope that addresses what you're asking. Is there anything else I can touch on?

Mr. Lindsey: So you plan to—and as memory serves me, there was kind of like a travelling roadshow, if you will, where you went to various communities and had public access, chance—as opposed to people

coming to Winnipeg you went to those communities. Is that part of the plan as well?

Mr. Werier: That hasn't been formalized yet as to whether or not there is, in effect, a travelling roadshow or there's some other way to get comprehensive input from parties. Many of these issues are complex and it's useful to get briefs and representations on issues, but we'll have to make a determination as to which way we're going to go.

Mr. Lindsey: You don't have that plan in place yet. You know that you have to do something, but you don't know what that something is exactly. Is that—am I hearing you right?

Mr. Werier: The committee has not met yet. It is meeting for the first time. I can say comfortably as the chairperson of that committee that I would be committed to getting input from all interested parties. But I'd also be committed to doing it in what is determined to be a cost-effective, efficient, comprehensive way, and so we'll have to decide what makes the most sense in terms of getting widespread representation from Manitobans on the issues in question.

Mr. Lindsey: To the minister I direct this question, I guess.

During question period you indicated that you intended to add value of the Workers Compensation Board review and to provide the review committee with plenty of direction. Now it's come to our attention that perhaps the terms of reference for the review committee have changed significantly since the previous government issued them in January.

Could you outline what those changes are and why?

* (14:50)

Mr. Cullen: I appreciate the question.

I know we did have a look at the letter that the previous government had submitted to the Chair of the committee. We're not changing those. We added some additional context to it. Hope that the committee would have a broader scope in terms of what they would look at. You know, this opportunity only comes along every, in this case, 10 years. So we want to make sure that—we're trying to get as many cards on the table as we can, if you will. And, as part of that, I did direct the Chair—and I'll quote from the letter—that the committee's consultation process be as inclusive as possible to ensure that all affected

stakeholders have the opportunity to submit their input on changes to the act.

So it's certainly our intent to make sure that Manitobans have a fair say in terms of the review process and making comments on any—really anything relative to the Workers Compensation Board, whether it be policies or whether it be legislative changes. So we put a few other things on the table in respect to that and also looking back in terms of what the previous recommendations were and whether those recommendations have been implemented or not and why they haven't been or what else could be done there in terms of implementation from previous reviews.

So, in respect to the funding model that you just talked about as well, we want to make sure the review committee has an opportunity to review the current funding model in terms of the level of reserve, if you will, that the board currently carries, and ask them to review it in light of what other jurisdictions and other workers compensation boards are doing across the country.

So those are a few of the things that we've specifically asked the Chair to have a look at.

Mr. Lindsey: Could you tell me specifically what changes you've made to the terms of reference?

Mr. Cullen: Yes. That's a couple of them. I've also considered talking about the maximum assessable earnings level. I think they're referring to that in some other jurisdictions, and also considering a look at the possible creation of an employer advocate office. And I will—for the committee, I will table a copy of the letter that was sent to the Chair.

Mr. Lindsey: Could you explain to us why you've suggested that the terms of reference should consider establishing a maximum access—excuse me, a maximum assessable earnings level or cap for workers? What's the rationale for suggesting that that should be included in there?

Mr. Cullen: Well, I think—and I'll get some advice from the board itself—but I think it's something that has been considered in other jurisdictions. And I'm not—I don't pretend to be an expert in terms of how that would work or what that would be like. It's certainly not our intent to curtail any payments or reimbursements to injured workers. That's certainly not the intent.

Mr. Lindsey: Well, I don't see how that statement rationalizes with the desire to consider putting a cap

on how much a worker can earn. Of course, that's going to impact a worker if you put a cap on how much they can earn. So I'm not sure what you've just said, how that bears any relevance to what you've put down in writing that you want to have as one of the terms of reference.

Mr. Cullen: Well, I think the key word in the phrase is assessable earnings level. It's not restricting payments to individuals.

Mr. Lindsey: Could you explain to me how putting a maximum assessable earning will not affect how much a worker might get paid?

Mr. Cullen: I'm not going to preclude the undertaking or the results of the undertaking of this committee. We just—putting some options on the table for discussion, and the intent is to open up the dialogue to as many Manitobans and stakeholders as we can, have a—looking at what other jurisdictions are doing and put as many options on the table as we can to have that broad and a comprehensive discussion. So I'm not precluding what kind of recommendations will come back.

