Fourth Session - Fortieth Legislature

of the

Legislative Assembly of Manitoba

Standing Committee
on
Crown Corporations

Chairperson
Mr. Bidhu Jha
Constituency of Radisson

Vol. LXVII No. 2 - 2 p.m., Thursday, September 10, 2015

ISSN 1708-6604

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON CROWN CORPORATIONS

Thursday, September 10, 2015

TIME – 2 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Bidhu Jha (Radisson)

VICE-CHAIRPERSON – Mr. Stan Struthers (Dauphin)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Ms. Braun, Hon. Messrs. Chomiak, Dewar, Hon. Ms. Marcelino, Hon. Mr. Saran

Messrs. Friesen, Jha, Smook, Mrs. Stefanson, Messrs. Struthers, Wishart

APPEARING:

Hon. Jon Gerrard, MLA for River Heights
Mr. Michael Werier, Chairperson, Workers Compensation Board
Mr. Winston Maharaj, President and Chief Executive Officer, Workers Compensation Board

MATTERS UNDER CONSIDERATION:

Annual Report of the Workers Compensation Board for the year ending December 31, 2013

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

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2013

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

The Workers Compensation Board 2013-2017 Five Year Plan

The Workers Compensation Board 2014-2018 Five Year Plan

The Workers Compensation Board 2015-2019 Five Year Plan

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

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

Hon. Flor Marcelino (Minister of Multi-culturalism and Literacy): I would like to nominate my colleague, Mr. Bidhu Jha.

Clerk Assistant: Okay, Mr. Jha has been nominated. Are there any other nominations?

Hearing no others, Mr. Jha, will you please take the Chair.

Mr. Chairperson: Thank you.

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

Hon. Mohinder Saran (Minister of Housing and Community Development): I'd like to nominate Mr. Stan Struthers, so he can come back.

Mr. Chairperson: Mr. Struthers has been nominated as Vice-Chair. Any other nominations?

Hearing no other nomination, Mr. Struthers is elected Vice-Chairperson.

Meeting has been called to consider the following reports: Annual Report of The Workers Compensation Board for the year ending December 31st, 2013; Annual Report for The Workers Compensation Board for the year ending December 31st, 2014; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2013; Annual Report of the annual commission and Medical Review Panel for the year ending December 31st, 2014; the Workers Compensation Board 2013-2017 Five Year Plan; the Workers Compensation Board 2014-2018 Five Year Plan; the Workers Compensation Board 2015-2019 Five Year Plan.

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

Mr. Dennis Smook (La Verendrye): I suggest we sit 'til 4 o'clock and then look at it from there.

Mr. Chairperson: Is that the will of the committee to carry that? *[Agreed]*

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

Mr. Smook: In a global.

Mr. Chairperson: A global.

Any objections? All cleared? Okay, so global way we will be proceeding.

Before we proceed, I'd like to inform the committee that today we have two of the 2015 to 2016 pages of working committee: Sarah Cormier, Julia Antonyshyn. Welcome to the Assembly.

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

Hon. Erna Braun (Minister charged with the administration of The Workers Compensation Act): Good afternoon. It's a pleasure to be here as the minister responsible for the Workers Compensation Board, and I'm joined by Chairperson Michael Werier and CEO and President Winston Maharaj. And also staff, eight of them.

It continues to be an exciting time to be the minister responsible for the WCB. We've seen the rollout of the new compliance unit and other changes following on the heels of the Petrie report and continuing the work of the government's five-year prevention plan and the creation of SAFE Work Manitoba, Manitoba's dedicated prevention agency.

In the spring we passed presumptive legislation for post-traumatic stress disorder, the first of its kind. But Bill 35 is just the latest in a series of legislative changes that we've made to better protect workers and prevent workplace injuries, contributing to making Manitoba a leader in workplace safety and health laws.

To mention just a few legislative initiatives we've undertaken in this regard: we've increased fines for putting workers at risk, increased inspection authority for unsafe work sites and increased protection for highway construction workers.

When we last met as a committee we had just passed Bill 65, which, among other things, created a new prevention committee of the board to oversee and guide all the new prevention work that SAFE Work Manitoba is doing.

Serving injured workers and serving employers is central to WCB's mission. I am so pleased to see the WCB is continuing to focus on customer service in this year's annual report.

***** (14:10)

Before closing, I would like to acknowledge the work of the chair and the president and CEO and all the staff for the incredible work they do. It is just–absolutely amazes me to no end.

So I look forward to our meeting this afternoon. Thank you.

Mr. Chairperson: Thank you, Honourable Minister.

And does the critic of the official opposition have an opening statement?

Mr. Smook: Yes, I do, Mr. Chairman.

Mr. Chairperson: Mr. Smook, go ahead.

Mr. Smook: Thank you, Mr. Chair.

I'd like to start by mentioning that today is World Suicide Prevention Day, and I think some of the things the WCB does and some of the initiatives that the government is showing is to help prevent some of these things that are happening. So I think it's important that we all acknowledge that it's World Suicide Prevention Day.

I will be brief with my statement here, because I'm looking forward to this afternoon's proceedings to do it in a timely fashion. I'd like to thank the minister for her opening statement as the minister who is responsible for the administration of WCB. I also would like to thank Mr. Maharaj and his staff for being with us this afternoon, because I'm sure that we'll have a few questions for them, and I'd like to thank Mr. Werier for being here this afternoon, as being an important part, as the president of the thing. And I'd also like to thank all my colleagues on–at the table here for being here this afternoon, because it is kind of an important topic we will be talking about.

I look forward to asking questions of the minister and of WCB and bringing up issues that have brought to my attention by concerned Manitobans.

This committee does give us the opportunity to ensure that there is accountability and transparency in the legislative process, especially if we consider the many Manitobans who've had opportunity to engage with work of the WCB. And, with those few remarks, I'd like to turn it back to the Chair and–so we can continue this afternoon's proceedings.

Mr. Chairperson: We thank the member for his statement.

Now does the representative from Workers Compensation Board, Mr. Maharaj, you wish to make a statement? Okay, that's–you wish to, chair–you wish to make a statement?

Mr. Michael Werier (Chairperson, Workers Compensation Board): I would make a few brief comments on behalf of the board.

Mr. Chairperson: Kindly go ahead, sir.

Mr. Werier: Thank you.

Mr. Chairperson: Thank you.

Mr. Werier: Good afternoon, everyone. Just a few brief comments on behalf of the board of directors, which I chair.

As you are probably aware from prior days hearing from us over the years, the board sets a strategic direction of the WCB and oversees decisions in certain policy areas such as rate setting, prevention and compliance. And our board is unique from other boards that appear before you at standing committee, and it's because we're a tripartite board, equal representation from the business community employers, labour as well as public representatives, so three from each of those constituency groups. And, as the chair, I'm independent, and this governance model allows us to get views from across the spectrum to be heard and requires a collaborative model, which we employ. It really facilitates input from our stakeholder group in the business and labour communities, because they are really the key partners and customers in dealing with injured workers. And, certainly, in the time that I've been chair, a consultation with stakeholders has been an essential part of our model on all issues that we seek input and try to reach consensus so–as best as we can.

I'd like to just highlight a few of the important things that we've been undertaking in the last few years. A number of these initiatives began in 2013 and 2014 and have–are coming to fruition and there's been a lot of changes made. Just let me touch firstly on the financial position of the board. We are pleased that we are in a stable position. In 2014, we had a funding ratio of almost 138 per cent, and what that means in simple English is that our–it's the ratio of our assets to our liabilities. We target 130 per cent, so we're ahead of our target, and the target that we have came out of an independent actuarial analysis, which was conducted in 2014.

Also, I wanted to comment briefly on our assessment rate. That's the rate that is charged employer's premium–for employer premiums, and also with respect to a rate model review, which we've undertaken at the board. Our assessment rate remains stable at $1.50 per $100 of payroll in 2014. But it's lower today, $1.30, and we're projected to decrease it further in the future. So we're very pleased with the ability, over the last number of years, to reduce the premiums that are charged to employers, and that's been a result of a number of factors, including positive investment returns, because we have an accident fund which we manage which funds, in part, our operations, together with the premiums that are charged to employers. And we've also had some declining claim costs, which has facilitated our ability to reduce our rates. It's very important to the employer community and to the economy in general that our assessment rates remain competitive, and the board is committed to that and we're focused on ensuring that Manitoba will continue to have among the lowest rates of all the boards in the country.