Mr. Lindsey: Was there previously a cap on assessable earnings for workers?

Mr. Maharaj: So there's no cap on earnings currently which relates to the benefit you would get. However, there is a cap by policy on the assessable premium related to the those earnings, and so that's a bit of a disconnect.

Mr. Lindsey: If you'd just explain that better, please.

Mr. Maharaj: I can try, but I can't promise that I can.

So you are covered for up to your full earnings regardless of the level, whatever you earn. So, if you are a higher earner, high-income earner, you are fully covered for your full amount. However, the employer only pays premium on coverage that would, say—I'm just going to—these numbers are hypothetical. But, if you were earning 200,000 you would be covered for 200,000, however, the employer is really only paying premium on—again hypothetical numbers—130,000. So there's a gap where, in fact, premium has not been paid. I'm just going to make sure.

I am right so that's—

Madam Chairperson: Mr. Lindsey.

Mr. Lindsey: And I guess the rationale for that, could you explain that?

Mr. Maharaj: So my understanding, and this is again well before my time, but when that change was made it was in order to ensure for an orderly transition for employers so they wouldn't have premium shock. So, in other words, when the cap—there was no more cap on the benefits that could be paid, that would result in premium shock. So in order to bring employers in, especially many with high-income earners in their industry in an orderly way and transition them in, this was put in place. And every year the cap on the premium that's paid is increased, and I can tell you that I think we are somewhere close to 99 per cent. There's actually a decimal after that, but 99 per cent of employers being aligned between what they pay and what their workers are covered for, but there is a percentage that still exists out there where there's a disconnect.

Mr. Lindsey: Okay, hopefully I understand that a little better than I did a few minutes ago.

Just one second here. Can the minister explain the rationale for suggesting considering the creation of the employer advocate office?

Mr. Cullen: Yes, I know we have an employee advocate office, and I think that works quite well in terms of any questions that arise on behalf of the employees they have somewhere to go to. And, basically, this is coming about as a result of some employers coming to us and saying, you know, we would like to have somewhere to go for answers as well. And, basically, it would—you know, in my view, it could mirror what the employers have as far as a place to go for answers to their questions.

So we wanted to put it on the table and just see what kind of input Manitobans would have in that regard, and hopefully the committee will have a chance to review what is happening in other jurisdictions as well to see if there's other organizations such as this that may be there to help the employers as well, and mainly just to work through the process as much as anything.

We hope they don't have to access the program and the process. But, you know, if they do, especially those who might be using the board for the first time, we think it might be a good opportunity for them to have their questions addressed.

Mr. Lindsey: Is the minister aware that this was previously contemplated by a private members' bill, Bill 206?

* (15:00)

Mr. Cullen: Yes, I believe that's correct. I don't know when that was, but I do believe there was a bill at one time.

Mr. Lindsey: Yes, the—I'm not sure what year it was brought forward. It was defeated, obviously.

Does the funding for this envisioned office, will that be provided through the WCB accident fund as it was contemplated in Bill 206?

Mr. Cullen: I'm not going to make any conclusions—take any conclusions on that. I'll undertake, you know—the board is—the review board committee is going to undertake that for us. They will see whether it's worthwhile to undertake in their recommendations. I'm sure if they are—undertake to make that recommendation that there be an advocate office, they would also make recommendations in terms of how it could be funded.

Mr. Lindsey: Is the minister aware that instituting such an office as envisioned under Bill 206 would potentially place the WCB in the position of funding activities that are potentially illegal under the act, specifically claim suppression?

Mr. Cullen: Well, I don't remember the specifics of Bill 206. It's certainly not my intent—I don't think it's our government's intent to suppress any claims. And I don't think that a board acting as an adviser to an employer would undertake the suppression of claims. I don't see that being the case. I mean, we have an advocate for employees, and many say that we should have an advocate for the employers as well. That's my view, and I look forward to, you know, the undertakings of this committee and see what kind of recommendations come forward.

Mr. Lindsey: So I'm assuming that the minister's aware of Bill 65, specifically section 19.1(1), where it says, "Discouraging worker from claiming compensation. No employer or person acting on behalf of an employer shall take any action that prevents or discourages or attempts to prevent or discourage a worker from applying for compensation, pursuing an application that has been made or receiving compensation under this Part."

So can the minister see where perhaps an employer advocate may, in fact, put someone in the position of advocating against someone getting compensation, which could potentially put them in the position of being contrary to what this legislation says?

Mr. Cullen: Well, I appreciate the member's line of questioning. That—you know, that's certainly furthest from my mind when I proposed this. Obviously, we—everyone has to work—should be working within the legislative framework that exists. And there certainly is no plan to change any of that particular legislation. We're just looking at this as a potential as an advocate office to answer questions on behalf of employers. We think there—we think—and that's why the committee is undertaking this—there may be a need to assist employers in how they deal with the process in dealing with the Workers Compensation Board. There's no hidden agenda. There's no ulterior motive in putting this on the table.

Mr. Lindsey: The recommendation to create the employers advocate office seems to stem in part from a report produced by the CFIB that rated the WCB low in the area of claims management. Can Mr. Maharaj please tell us what steps have been taken to address the CFIB's concerns?

Mr. Maharaj: Certainly. We've certainly tried to improve, year over year, over our customer service. And that goes for both injured workers and as well for employers. One of the major projects and undertakings that we've recently moved into is revamping our processes around claims management and intake. So doing things such as ensuring that injured workers can get a live person during business hours every time they call, empowering our employees who are answering those phones to make certain decisions in resolution to the calls at the first call rather than having to pass them along, minimize the amount of times that an individual would have to be passed along to a different individual, or passed off between the departments.

So things such of that nature as well as bettering our access, for example, for employers, we've introduced flex pay—sorry—and flex pay allows for them to now submit their payments online as well as get information online. They also, for example, for prevention, working on them having access, employers having access to statistics and reports that will help them to focus on how they can better their safety record and safety systems, so things such of that nature.

We're using technology; we're looking at our business processes and redesigning those, and we're certainly putting the customer at the centre whether that's the employer or the injured worker.

Mr. Lindsey: Are you aware that the recent legislative review on this matter was conducted in

Saskatchewan on the advisability of creating something similar to the employers' advocate office.

Can you tell us what the outcome of that review was?

Mr. Maharaj: Again, the—that's really a matter that we would be looking to the review that's under way to take into consideration, and I'm sure they would, interjurisdictional comparison of not just that matter, but reviews that have been done across the country for the last number of years. So I can't really comment on that specific review, but I would expect that under the legislative review committee process that that would be looked at.

Mr. Lindsey: So just before I leave this area of questioning, I just want to clarify with the minister and to make sure that what you've suggested in the revised terms of reference is not to put a cap on how much an injured worker can earn; it's merely to put a cap on how much an employer pays based on employee earnings. Is that correct?

Mr. Cullen: Yes. I'll make the comment that I—we know there's—in terms of the assessable earnings there's some issues on the table that probably have to be clarified, and it's certainly not the intent to clawback, if you will, to use that term, any income that is due to an injured worker. So that is certainly not the intent. The intent is just to make sure we review where the assessable earnings are at relative to premiums being paid, so it's not capping or restricting any income to any injured worker.

Mr. Lindsey: And that is true going forward as well? You have no intention of suggesting that an injured worker's income is going to be limited? This is strictly to limit the amount an employer would pay based on their earnings assessment, not to limit an injured worker's income?

Mr. Cullen: That's correct. My understanding is, you know, the current legislation says that we have a duty to pay workers at the prescribed rate, whatever that, you know, is. There's no intent to cap or reduce a worker's settlement from Workers Compensation Board. So that's not the intent of this request for the review.

Mr. Lindsey: Mr. Maharaj, can I just confirm with you that that's also your understanding, that there's no intent to put a cap on how much an injured worker can earn?

Mr. Maharaj: Yes. Just to clarify, though, I'm not, in my position as the CEO of WCB, I wouldn't be

participating in the legislative review committee per se. Certainly, WCB will support the review and any research and information that they need. However, the committee is an independent body which is actually going to be then making recommendations to the government. So I can't say that I would—I would leave it to the committee to in—not just interpret it, but also to look as broadly as they wish on the issue.

* (15:10)

Madam Chairperson: Before I recognize Ms. Lamoureux, Mr. Lindsey, have you set aside time for questioning for Ms. Lamoureux?

Mr. Lindsey: Yes, I have.

Madam Chairperson: Okay, Mr. Lindsey.

Mr. Lindsey: We just may have to go longer than two hours, that's all.