Now, while our rate setting model has produced good financial results, we are reviewing it with respect to whether it's a fair and balanced model. And in doing that, we've looked at what's in place across the country, because we feel that's an important aspect of any review, and we've had extensive consultations over the last couple of years where we've had representatives from the business community and labour who had input in suggesting what kind of changes, if any, should be made to our rate review system.

I'd also like to comment on our SAFE Work Manitoba, which is our prevention services and programs model. This has been a major initiative at the board. We're doing whatever we can to create a culture of safety in Manitoba. We've had strong support for SAFE Work Manitoba from all our stakeholder groups. There's been significant buy-in. Safety associations are starting up in various aspects of the business community. In trucking, there was just an announcement this week. We also have a prevention committee which oversees the prevention work that we're been doing, and the prevention committee as well has representation from our stakeholder groups.

Just in closing, I'd like to acknowledge the work of the executive of the board. We're fortunate to have a dedicated group of people who service the board, and many of them are here behind me today.

And I'd also like to note the fact that for the fourth year in a row, WCB has been recognized as one of Manitoba's top 25 employers, so that's a source of pride. We'd like to have a workplace where people enjoy being at.

We're fortunate that we've had significant long-service employees, which I think is a testament to the environment that we have at WCB, and the reason I know that is I get to sign the long-service certificates, so I'm always struck by the fact, really, 25, 30 years? And so I can speak from direct knowledge as to the length of service.

I look forward to our discussion this afternoon. Thank you.

Mr. Chairperson: Thank you, Mr. Werier.

Now the floor is open for questions. What I request, the committee members, those who ask questions and answers, please address–please raise your hands so that I can recognize you, and every question and answer should go through the Chair. Thank you.

Mr. Smook: Yes, my first question is–Mr. Werier answered part of it, but rates were projected to go down to $1.33 in 2015 and now we're three quarters of the way through 2015 and you had mentioned they are down to $1.30 now. How was this accomplished? Like, is it sort of an arbitrary move that WC can be–can do on their own just by saying, well, we've been building up funds and we can just do that to make it look better, or what is the–how's the reasoning that they get it to that?

Mr. Winston Maharaj (President and Chief Executive Officer, Workers Compensation Board): So our rates, certainly, it's not arbitrary whatsoever. So our five-year plan actually consists of all of the initiatives, and you're going to hear, I'm sure, this afternoon about very significant initiatives that require investment throughout the multi-year period. They are costed out and included within our budget. As well, there's inflationary factors and economic factors that are taken into consideration. We have an actuarial model, in-house actuary as well as a peer actuary that does a review of our fund and our liabilities in order to project what the requirements are in the future.

***** (14:20)

All of that comes together in a five-year plan that projects out; of course, the further out you go in the five years, the more the assumptions are critical. So, as they are just assumptions, you're never going to be dead on, but we do have a model that actually projects out where the rate can go in order to have a sustainable system. Then, as I said, the, you know, further out you go, means those assumptions are just that. They're a forecast. So, annually, we review all of our assumptions, the model, again, the actuarial basis for our liabilities, and we project once again what the sustainable rate would be.

So, as you mentioned, we had a projection of $1.33. The rate actually came in at $1.30. And, in fact, you'll see that we're projected to go out further in the out years to go down even further. Once again, annually, we will continue to review that. Right now we're projecting that we will be able to obtain those decreases that you see in the five-year plan, if not even potentially a little bit lower.

So, again, the basis for that is always, what is the sustainable rate for the WCB system, not today, but into the future.

Mr. Smook: And every year, the same formula is followed for the last 10 or 15 years, and it's proposed it'll–you'll do the same thing in the future, correct?

Mr. Maharaj: Absolutely. Yes, in fact, we–not only is the same formula followed, but we try to improve upon it each year. So, for example, when we talk about the economic factors, we always want to do environmental scan and look at, for example, interest rates and other factors that would have an impact on that sustainability. So it's critical we do that each and every year.

Mr. Smook: On page 27 of the 2014 annual report, it is noted that investment returns were 9.9 per cent, a decrease from last year's 13.6 per cent. We know that the oil–declining oil prices probably have a lot to do with it, but what other factors have taken place that have dropped that from 13 to 9?

Mr. Maharaj: Well, we have quite a diversified portfolio, and I'll refer you to page 29 of the same annual report. And in that annual–on that page, you can actually see the variances that have occurred in the different asset classes. So you're correct that certainly oil did have quite an impact and especially when you look at Canadian equities. However, the portfolio is quite nicely diversified between not only equities but fixed assets, and you can see that that allows us, and with a very competent investment committee, that allows us to be able to smooth out some of those–the variability that you would see. So it's a combination; in short, it's a combination of how the economics would impact each one of those asset classes.

Mr. Smook: The investment portfolio increased from $1.365 billion to $1.52 billion, and that's basically from this chart on 29. Like, do you have more of a broken-down list of all these different assets or this is as broad as it goes?

Mr. Maharaj: Well, we certainly have, I mean, within each of these asset classes we have generally two managers that would manage the different funds within, and there's multiple holdings within each. So we can certainly provide, if you like, a listing at a point in time; however, again, this would be–there would be a considerable amount of information regarding what holdings are within each asset class, if that's what you're asking.

Mr. Smook: If you wouldn't mind, it could be down the road, like, is–if we could get a breakdown further down the road, that would be fine.

Mr. Maharaj: I'm wondering if on page 48, if that is what you're looking for in the way of the total dollars per asset class? *[interjection]*

Mr. Chairperson: Mr. Smook, kindly.

Mr. Smook: I would like it broken down a little bit better than that. What percentage of WCB investments are in Province of Manitoba bonds and how has that changed over the last five years? The question is there, I think it's gone from $3 million or $2 million to $3 million or something, but how has that changed over the last five years? There's just–there's never been a lot in there then?

Mr. Maharaj: There certainly is not a lot in there, so it hasn't been a significant or what I would call a material change, but I don't have in front of me the percentages per se.

Mr. Smook: WCB properties, what are, if any, new properties that WCB has purchased in the fiscal year of 2013-14 and '14-15, and what are they being used for? Are they as rental properties or just as investments?

Mr. Maharaj: So we do have real estate investment properties that have been purchased through–we have two different arms: one that is more directly controlled by WCB and managed through WCB 100 per cent subsidiary, and another arm that is–our properties are managed and invested to a pool fund of approximately 26 to 28 pension fund investors. And that one we do not have–it's not a wholly owned subsidiary; it's a pooled fund which we participate in.

So, through those investments, we would have purchased and sold, again, for the purposes of investments, and, if you like, I can undertake to get you a list for that asset class, again, what came in and what went out.

Mr. Smook: That is what I'm looking for, because you provided me with a list last year for different properties that were owned, what percentage, whether it's 100 per cent or 20 per cent or 2 per cent, but I'd like to know what has changed in '13-14 and '14-15 as far as properties owned.

Mr. Maharaj: I can advise what changed. I don't have a list of, again, to list again all the properties, but I can advise what changed. In 2014, the WCB sold one property, 2375 Skymark Avenue in Toronto.

Mr. Smook: Were any new properties acquired in that same time period?

Mr. Maharaj: No, there weren't.

Mr. Smook: Do you have any plans for this year to purchase any new properties?

Mr. Maharaj: Again, under the investment portfolio, there would be the two arms, and one arm is a pooled fund, so we wouldn't participate directly in saying which properties to purchase or not purchase. The other arm, the plans would depend strictly on the investment and the business case brought forth through the investment, so I couldn't say.

Mr. Smook: So, basically, the part of the investment that buys property that's 100 per cent WCB, they'd come up with, say, well, we should be looking at this new property because they're always doing research to see what property there is. Then they would bring it to the board and the board would decide whether or not they should buy it or not, or how does that work–or that people just there make their own decision?