Okay, if Ms. Lamoureux would like to go now, she certainly can.

Madam Chairperson: Ms. Lamoureux.

Ms. Cindy Lamoureux (Burrows): I'd also like to thank the members of the Workers Compensation Board for coming out today and educating us and being patient with us. Many of us are new to our roles, but it's all very informative information that you're sharing with us here today.

I have a few questions. If you want to refer to 2014 and 2015, not necessarily the annual book you have provided to us, but could you please share with us what the most common claim filed is? Is it lower back pain? Is it carpal tunnel?

Mr. Maharaj: So it is strains, musculoskeletal—I always have trouble with that, MSIs—did that on purpose there. So soft strains, approximately 60 per cent of the claims filed.

Ms. Lamoureux: Thank you for the answer.

What percentage of people filing claims with Workers Compensation hire on lawyers, and this is raising or decreasing?

Mr. Maharaj: I don't have the exact percentage, but I can tell you it's very small, if I recall, that the number of people who engage lawyers—first of all, the number of appeals itself is quite small, but the number of people who have lawyers go—the percentage was, in a year, I believe, under 10. But, you know, we can undertake to get that. *[interjection]* We don't have the number. But, I

mean, you know, I'm reminded that we have just a framework of our system is such that we have many supports in place for workers as they go through the appeal process.

We also have three opportunities to provide an alternate solution or resolution to the issues. So the individual can, hopefully, first, if possible, resolve it with a decision maker or the management around the decision maker. Then it would go to the review office, and after that and only after that, enters into the actual appeal process. There's also the Worker Advisor Office that's independent and outside of WCB if the individual feels that they are needing additional assistance in going through that process with their claim. So by the time it does get to the appeal office, the number of claims that have legal representation is quite small.

Ms. Lamoureux: So with all the additional assistance that has been put in place, is that number increasing or decreasing where people are using lawyers?

Mr. Maharaj: I don't have it with me, but I do know—maybe I do have it with me—that it's actually published within the Appeal Commission report, and maybe I can get that number for you. But I can tell you that I have looked at that before, and it is flat. I don't know that—the numbers are so small that I don't know that they would actually represent a particular trend one way or the other. But there's been nothing surprising about it changing year over year. I'll just see if we have it in the report itself. *[interjection]* We don't. I can undertake to get that to you, though, but I can tell you in general terms that it's small and there's no statistical—*[interjection]* There we go. Let's see if I'm proven right. So for 20—I'll start with 2013: legal counsel, there were two; number of employers represented by legal counsel, two; number of workers represented by legal counsel in 2013, none.

Just to put that in perspective we have time-loss claims, 15,000, approximately, time-loss claims. For 2014 for workers there were seven and for 2015 there were seven. For employers in 2014 there were zero and in 2015 there was one.

Ms. Lamoureux: Thank you for your answers.

When I think about future plans, in this case your five-year plan, I think about new ideas but also ways to improve on what has already been implemented.

My question is—let's say, hypothetically, a person who is on workers compensation for four months or

whatever that number may be, and she's set to go back to work, if they are not feeling better, if they are still in pain and if their doctor is saying no, you shouldn't be going back to work yet, what is the appeal for that? How do you process that? What is the time like, because time would be of an essence in a situation such as that, and what percentage usually get approved?

Mr. Maharaj: So I don't have the statistic for you of—actually, I've kind of lost track. I don't have the statistic that you asked for.

But it really is—it's a little bit dependent upon the specific case and the return-to-work scenario. But we would engage the various different partners involved in that return to work, so that means we would engage their health-care provider, whether it's a doctor or other health-care providers. We would engage the employer and we may also include our own medical contracted health-care providers to provide assistance as well, and it really is a collaborative process to clarify what the—where the individual is in their recovery, as well as what we're talking about as far as a return to work as far as duties and, et cetera.

So, you know, these can be very complicated scenarios and return to work, there's a lot of people that need to work together as a partnership, and we would—we really would facilitate that where everybody can be working together ideally in ideal scenario.

Ms. Lamoureux: Do you have any idea how many people lose their jobs because they are unable to return to work?

Mr. Maharaj: Well, hopefully, none. So, certainly, we don't have the statistics and I think it really relates to a stat like that was not something that we would, I think, be able to track.

But, if I understand your question correctly about an individual losing their job because they're off on WCB on a legitimate claim that they're currently being paid for, if we knew about that, certainly, under the legislation we would follow up through our compliance area, which is actually enhanced, and we've had additional penalties that we now have the ability to levy and we would follow up on each and every inquiry of that nature.

Ms. Lamoureux: My final question is, is there a direct contact that those of us around the table would be able to use on behalf of our constituents if we had questions for the Workers Compensation Board?

Mr. Maharaj: I could say, absolutely, you could use me initially. So I will have my—however I do that—my office where you can send things or call. You know, currently right now when a matter does come to—that's claim-specific—does come to the attention either of any of the members around the table or there could be various different means in which a matter might be raised, we do hear from—we do filter that in through my office, and that ultimately will be reviewed and go to our vice-president of compensation services and we ensure that appropriate response is made. And these are complicated matters and some of these claims have been going on for a very long time, so we want to give it all due process. But, certainly, there's an opportunity for review, and that would be for you to come in through my office, and for myself, I would hand it off to the VP.

* (15:20)

Mr. Lindsey: Just back to the new rate model that you talked about earlier, and perhaps I'm misreading it, you can correct me if I am. But from what I read, it appears that you plan to do away with—if an employer has a serious incident, accident, that causes a dramatic cost associated with that accident, normally what would have happened is for, I believe, it's five years, their assessment rate would have gone up to cover those costs. Now you plan to flatten that out so there is no big spike in an employer's cost so that some employers just going along now will automatically pay more all the time to flatten out that potential spike. Is that correct?

Mr. Maharaj: I think it's not quite the way that you've outlined it. The changes really are—it's somewhat—there's some truth to what you're saying, but it's not quite represented in the right way. So, previously, all employers—small, medium and large—were treated the same. So your experience rating, whether you had one claim for every 10 years or you had 1,000 claims per year, was considered to be a projection of what was going to happen in the future, and there was a risk rating attached to that, essentially, in the insurance world, and that's what you're paying your premium from.

Our model was very leaned towards what's called experience rating, which means if you had—you mentioned a severe incident which has related to it high costs, you are correct that your premium would spike up. And if that happened over a number of years especially, your premium could be 200 per cent of the particular rate that it was, and that

would then take a significant amount of time to come down. And this is especially problematic in small employers where really the experience that they have is not statistically representative of what the future of the risk that they're going to be carrying in the system. So as far as paying your fair share of the costs of the system, that's not really a model that works to treat all of the employers the same.

The new rate model looks at small employers differently than medium and differently than large. And it provides an experience rating factor against those so that the small employer will still have a certain portion of their experience brought in to their future rates, but it's a lesser per cent—so it's kind of like a weighting—than the large or jumbo employer which could have 100 per cent of their experience exactly the way it is today brought in because it's a fair projection of what's going to happen in the future.

So that's the key change, and what that also does is we've narrowed the band in which you can move up and down. So before when you said you could spike up, now you have a 15 per cent band per year. You can only move up or down 15 per cent year over year. Your rate can still go up beyond that, but it'll take a number of years to get there as well as it'll take a number of years to come down. So it's a steady increase, steady decrease.

The other things we've done, we've—there's—well, there's some things that have been implemented already that I've just mentioned, but we've also looked at changing the risk categories so you can move between categories. With this change, there'll be more risk categories that you can move between depending on your experience. And implementing better monitoring and a strategy around ensuring when you do move from one risk category to the other it's because of true prevention and safety systems that have been put in place.

So I think just to also mention from your question previously, this limiting of the movement up and down, part of the connection between that and prevention is creating the prevention incentive in SAFE Work Manitoba. So now we're going to have a prevention incentive down the road in SAFE Work Manitoba that's going to be tied directly to certification and ensuring that the proper safety systems are in place in the organization before they receive that incentive back.

So there's still movement in the rate model, but not as aggressive as before, and prevention is more

directly linked to the incentives coming out of SAFE Work Manitoba.

Mr. Lindsey: Thank you, for that.

So, really, I guess, in my mind, the potential spike, if you've had a serious incident that has a high cost associated with it, really served as an incentive for employers to make sure they didn't land up there.

By flattening that out, does that remove some of the incentive for an employer to make sure they're doing things right so they don't get hit with that big cost?

Mr. Maharaj: I would say that it's a transfer. So what I was expressing before is that spike, that amount over the 15 per cent, what is going to provide that incentive now? It's removed from the rate model, correct, but it is now placed in a pure prevention program that really focuses and ensures prevention, and one of the aspects of removing that was because of claims prevention.