Mr. Maharaj: That is correct. The governance would be that we have an expert within the field. We have the 100 per cent, as I said, subsidiary. They would do the analysis. They would do the actual review and they would come forward with projects that fit our mandate. The investment committee would be aware of that and review that. So the investment committee has set the parameters through their policy on real estate and–whereas we leave the actual management of the asset to the asset manager.

Mr. Smook: In–on one of the pages, there it shows that there's a total of roughly $1.5 billion in the equities. Now, that includes land, buildings and money that's invested in yours, like, the buildings that they own, is that all part in there, in the $1.5 billion?

Mr. Maharaj: Yes, that would be our–the real estate portfolio would be included in our overall investment portfolio, so equities as well as real estate is a fixed component. I'm not sure specifically what page you're referring to, but that would be part of our investment portfolio.

Mr. Smook: Yes, that's why I had–was wanting a breakdown of what the building values were, which pieces, if that would be possible.

Mr. Maharaj: Yes, we can undertake–I don't have that at my fingertips, but we can undertake to send you the list.

Mr. Smook: Does WCB look at also–like, I would imagine that in the book, it's a book value of a piece of property. So some of the properties may have increased, or is it actual value of the property today?

Mr. Maharaj: There is an accounting process that's required. The auditors would go through, and it does require a valuation on an annual basis, so we are provided that. That is then brought forward into our financial statements, and it's a fair market value is the accounting process.

***** (14:30)

Mr. Smook: Organizational changes–in the last year's committee, it was said that WCB is using business intelligent and data analysis to provide good data on their standing in order to make decisions, and that you had developed the business intelligence area. How has this impacted the day-to-day functions of the WCB in terms of the decision-making process that you use?

Mr. Maharaj: And certainly it's early days, still, in the business intelligence or data analytics component of the organization. But that has helped us to link together some of the data that we had in the decisions, for example, around compliance, education and training, where we should target our materials that we might send out, where we should target, maybe some increased education and awareness around roles and responsibilities and things of that nature. So that would be one example of business intelligence being used through data mining, as an example.

Mr. Smook: I would imagine with something new there's always positive experience and negative experiences. Could you maybe brief us in some of what those experiences have been with this new system?

Mr. Maharaj: Well, I think right now we're experiencing quite a–mostly positive, as it is, and it relates to the executive being able to drill down and actually get information on the impact of a particular decision that they might be making. So we are going through a lot of development in the way of prevention, as you mentioned, in the way of compliance, also in our rate model review. All of that, it's very critical that we can request certain types of reports and information come forward and be able to compare that to what the impact might be as we move forward in initiatives.

So we just have more timely information coming to us. It really has more depth to it, and it's more integrated that allows us to see the system overall. I can't have a specific example other than the one I've just given as compliance off the top of my head.

Mr. Smook: Do you have a cost, say, for the year of 2014, what this business intelligence area costs?

Mr. Maharaj: I'll hazard to give you an approximation. So this isn't an exact number, but it's approximately seven staff. So that might relate to four to five hundred thousand, depending on the level of the staff.

Mr. Smook: Who's presently in charge of that area?

Mr. Maharaj: We have a chief innovation officer, and he would be the individual in charge of that area.

Mr. Smook: During last year's committee it was mentioned that WCB was looking at the ways it approaches case management and the process within that area. It was said that focus was on what can be done around best practices in return to work. What has been done in the last year to improve the process involved in case management?

Mr. Maharaj: We've actually–thank you for that–we made some great progress, actually, in the way of case management and return to work. What we–we've actually restructured our Compensation Services Division, looking for what we would call one-call resolution. We've empowered people at the front-end of the process of claims intake to start to make decisions within certain standards and certain levels so that they can resolve the issues sooner and with one initial contact. We've looked at and created best practices in the areas of return to work, case management so that we have consistent responses and consistent level of customer service and standards for our staff in that area.

And all of this is just very new, very fresh and still is in the midst of being implemented. So we've made good progress. We've actually come through what I would say the development and design phase, and we're right in the midst of the implementation stage.

Mr. Smook: Would it be available, like, can you quantify in, like, would it be able to quantify any numbers of how things have gotten better since this was implemented or it's too early in the game to tell?

Mr. Maharaj: Unfortunately, it's too early in the game to tell. We've gone through the design phase. We have anecdotal information, but I couldn't quantify for you. I think I'll be able to do that once we've fully implemented.

Mr. Smook: On page 5 of the 2014 annual report, it states: WCB workforce is nearly at the 550. Can you provide an employee breakdown of that number, full-time, part-time and seasonal staff?

Mr. Maharaj: Yes we are. Just one moment, please.

Mr. Chairperson: Go ahead. Take your time.

Mr. Maharaj: So we have full-time staff of 550 and part-time staff of approximately 12 and those are FTEs, and that's 2014.

Mr. Smook: Can you tell me the new staff positions where they've been allotted to? Like, is there certain areas of WCB where–whether it be administrative, management, health and safety inspectors, et cetera, where they have gone?

Mr. Maharaj: So the new staff, the increase in staff really is related to the new mandates that we've taken on. So mandates around SAFE Work, mandates around compliance, you mentioned previously business intelligence and data analytics, and I mention that there are approximately five staff there, return to work, the best program and customer service around that. Again, there's staff involved in that–in there as well. So all of the FTEs that you would be referring to are strictly related to new mandates in expansion of the existing work that's under way. So SAFE Work, compliance, IT, those are the critical areas.

Mr. Smook: On page 31 of the 2014 annual report and on page 29 of the 2013 annual report, components of operating expenses are listed in that pie chart, salaries and benefits made up 70 per cent of expenses in 2013 and only 67 per cent in 2014. However, in the 2014 pie it shows 5 per cent for SAFE Work Manitoba in that operating expenses. So would that–would it be safe to say that a certain per cent of that 5 per cent would be in the salaries as well? Could you give me a breakdown of what that would be? Would it bring it to more than the 70 per cent that it was last year, or in '13?

Mr. Maharaj: Yes, the lag I think that you're seeing is that we are growing considerably with these new mandates and the expanded mandates. SAFE Work Manitoba is one of those. However, we can't always fill the vacancies that are created in that 550 FTEs that you were referring to. So the 67 per cent that you're seeing would be the actual dollars spent as opposed to the actual FTE-budgeted amount. So in other words there are vacant positions, there's movements that happen within the organization, especially in a period of growth where you might have internal movement as well leaving vacancies behind.

So, yes, in some of the 5 per cent would relate absolutely to staffing increases and staffing for new mandates such as SAFE Work Manitoba. Other pieces of that would be your regular operating costs, inflation, you would have professional services around design of these new areas, so design and change management around. For example, you mentioned business intelligence, SAFE Work Manitoba, compliance and the best projects, so all of that would be included within that 5 per cent increase.

Mr. Smook: Yes, the 5 per cent wasn't there at all in 2013 but it is in 2014. So if you took the wages out of that 5 per cent with the salaries would it put that 67 per cent over 70 per cent, is what I'm saying.

Mr. Maharaj: We'll have to do the math and get back to you.

Mr. Smook: Okay. Could you tell me exactly how many people are employed by SAFE Work Manitoba?

Mr. Maharaj: At the end of December 31st, 2014, there were 20 individuals, eight of which were secondments from Workplace Safety and Health.

***** (14:40)

Mr. Smook: On page 29 of the 2013 annual report, it states there was 2 per cent of the budget for information technology and service fees. In the 2014 annual report, page 31, the category appears to have been replaced with office supplies, service and projects, making up 4 per cent of the budget–or operating budget. Can you explain why they've changed the name and why that doubled in one year?

Mr. Maharaj: So it's been pointed out to me that it is still there; it's just the order and the presentation that has changed. Information technology and service fees is still on the 2014, as a category.

Mr. Smook: But it's doubled from 2 per cent to 4 per cent on the–*[interjection]*

Mr. Chairperson: Mr. Maharaj.

Mr. Maharaj: On 20–in 2014, it represents 2 per cent of the expenditures, and I don't have 2013.