So, actually, the reason for removing that large variability was because our research showed that it was that understanding that you just mentioned, the understanding that when a cost for a claim passes a certain threshold, that there's an incentive, whether you believe it's being acted on or not, to keep the costs down rather than invest in prevention.

So by removing that from the rate model and putting it into a pure prevention program, we're making the incentive link directly to what we want, which is safety systems and better prevention rather than variability in sometimes injury rates that aren't statistically relevant to the future.

Mr. Lindsey: Thank you for that. Could you tell us what amount or percentage of your budget goes towards Workplace Safety and Health department?

Mr. Maharaj: So I know that it's approximately 9 to 10 per cent of our budget.

Mr. Lindsey: Is that number going forward the same as it has been? Increase? Decrease? Is that number basically the same as it has been or is it going up, going down, going forward in your—

Madam Chairperson: Mr. Maharaj.

Mr. Maharaj: That amount is essentially the same. It's gone up a little bit.

Mr. Lindsey: Just on the Appeal Commission itself, just a couple of quick questions on that.

The length of time it takes to get a hearing, from what I read in your charts, it appears that that period of time has gone up by four to five weeks over the course of the last few years. Any reason for that?

Mr. Maharaj: I will have to call up the registrar for the Appeal Commission or a representative from the Appeal Commission because the Appeal Commission is an independent body that WCB does not—does not report to the WCB.

If it's permissible, the registrar can answer the question directly.

Madam Chairperson: Does the committee wish to have the representative answer this question—or the registrar answer this question? *[Agreed]*

Please state your name.

* (15:30)

Mr. Peter Wiebe (Registrar of the Appeal Commission): Peter Wiebe.

I guess the biggest issue in terms of, if you're looking at the 2015 annual report and the increase in that number, one of—we've got two full-time chairs who hear the majority of our cases, one of whom was appointed to the Provincial Court of Manitoba in April of 2015. So that obviously significantly impacted our ability to hear cases. We had to reschedule a few of them, but it impacted our ability to hear new cases. We have a roster of part-time commissioners as well, and they stepped in, but they were not able to do the same number of cases that a full-time commissioner might have been able to hear.

Mr. Lindsey: Thank you, for that.

Has the amount of time it takes to get the written decisions out increased over the last year or two, because it—just looking at the chart, it appears that decision writing, we're waiting for 20 whereas before it was nine and 11. Is—am I reading that correct on page 14?

Mr. Wiebe: Page of—actually, I think the number that you want to look at is on page 20 of the annual report. That contains the service levels of the appeal commission. And there's three numbers there, one of which is the total number—26.44 weeks would be the total number of weeks from the time an appeal is received to the time a decision's published. That number includes, obviously, the scheduling time. It also includes the decision writing time.

Mr. Lindsey: So that number has gone up by four weeks, approximately, from the previous year, three

weeks from the year before that. Is there any reason why that number? *[interjection]*

Madam Chairperson: Mr. Wiebe.

Mr. Wiebe: Sorry, a little anxious there.

If you look, that's mainly due to the scheduling time, which is the first number in that column. So in 2015, it was 19.41 weeks. That's the time from the date someone files an appeal with our office to the date of the hearing. That—and that's influenced by a number of factors, one of which we talked about for 2015 was the appointment of a full-time commissioner to the Provincial Court of Manitoba. But that's also impacted by a number of other factors including the availability of workers, the availability of the representatives, the availability of employers if they're participating, employer advocates if they're participating, and then the availability of hearing dates.

So as an example, we're scheduling appeals today, people are asking us for dates in December. We have hearing dates that are available earlier, but due to a number of factors in their own schedule, their advocate's schedule, they're not wanting to proceed now. So when our numbers are eventually published, it'll capture that extended period of time, if you will, but it's not reflective of the first date that might have been available for them.

Madam Chairperson: It was previously agreed by the committee to review the end time at 3:34. It's now approaching 3:34. Therefore, what is the will of the committee?

Mr. Lindsey: I would like to take just a very few more minutes, and then I'll be done.

Madam Chairperson: Is it the will of the committee to take a few more minutes? *[Agreed]*

Mr. Lindsey: Thank you, for that.

Just back to the WCB committee itself, do you believe that enforcement is a part of prevention, and if so, what would the number of inspections that have taken place? Do you have that information, or am I?