So it's 2 per cent on page 29 of the 2013, information technology service fees. And, on page 31 of the 2014, the presentation has changed slightly, and it's in a different position; however, it's also 2 per cent, second from the bottom: Information technology and service fees.

Mr. Smook: Yes, but when–the office supplies, services and projects, when I add up all those–like, office supplies at 4 per cent in the '14 and at 2 per cent on the '13, for a 2 per cent increase. That's a fairly substantial increase in one year or not?

Mr. Maharaj: I don't know that I would say it's fairly substantial in the growth period that we're in. Again, when you take on an additional staff space and mandate; it relates to not just the DFTs, which you have, you know, pointed out earlier, but it also relates to all of the supports, space, office and the supplies and other overhead that you would attribute to that.

Mr. Smook: Could you tell me what the time-loss injury rate is for 2015 or what it's expected to be over several months into 2015? Are you going to meet your goal or fall short?

Mr. Maharaj: So we do have a projected rate, but, again, I'm just going to emphasize it is a projected rate. So it has yet to be confirmed, and it is 3.0.

Mr. Smook: That is a projected rate, but do you have an actual rate right now? I know that you've projected 3.0, but, in the last number of years, you haven't been able to meet that target. I'm just wondering what are you doing differently to meet that target this year?

Mr. Maharaj: Well, absolutely, the injury rate is something that is always–we want to see a decrease and we're always working to bring down, and much of the initiatives, but, most specifically, SAFE Work Manitoba is really the focus of bringing that rate down and just bringing the injury rates in general in the province down and creating a culture of safety and health in Manitoba. So we've done many–already launched many projects through SAFE Work Manitoba. But some of the key components that we are working on and that are in process that will have, I think, a more significant impact on that rate would be the increase of safety associations, which was mentioned earlier this afternoon, the development of a safety certification program, and that is also related to the introduction of a prevention incentive.

So that, combined with all of the other types of initiatives that are launched and well under way, such as prevention conferences, increased material sent out to new employers as they register, a lot of campaigns around safety very targeted to either an industry or to a particular issue, that all continues as well.

So I expect that, as I said before, it might be too early to see currently that change, but we are starting to see a slow trend downward.

Mr. Smook: Just wondering, because we are into September, I'm sure that you take a close look at that. Do you have any idea as to what the possible number may be for this year, or we just have to wait 'til next year's report comes out?

Mr. Maharaj: Well, we have seen, as I said–and I mentioned the projection right now this year is 3.0, which is a trend downward, but we're also, in actual claims, have seen a drop of 5 per cent so far. And that, I believe, is year to date.

Mr. Smook: On page 21 of the 2014 annual report, it states, 2014 serious injuries will be available in June of 2015. Do you have that number yet?

Mr. Maharaj: So the number of serious injuries is what you asked for? The number is 2,587. So that would be a decrease from 2013.

Mr. Smook: Of the 15 workplace fatalities in 2014, do you have a breakdown of the types of industries and the types of workplaces where these fatalities occurred?

Mr. Maharaj: I don't have that at my fingertips, but I can certainly–we have it available. I will get that for you.

Mr. Smook: Bill 35, post-traumatic stress disorder. With the passing of Bill 35, is the WCB anticipating an increase in the PTSD claims for the following year?

Mr. Maharaj: Well, it being new legislation, we have to make quite a number of assumptions around that. We have looked at our historical psychological injuries in general as well as looking at the experience from Alberta, which does have some experience in presumption around PTSD.

And looking at that, we've come up with essentially three scenarios, one being a low, a medium or a high as far as where there could be an increase in actual claims. However, although there may be an increase in claims coming in the door, the actual increase in claims accepted is a different question, and it's–really, time will have to tell how that plays out.

And we're projecting–and we've included this in our costing and our budget that you mentioned earlier, the model for projecting the five-year plan and rates–at the medium level.

Mr. Smook: Could you give me any numbers as what the medium level–where that roughly would be? Is that–

Mr. Chairperson: Mr. Maharaj.

Mr. Maharaj: So that would equate, the medium range, to approximately 61 additional claims, again, approximately.

***** (14:50)

Mr. Smook: Does WCB tie a dollar value to that?

Mr. Maharaj: Again the value, and this relates to there's assumptions around this, so we need the experience to actually have a confirmation. It would be somewhere around 3 and a half million.

Mr. Smook: A question in regards to that same report. Bill 35 changes the filing date of the annual report for the workman's compensation board, the five-year plan and appeals commission annual report from March 31st to April 30th. What's the reasoning for that?

Mr. Maharaj: That relates back to a timing issue with our investments. I'm sure you may have noted that we had a qualified opinion on our statements, the qualified opinion related to our external auditors being able to verify the infrastructure value of our asset class in infrastructure. So our pooled fund in infrastructure provides audited financial statements to ourselves and to our external auditors and that–our external auditors use that as evidence of the value of the infrastructure. However, in order for us to have our financial statements signed off, we needed to have those infrastructure external auditors' final approved audited statements and theirs was after ours. So we moved our date in order that we would be able to get the final audited statements from the infrastructure asset class.

We did receive the unaudited statements from the infrastructure class in time; however, our external auditors insist that we must have the final statements.

Mr. Smook: Since Bill 65 has come into play with its major increase in fines dealing with claim suppression by employers, can you tell me how many charges have been laid since the bill came into pass?

Mr. Maharaj: Yes, we've had three charges laid or I would call them penalties laid regarding claim suppression.

Mr. Smook: Could you give us a comparison over, say, the last five years. I mean, there was a smaller fine that was done, so has this changed since they increased the fines?

Mr. Maharaj: It has changed. We had zero in the previous years.

Mr. Smook: I've noticed in the last year and this year that there's been a fair bit of advertising in regards to claim suppression in the campaign. In 2014 and in 2015, could you give me a budgeted number how much money was spent on advertising claim suppression?

Mr. Maharaj: So the number–that specific campaign that you're referring to is actually a campaign on reporting injuries. So, in other words, reporting injuries matter, and it's a campaign that focuses on the roles and responsibilities of all stakeholders but especially, as you mentioned, employers in the system. That campaign was approximately $326,000, and again relates to–you've related to claim suppression, but it relates to our kind of broader compliance framework which is–starts with education and awareness.

Mr. Smook: That would be for 2014. Could you tell me what the budget is for 2015 for the same type of advertising campaign?

Mr. Maharaj: It would be approximately the same.

Mr. Smook: During last year's committee Minister Braun explained that as a result of Bill 65 there would be greater rewards for employees who've taken action to make workplaces safer. Could you tell me how many rewards have been offered out since then?

Mr. Vice-Chairperson in the Chair

Mr. Maharaj: The rewards I think that you might be referring to is the prevention incentive, and the prevention incentive actually has–the process is already started for the development of the prevention incentive. It will not be implemented 'til somewhere around 2018-2019, and I should mention that the prevention incentive aligns with the work that we're doing around our comprehensive review of the rate model.

I'm just reminded that, and I think you might be aware of this, but I'll mention that construction already has an incentive in place, and that's the core incentive, which has been around for quite some time, and that really is the model.

Mr. Smook: I would imagine that you will set up a committee or something for the rest of it to decide who would receive these awards and you'd have a structure as to what the categories are or that hasn't been developed yet?

Mr. Maharaj: So, absolutely, there will be a structure. I'm not sure that it would follow quite, as you've said, the committee structure. As I said, we currently have a core incentive that's in place that's run through the safety associations within construction industry. That likely is more the model that would be followed, and it's looking at expanding that, so that all of the different industries would have the opportunity to participate not only to get the prevention incentive but to support a prevention safety association.

Mr. Smook: Preventative initiatives like in SAFE Work Manitoba, we discussed the amount of money was spent on advertising. Now, the advertising that SAFE Work Manitoba does, would that be in the same category, or do they have their own advertising budget?

Mr. Maharaj: They do have their own advertising budget, and as you know, they–previously, we did run campaigns around prevention, as well, through our safety services and our own communications. That has now been moved over to the prevention–SAFE Work Manitoba–arm, and they would run it out of there through their own budget.