Mr. Maharaj: So enforcement certainly forms part of the partnership with SAFE Work Manitoba, but enforcement is carried out through Workplace Safety and Health. I don't have the numbers or statistics for Workplace Safety and Health, but I think that they put out a report annually, if I remember right, that I think says that. But they—that, I don't have. But I can

tell you that we do work closely with Workplace Safety and Health to ensure that the work that we do further enforces the legislation, further supports the need for prevention along with, obviously, their enforcement.

Mr. Lindsey: Thank you for that. I kind of thought maybe this wasn't the right place to ask that, but what the heck.

Could you tell me where the—what industry the largest number of claims come from, and then what focus on prevention is in your plans for the specific type of industry?

Mr. Maharaj: So I—the clarification is there's a difference between an injury rate and which industry might have the highest industry rate—injury rate—but statistics are, again, as we've talked about throughout this afternoon, sometimes misleading. As opposed to the actual highest number of injuries, and then, of course, it's a question around severity and things of that nature. But if we were just to look at the number of injuries, it would be health care. And within health care, certainly, we have reached out. There is a system-wide working group for the regional health authorities and Manitoba Health that are looking at how to improve upon that injury rate and the number of injuries. And I know that we participate on that. As well, we have a conference that's undertaken every year that we bring in all of the regional health authorities in order to try to, again, get them to have the most up-to-date knowledge and talk about what could be done in their industry.

So—and although it's a unique structure, health care, with the regional health authorities, so the typical implementation of a safety association or industry-based safety program would not look the same as with, for example, construction or with trucking or with motor vehicles. We are looking at how can that be done here in Manitoba, and there are some examples across the country. We have gone there. We've looked at their model, and we're starting to talk about can something like that be implemented here?

Mr. Lindsey: Hopefully, just one more question, and that deals with customer journey maps, and I believe, according to your report on page 6, that there was journey maps undertaken for injured workers previously, and the plan is going forward to institute something similar for employers going forward. Could you—is there some kind of report available that summarizes how those journey maps

for injured workers came into being and how they worked and what recommendations came out of that?

Mr. Maharaj: So we don't have a public report that outlines our results. What we've done—journey mapping is—we used a third-party firm to actually have focus groups with our injured workers and, again, this is—they've gone through a methodology that chooses, appropriately, representation from the various different injured workers. There was also stakeholder groups that participated in focus groups as well. They mapped out, then—and there was internal work done as well with, again, with focus groups with our own staff. And then from that they mapped out the journey of an injured worker, the purpose being to understand where there were what was called pain points, and where they were the positive points in that experience and where we could actually improve.

So from that we learned a number of things about the way we deliver our services, about how we might actually better provide that service to our injured worker, things, for example, like handing off the claim from one work—from one area to the other. So it—approximately 14 days when a short-term claim went into a long-term claim status, it would be handed off from the short-term claim folks and adjudication to the claims—to a case manager. And there was a lot of things that we learned through that process that we're now able to improve upon. And, in fact, our entire process around resolving earlier issues on first contact to the claims centre is based on things like this journey mapping.

* (15:40)

So the report is internal but was used to actually drive these initiatives to improve customer service. That was done last year. This year was now the

turn for employers, where we wanted to learn the same kind of customer service, hopefully better understanding of what would improved customer service look like for employers. So we're embarking on the same thing. We have a report and we're starting to look at, well, what can we learn from this?

The bottom line is this is really to get a better understanding of if you—of what it means to be an injured worker as a customer to us, and what it means to be an employer—small, medium or large—when interacting with us.

Mr. Lindsey: I think that concludes my questions. I could probably go on at this all day, but I won't.

So, thank you.

Madam Chairperson: Seeing that there are no further questions: Annual Report of The Workers Compensation Board for the year ending December 31, 2014—pass; Annual Report of The Workers Compensation Board for the year ending December 31, 2015—pass; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2014—pass; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2015—pass; Workers Compensation Board 2014-2018 Five Year Plan—pass; Workers Compensation Board 2015-2019 Five Year Plan—pass; Workers Compensation Board 2016-2020 Five Year Plan—pass.

The hour being 3:42, what is the will of the committee?

An Honourable Member: Committee rise.

Madam Chairperson: Committee rise.

COMMITTEE ROSE AT: 3:42 p.m.

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