Mr. Smook: What would be the benefits of doubling up on staff, like, SAFE Work Manitoba and Workers Compensation? I mean, you do a lot of the same types of things. Why would you–for instance, I noticed in the–you also have a, not an advertising but a donation, or whatever, budget, in SAFE Manitoba–it should be on the next page that you have open there–but what was the reason for separating them out?

Mr. Maharaj: So, through the model that was developed, and, again, we looked–we did look across the country as to how prevention is treated as well as how enforcement and compensation is treated. And the focus–in order to really focus on prevention, in order to really have the ability to go in and to assist and support employers in their prevention efforts, the SAFE Work Manitoba was seen to be pulled out and separate–a separate arm from enforcement and a separate arm from compensation services. So this allows them to focus solely on that mandate and also to present themselves with employers as a support rather than an enforcement arm or an adjudication arm.

Mr. Smook: With SAFE Work Manitoba being an entity that promotes safe work, they have a budget for promotional items. Is it necessary to have a promotional item? I mean, WCB, I notice, throughout the report, has been increasing the amount of money they give away every year. Is it necessary for SAFE Work Manitoba to have such a large promotional budget?

Mr. Maharaj: So part of their–so part of our mandate–actually, both on the WCB side as well as on SAFE Work Manitoba, but it's especially important that SAFE Work Manitoba sends is to work with our partners and to support and to be part of the community that is going to bring a culture of safety and health to the province. So that means supporting them in anything that furthers that mandate. And supporting them would mean anything such as sponsorships and bringing awareness to the area of prevention and safety.

Mr. Smook: Could you give me an example of SAFE Work Manitoba in their promotions, what type of promotional items they use?

Mr. Maharaj: So I'm struggling to find more interesting items, but lanyards that you would wear around your neck, lunch bags that you would put your lunch in there, is a couple of examples.

***** (15:00)

Mr. Smook: How often does WCB board meet with the minister? How often does that take place?

Mr. Maharaj: We have–invite the minister to one annual–once annually to a board meeting, and so that would be the one opportunity for the board to meet face to face with the minister, the board as a whole.

Mr. Smook: Has the WCB board and chair met with any other ministers?

Mr. Maharaj: I don't recall, myself, meeting with any other minister, no.

Mr. Smook: Are there any variations as to how representatives are appointed to the board? For example, is there an evaluation for a worker representative, and how is it different from, say, an employer representative? Who makes these final decisions? Do they come from an actual, say, employer group that would make the recommendations, or that comes strictly from the minister's office?

Mr. Werier: As I understand the process for representatives that come from the employer community, the Manitoba Employers Council would make recommendations for appointment for those representatives from the business community and the minister then would follow through on that, as I understand it, take the recommendation.

A similar process is followed with respect to labour appointments at Manitoba Federation of Labour. After, I take it, getting input, as would be the same process for the Manitoba Employers Council, they would make a recommendation, if there were any vacancies, to the minister and the appointment would follow through.

Then the public interest representatives, the minister would–she'd have to answer that in terms of what process is undertaken.

Mr. Smook: Before somebody is–becomes a board member, is there an evaluation process that has to be–just because somebody's nominated, do they have to go through an evaluation purpose as to what they've done previously as to whether they have–should be on the board?

Mr. Werier: There is a whole range of skill sets that the board has developed that they're looking for in terms of vacancies on the board. So we try to have a diversity in terms of skill sets ranging from an accounting background, investment background, human resources background, a health-care background, et cetera, so that we try to get a range of skill sets on the board, legal, accounting, et cetera. So that's very much, I think, a live issue in terms of dealing with the composition of the board.

Mr. Smook: Do the committees ever go under an evaluation process to evaluate how they've handled themselves in the last number of years?

Mr. Werier: We've had a outside agency advise us on our overall board governance and done self-assessments. We haven't had a formal outside review in the last couple of years where an outside agency comes and they're hired to do a formal evaluation, but we have had an ongoing process of evaluating. We have assessments done by the various board members in terms of areas that they think things could improve in, et cetera, so. And I'm satisfied that we've certainly looked at how we're operating and try to function as efficiently and reasonably and fairly as we can.

Mr. Smook: You mentioned that there hasn't been a formal assessment in a few years. Was it standard practice earlier that there used to be a sort of a–every two years an assessment process, or has that changed in the last number of years? *[interjection]*

Mr. Vice-Chairperson: Mr. Werier.

Mr. Werier: Sorry. The last evaluation was in 2012. I'm advised by our general counsel that for this year it's on our agenda in terms of determining whether we would–how we would proceed, in other words, to go outside and have a formal evaluation done by an outside consultant or do it internally.

Mr. Smook: Who approves the board's expenses?

Mr. Werier: The board has a policy for what are authorized expenses, and certain expenses are signed off by both myself as the board chair and the general vice-president, general counsel, so everything is examined by both of us. And my expenses, not sure there are too many of them, but my expenses are signed off by the audit chair and the CEO, so the chair of the audit committee and the CEO. I haven't kept them that busy over the last six years.

Mr. Chairperson in the Chair

Mr. Smook: Do you have a CEO evaluation on a regular basis, and, if so, when was the last time a CEO evaluation was done? *[interjection]*

Mr. Chairperson: Mr. Werier, please kindly address through the Chair.

Mr. Werier: We have a formal annual CEO evaluation process whereby members from each stakeholder group are appointed to serve on the CEO evaluation committee along with myself as chair, and we undertake a process where we go through and get the CEO to give us a statement of objectives for the upcoming year and a review of what they believe has been accomplished in the past year. And we have a whole list of categories we go through as a committee, get input from the board members, et cetera, and come up with an evaluation. Yes, it's a regular, annual process.

Mr. Smook: Going back to the board's expenses, of course, there's always increases whether it be in mileage or meal allowance. Who would set that? Would it go, say, to the minister's office? Is there any third outside party that would approve, say, if you come up with a new formula for expenses, who would approve that?

Mr. Werier: We have an expense policy which was adopted in 2012. It is on our website, and that's what's followed and it seems to work well.

Mr. Smook: Back to Mr. Maharaj. How many worker representatives or worker advisers does WCB currently have hired? *[interjection]*

Mr. Chairperson: Mr. Maharaj, sorry.

Mr. Maharaj: We don't have worker advisers per se on staff. Not sure, but you might be referring to Worker Advisor Office, which is not part of our staff, but we do fund via Workplace Safety and Health.

Mr. Smook: That is correct. Could you tell me how many staff, because it does relate to.

Mr. Maharaj: We don't have the exact number of staff. If I recall, it was somewhere around eight, but we'd have–to get you the actual number, we'd have to get back to you on that.

Mr. Smook: So those would be government appointments, really, nothing to do with workmen's compensation then? They'd be appointed by the minister's office?

Mr. Maharaj: Yes, those are actual civil servants, and, as with Workplace Safety and Health, the act–our act requires that we fund, but we don't have the oversight as far as governance and hiring and staffing. So they are civil servants.

***** (15:10)

Mr. Smook: Could you sort of explain to me why that wouldn't be WCB staff because it is–they are strictly to do with WCB, not like as advising workers as to what their rights are with WCB, or is–or they do several other jobs as well?

Mr. Maharaj: Well, the intent of the system is that they are removed from WCB so that they would provide advice to workers outside of the WCB system. We do have within our own system, of course, several levels of appeal, several levels of review that can be done, but this is to get an outside body that is not, I suppose, influenced by WCB.

Mr. Smook: So, if a worker has a concern with WCB and they phone WCB for–to–well, questions, answer questions. Are there staff available at WCB to answer workers' questions?

Mr. Maharaj: I would say that at the front end, absolutely, there are staff available. That's what our intake, and even more so now than ever before, would be available to do as well as, of course, the case manager, if it's a longer standing, longer term case. They would be able to do that.

Mr. Smook: Does WCB have any thoughts on creating any employer representatives who handle employer concerns?

Mr. Maharaj: I can't comment on my thoughts, if I have thoughts, but I can comment on the fact that we are aware that there was a bill that was put forward in order to create a employer adviser office. That's really the extent of–*[interjection]* Yes, and I'm just reminded that it is an act of legislation.

Mr. Smook: If an employer has some concerns and they phone WCB, do you have adequate staff to ask–or answer questions that they may have?

Mr. Maharaj: We do, I believe, have adequate staff. However, we always want to improve our employer relationships and, in fact, one component of the compensation services reorganization and the best initiative that I spoke about, previously, is an employer relationship office. And that office would, within certain industries, create stronger and better relationships with employers. And, again, this also speaks to not just return to work but having a ongoing understanding of rules and responsibilities within the system. In addition to that, we have the

Fair Practices Office, which is also available to employers.

Mr. Smook: That was a question I had, because I know that working in the public and dealing with certain issues, employers have different issues than employees have. And sometimes when you phone–there are other departments in government where you phone and the bias is towards one side–so I'm just wondering why wouldn't they have an office to do with employers? I mean, employers totally fund, I guess, WCB, so it would be, I think, proper for them to have an office because there's always concerns that somebody may have to do with that, so.

Mr. Maharaj: So I think that–I mean, one of the responses I would give to that is we're very hopeful that with the reorganization of our compensation services and an office that's created specifically to create those relationships with employers that we can improve upon what already is a fairly good employer satisfaction rating but improve upon that and that there will be that relationship and a place to go, as well as the Fair Practices Office, which I'll mention still does exist and is fairly independent although still internal to WCB.

Mr. Smook: A couple questions here in regards to subcontractors. If, say, a lumber yard or a carpet company or a flooring company hires a subcontractor to do some work in somebody's home and one of their employees gets injured, but the subcontractor doesn't have WCB, because whether they let it run out, whatever the reasoning may be, would–I've been told that the person who hired the subcontractor, it would fall onto their workman's comp. Is that–

Mr. Chairperson: Mr. Maharaj.

Mr. Maharaj: So two issues in what seems like a quite legal question. I'll attempt to answer it anyway, that the coverage would be presumed regardless of whether it's paid for or not. In other words, we would obviously seek to collect the premiums, but the coverage still exists whether it's paid or not.

But the second issue is you are correct that it would fall on the principal.

Mr. Smook: So if–as a lumberyard owner or whatever–if I phoned WCB, will they release to me information as far as a contractor goes as whether he has workman's comp or not?

Mr. Vice-Chairperson in the Chair

Mr. Maharaj: Yes, we would release that and actually it is online. It's automated so that information is available.

Mr. Smook: I guess one of the concerns that I had with this was that somebody may have WCB today but 30 days later they don't, and he may have started the job when he had and finished the job. And this is–these are coming from complaints that I've had, so I'm just wondering what–in a case like that because sometimes it could be a fatal accident or a broken leg so it could impact that person's compensation, his assessment rate quite a bit and he really had nothing to do with it.

Mr. Maharaj: I think we're going down–I have to admit I think we're going down a bit of a rabbit hole, so I don't want to go too far because I don't think I can speak to the specifics of the case that you're referring to. However, I'm told a couple of things that might help. No. 1, if they do register as sub–they're working with a subcontractor that's registered online and that subcontractor then falls out of compliance or cancels or whatever the case may be, their principal will get an email indicating that that subcontractor is no longer compliant. So that's certainly one safeguard in the system.

The second one is that, as I mentioned before, whether or not the subcontractor is in good standing or not does not take away the individual's–injured worker–entitlements for coverage and compensation. So the two are quite different whether they're paid and funded via their premiums or we have to go and collect those doesn't take away from the fact that the worker still has entitlements.

Mr. Smook: I guess the comment that I was trying to get to there's a lot of times when you hire all kinds of subtrades to do different things and it takes a lot of time. Now, when the new, say, WCB employers are brought into the system, are they made aware of all of these rules? In their package does it tell them that if they hire a subcontractor they could be liable for it that it could come against–it all comes into their package?

Mr. Maharaj: Yes, they get a package of information and in that package they also get that information that you're referring to regarding their responsibilities under a subcontractor, for example.

Mr. Smook: I will stop for a few minutes here because Mr. Jon would like to ask a few questions for the next 10 minutes or so, so.

Hon. Jon Gerrard (River Heights): Thank you, and I appreciate your coming and being here to answer questions.

My first question has to do with the five-year plan, the 2015-2019 plan. You're planning from this plan to run a deficit in 2017 of more than 44 million. Can you just tell us, you know, what your view is here and, you know, what you're doing?

***** (15:20)

Mr. Maharaj: So the deficit is a planned deficit, you are correct, and it's in order that we liquidate the surplus that we have built up over the years.

Mr. Chairperson in the Chair

So, as we've talked about several times, we have a lot of transition under way right now. We have transition in our rate model. There's a comprehensive rate model review that was completed and changes that fall out of that. We have a brand new area that–in SAFE Work Manitoba, which you're well aware of, and that has a plan to grow, and, you know, I've mentioned some of the big initiatives that will change, really, the face of our system in the way of safety associations, for example, and certification and prevention incentives.

So that, combined with other large initiatives, you see that we have the surplus built up during that period of time, and then there's this planned deficit where we introduce the prevention incentive and we actually liquidate that surplus and come back down to a sustainable level, which is anywhere around the 130 per cent mark.

So, again, we don't–our target is 130 per cent. We may be a little bit under and a little over at times over the five years, but we don't like to veer too far off of that in either direction.

Mr. Gerrard: The five-year plan mentions an assessment rate in 2017 of $1.20, not $1.30, so it looks like you're moving down to–from where you are currently. And that's on page 12 of your five-year plan.

So, anyway, that–the other thing, the second thing I wanted to ask has to do with–last year there was, and most previous years, I believe, there was a statistics section, and that seems to be missing from this year's report, and I was interested in one particular statistic.

Last year it was reported that only 62 per cent of workers were satisfied with the Workers Compensation Board support, and I just wondered what the figure was for the current year that would have been in the statistics section if it had been there.

Mr. Maharaj: So it has moved to 64 per cent. *[interjection]*

Mr. Chairperson: Dr. Gerrard, kindly address through the Chair.

Mr. Gerrard: Let me ask you about the statistics section. Is this a permanent deletion? Are we doing something like Stats Canada and–or are we going to bring it back in future years?

Mr. Maharaj: So I think we just wanted to make you work harder, that's all, because that number actually is in the annual report, and it was pointed to me what page it's in.

But the change really is a matter of style. We looked across the country and we looked at other comparable organizations at how information was being presented and moved towards what's called infomatics. And in an effort to try to remain modern and continue to provide information in a way that it's–can seen to be as best practice, and this is really middle of the road, because if you look at some of the annual reports that are out today, they have really moved away from statistical tables in the back that I know you read with great interest but not everybody does. So we've moved to the infomatics.

The information is in there. Like, that's a stat number, and certainly, I mean, we're always open to get requests. If there's specific types of information or report, with our business intelligence unit, we could probably help to gather that if there's something specific.

Mr. Gerrard: Now, I note that the time-lost-to-injury rate is 3.2, which has been pretty steady since 2011 when it was 3.2, and I know you've had a goal of moving that down to 3.0 for a number of years, but there doesn't seem to have been much in the way of progress. I wonder–give you an opportunity to comment about that. And 3.0 is still considerably higher than most other provinces in Canada. What's the plan to get from 3.2 down to less than that?

Mr. Maharaj: So the plan, really, links strongly again to–I've said this, you know, I've mentioned it in other questions a few times–changes fundamentally in the system that are all integrated together to balance return to work and prevention. So, when we look at the changes to the rate model, again, it brings in a balance of return-to-work prevention. It also, in the future, brings in a prevention incentive. When we look at expanding safety associations, that infrastructure's critical in order to engage some of the industries that aren't really engaged today in safety.

When you look at things such as compliance, that relates also to roles and responsibilities and an understanding of the system broadly. So employers understand their roles and responsibilities, and they're able to set things up appropriately.

So there's a lot going on focused around prevention. I did want to mention, though, that we have–and, you know, I know that you've heard me say this before that the time-loss injury rate is not a good comparator across the country, that there are different ways in different provinces that you measure what is a time-loss injury, that different provinces have a different mix of industries and risks accordingly that would reflect differently in that rate. However, that aside, we want to bring that rate down, without question, and we want to see that improved.

But there is another measure as well, that we're tracking–and you might have noticed it; it's new in the 2014 report–which is called days lost. And days lost is a combination of injury counts and severity. So it's measured by the number of days missed from work, and you'll notice that–well, you'll notice that the rate in the 2014 report, but I can tell you that in 2012, it was 2.0; in 2013, it was 1.9; and, in 2014, it was 1.8. Again, you know, maybe not huge changes but a trend in the right direction, as with the 3.0, but not a huge change but a trend in the right direction. And that's where we're tracking today, with the 5 per cent decrease year-to-date in injuries.

Mr. Gerrard: Which are the three industry sectors with the highest rates of time-lost-to-injury rate?

Mr. Maharaj: So, again, and I want to stress that this is number of injuries, which is just one measure, not severity or duration where there's a lot of other measures as well that need to be considered. But if we go strictly on the number of injuries, it's construction first, manufacturing and then health care. I'm not sure if that's actually first, second or third, but those are the top three, not sure which is first, second or third. *[interjection]*

Mr. Chairperson: Dr. Gerrard, please address through the Chair.

Mr. Gerrard: Take, for example, health care, which employers would be the highest injury rates?

Mr. Maharaj: So, unfortunately, I don't have rates per se, an injury rate comparator per se, to be able to tell you which one would have the highest rate. I can only tell you, obviously, the WRHA is the largest employer. So just by nature of being 70 per cent of the system, they would have the highest number of injuries. That doesn't relate, though, to their rate, because we have some very small employers where the rates–you know, then you're comparing based on kind of a pro rata basis. So, again, strictly by number of injuries, which is only one measure.

***** (15:30)

Mr. Gerrard: Would it be possible to get that information and provide it to us later on?

Mr. Maharaj: So we do believe that information is available. There's a form you'd have to fill out and a process you'd have to go through. What I think I'd say to you is that if you contact us and ask us, let us know what you would like or need as far as statistics, within what's permissible to release. We'd be happy to pull that together for you. My only qualification is and the reason I hesitated is for what I'm allowed to release and what I'm not under an employer's information.

Mr. Cameron Friesen (Morden-Winkler): Mr. Chair, I have a few questions as follow-up to my colleague there, the member for La Verendrye (Mr. Smook). And some of these will be clean-up questions, and I'll try to be efficient with my questions.

I wanted to start, though, with a comment that Mr. Werier had made in his introduction when he was talking about the assessment rate falling, which was anticipated, and now we're going in that direction. And he indicated as a rationale for the decision of WCB to be dropping the assessment rate. He talked about positive investment returns and declining claim costs. But that doesn't seem to account for everything. So just in an attempt to understand more of that rationale, could you explain if this is also partly due to the increase in the number of employers who are paying assessed rate in this? What is the growth in terms of employers and per-employee costs?

Mr. Maharaj: So, certainly, we grow every year by the assessable payroll. And that would increase our revenues under the premiums. And you can see, year over year, I don't have the percentage handy, but you can see year over year, and you can see it as well in 2013, that our revenues and our premiums have grown. That relates to–premiums growing–that relates to a good thing for Manitoba, which is more employers and, you know, some of the new businesses will be in the covered industries and some will not be. So we have a 75 per cent coverage in the province. So that's–naturally occurs.

But the other part of that equation is with more employers and more premiums is more risk and, obviously, as well, there would be injuries that naturally would come out of that, although we're really working hard to–for those new employers that come online to look at safety and to look at a culture of safety and health.

As far as the actual, you know, how can we have the–how can we actually have the rates go down, it is primarily due to that surplus, and that surplus is primarily–the two primary factors are exactly what you've named already, one being our investments. As you can see, we budget–or you may know that we budget for investment return of somewhere between 6 and a half, 7 per cent with expenses, and we've done, fortunately, much better than that in the last number of years. That's created a surplus position, and then you combine that with decreasing costs, the cost related–of claims related to duration that's going down.

So, again, remember that I mentioned that there's this new measure that I think is quite a good measure and one being adopted across the country, which is it's not just about the number of claims, it's about the severity of the claim as well. And, obviously, as the severity increases, so does the cost. So that is all going down as well. So it's quite a good news story in that way, that that allows for, obviously, a surplus beyond what was budgeted, which allows us then to project out the rates going down. And we do that over quite a long period of time, 10 years, I believe.

Mr. Friesen: Has WCB developed other models? Is there a concern that, perhaps, there is not an aggressive enough target when it comes to a projected average assessment rate? I'm thinking about the-what we have as revenue this year over anticipated revenue. I mean, I think the total comprehensive income was budgeted for 15 million and actually after the adjustments it's net 75 million. And yet, when I look at the five-year prospectus, I notice that premium revenue isn't really set to decline significantly into 2018. So I guess it's a two-part question. Why is premium revenue not declining more rapidly? And then that second question being the more speculative: Is there even more aggressive targets being contemplated?

Mr. Maharaj: So the first part being why is it not declining is because we do–we actually would expect our premium revenue again to increase year over year. Now you will see a bit of blip when we bring in our new rate model where there will be changes in the rates across the different employer base; however, when you're looking at a standard year over year you're actually–your expectation is that that premium revenue will increase as your assessable payroll increases.

However, the comprehensive income you're quite right took quite a hit, and the hit actually comes from the pension plan. So, unfortunately, our accounting rules, and I think it's the IFRS accounting rules, require that you use a prescribed rate of interest which can fluctuate. So essentially a snapshot picture, it prescribes an interest rate, and I think it's December 31st, which means that whatever the interest rate is on December 31st, that's the interest rate you have to use in valuing the pension assets. And, unfortunately, a change of 1 per cent, which is what occurred in that particular year, it went from 5 per cent to 4 per cent results in a 52 million–a 50-to-52-million-dollar hit. So they're really two very different things.

As far as what can happen there in the future, well, interest rates we know have declined and, you know, may either stabilize or decline slightly, but at some point certainly interest rates have to move back up as well.

Mr. Friesen: Well, I thank Mr. Maharaj for that answer.

I'm looking again at page 13 of that 2015-2019 five-year plan and, you know, further to the question I just asked, Dr. Gerrard had asked a question just earlier. It was a question I also had looking at that projected deficit into operating year 2018. And you provided a response, but this document is predicated on a $15-million surplus in the current year. So this–now, of course, the realized additional revenue contributing to a better comprehensive income file statement, aren't all the actuarial assumptions going forward called into question then based on that revenue, now the actual total comprehensive income of this year? Will you make it to that targeted position, or is there now additional actuarial work being done to contemplate where you will actually get to that drawdown date?

Mr. Maharaj: So I think the first point I want to make on that is we will never be exactly where we forecast to be. It's a very complicated model, and no model will ever, or if it does, you should actually question why you are exactly in a 1.6 now billion-dollar fund exactly where you have forecasted to be. However, having said that, we review firstly on a quarterly basis. We are always reviewing where we are at, where we are projecting to be at the end of the year. And then, on an annual basis, we are always looking at very closely how the changes throughout the year model out over the next 10 years, and we will make adjustments as we actually have in the five-year plan on a go-forward basis. So it's really a five-year moving, smoothing of what the projection is going to be over the 10 years. So that is always taken into consideration, and it's taken in consideration when we not only project the five-year plan but when we sit down and talk about what our rates are to date and if they need to change or go up or down for the following year. So in that case it is just a projection.

***** (15:40)

The actuarial assumptions are reviewed on an annual basis. They also have a peer actuary that reviews our internal actuary who does review the fund. We also have many different projects that go year over year to improve and ensure that we have sound assumptions built into that model. So that is done on a constant basis, annually, so the answer would be, yes, we are constantly looking at that. So I'm confident about the five-year plan every year it's put out. Having said that, you have to look at the most recent five-year plan and recent information and understand that it is adjusted year over year.

Mr. Friesen: This is a question that, I think, Mr. Maharaj may have already answered this afternoon, but I'm just asking him to clarify for me. So we have $527 million right now in excess reserves. That is up from a year ago at 416. What is the target? What is the preferred amount in the accident fund reserve account that WCB is trying to get to?

Mr. Maharaj: It is 130 per cent, and, yes, it's currently at approximately 138.

Mr. Friesen: I just had a few follow-up questions from my colleague with respect to investment returns. I'm looking at page 29 of the report, and I noticed there that, of course, as my colleague had also identified, returns are down from 13 to 9 per cent, and I know in the response that was given, there was reference to the oil barrel price, and, of course, we all know how dramatically oil prices have declined in the number of months past.

But I'm understanding that your year-end is a calendar year end that begins January and concludes in December. So, based on that, of course, we're experiencing an intensification in the drop of oil prices, and I know that that has to be a concern as well, because I see in the document that it indicates that you have significant exposure to US funds and US currencies in your overall portfolio of investment units. Could you comment on what the continuing depressed oil price may mean for future returns?

Mr. Maharaj: Well, we actually have quite a nicely diversified portfolio. We have our investment committee reviewing the status of our assets on a–every approximately two months, sometimes on a monthly basis, and we have various different asset class managers who are extremely well versed in each of these asset classes that are continuously looking at whether there's a need for rebalancing or shifting of our assets.

We've been fortunate, in fact, that to date we've weathered the oil prices quite well within our portfolio. So, you know, certainly, I can't predict where the economy would be going, but I can tell you that based on the diversification of our portfolio and our current reserve, which is there to mitigate any effects such as what happened in 2008, I'm confident that we are well situated financially to weather any future deterioration.

Mr. Friesen: Did the models and assumptions that you're proceeding on anticipate a $40 barrel price?

Mr. Maharaj: I would hazard a guess to say, no, but it's really not the model that I'm referring to as much as the diversification that's built in and the reserve that we hold for that purpose for what is unanticipated.

Mr. Friesen: Just tidying up a question asked earlier by my colleague, on page 48, he had asked a question with respect to the amount that the WCB actually invests in Manitoba bonds. I don't know if there was a commitment at the end of that exchange to provide that detail, so I'm just clarifying, will WCB also provide that detail to indicate what amount of that comprehensive Canadian investment amount is dedicated to Manitoba-based bonds?

Mr. Maharaj: Certainly, we'll undertake–we'll provide you an exact figure.

Mr. Friesen: Skipping over to page 56 of the report, you, Mr. Maharaj, may also have commented on this but I just took note of the dramatic change in the employee pension plan from 2013 to 2014, there stated from about $34 million to 71. Is this what Mr. Maharaj spoke about earlier when talking about that year-end adjustment, I think he called it; might not have been the term he used.

Mr. Maharaj: Yes, absolutely and, again, in fact, I'll refer you to the–page 57 at the top. It, in fact, shows the drop of the prescribed discount rate from 5 per cent to 4 per cent in the sensitivity analysis, which refers to that $52 million for every 1 per cent drop, which I mentioned.

Mr. Friesen: And just a small question here. When it came to–there's a retiree health-care spending account. Is that new or how long has that been a feature within the corporation? And just could Mr. Maharaj make a comment about the difference in the costs sustained there?

Mr. Maharaj: That is a part of the last collective bargaining agreement for staff of WCB. So that is why you would see the change in the financial statements and there's a associated liability, which is really what you would see reflected now in the books.

Mr. Friesen: Just going back again to my previous question about, yes, United States denominated holdings, I found the page I was looking for there, and I know that Mr. Maharaj has said that they're well-diversified, but I did see a comment here that WCB has exposure to the US dollar, with USD denominated holdings of about $350 million. That's actually up this year about 2 per cent or so from 2013. That's why I asked the question of asking for a comment about exposure there. And I realize that, you know, that we work hard to mitigate our risk when it comes these things but, you know, a lot of the manufacturers in my area and, well, importers and exporters have, of course, take great notice of small changes in our currency against the US because they're such an important trading partner and it's so important for their own holdings. And so when we see a drop as significant we have, it really impacts the bottom line. Based on the fact that I see that basically WCB has further exposure to the US dollar and USD denominated holdings than a year previous, is there a recognition that they would like to move in a different direction and perhaps reduce that exposure, going forward?

Mr. Maharaj: We, generally, reduce our exposures through various different models of ways of investing both–geography is one method. But currency, of course, is another as well as the actual assets being held. So even within the US portfolio, there will be a diversification of assets and equities within the US portfolio. This, again, is looked at very closely by experts, not only the asset manager, but also we have external experts that sit on our investment committee, three external experts on the investment committee. So, generally, we would–we're always looking at this, but we do follow and consider the advice of the experts within that area, and we do mitigate against our exposures in various different ways, and currency is one of them. We have a policy, which is a statement of investment policies, which does set for us our asset class allocation as far as percentages, and there might be some rebalancing and movement within that. Changes to that policy certainly would be something that is considered but would also have to be very well researched and analyzed. So at this time I can't comment on if we would adjust our holdings in US, but I can tell you we have a very good process in order to continuously look at that.

***** (15:50)

Mr. Friesen: Still on that page 53, I'm just asking for a bit of explanation to help me understand that small chart there that talks about a 10 per cent appreciation in the Canadian dollar. Is this a scenario? It compares 2014 to 2013 and states numbers–it seems to state numbers in negative. Can Mr. Maharaj just explain to me how this particular calculation should be understood?

Mr. Maharaj: So, again, I'm going to refer to the international accounting rules and the required–it's–and I'm aware of this, the requirement to add in to financial statements risk exposure. So you'll find more and more, I think, in many of the statements you read, sensitivity analysis, and that's what you're seeing here is risk exposure and sensitivity analysis that says if this was to happen, here's what the exposure would be to the WCB portfolio.

Mr. Friesen: I thank Mr. Maharaj for that explanation. And then I should also understand that the interest rate risk management chart that follows continues–it's the same rationale for providing that information. I would want to make the side comment that I'm so pleased to see this in a document because I keep asking the Finance Minister of the province to provide the same information to me speculating on what the effect of a plus or minus interest rate would be for our debt servicing costs in the province. It's lovely to see this projection expressed here on the paper, so I think this is a good thing to see, and others could learn from the model.

Just one more comment with respect to an issue that was raised about SAFE Work Manitoba. My colleague had asked about the full workforce complement of SAFE Work Manitoba. And I know Mr. Maharaj had indicated there are 20 people employed there now. He indicated that eight were seconded from Workplace Safety and Health. Can Mr. Maharaj indicate what are the terms of those secondments, what is the duration of those, and might they become permanent placements at some point in the future?

Mr. Maharaj: Absolutely. The 20 was as of December 31st, 2014, relating to the annual report. That secondment term came to an end in 2015, and we have negotiated the transfer of those eight individuals–*[interjection]* Yes. All eight individuals to SAFE Work Manitoba, which was always the intention. So, again, these are eight individuals that have worked specifically on prevention and the idea being to consolidate those working on prevention into one entity and have that entity approach and work with employers focused on support, help, assistance and, really, awareness around safety and prevention.

Mr. Friesen: With respect, then, to the other 12 people who comprise that office now, would those have been hires from the outside or would those have all been positions that were reallocated from within WCB?

Mr. Maharaj: Incrementally, there would be two new hires, one being, of course, the chief operating officer, and the other being one additional person at the work–staffing level. And the rest are existing individuals that worked in WCB on an area called SAFE Work Services that did, again, primary focus on prevention.

Mr. Friesen: And does Mr. Maharaj anticipate additional hires? Will that particular office continue to grow? I believe it was stated in the document here that, I think, that the operating budget is about 5 per cent of the overall operating budget. What is his anticipation for one to five years out? How large will that office grow?

Mr. Maharaj: We are on target for that plan, so you are correct that it is anticipated that as we roll out these different programs and continue to roll out our work in prevention that the maximum that it would grow to is 48 FTEs. And, again, that is–that's the–that would be what's projected as the top maximum. What it will actually come to be would be reviewed on an annual basis based on the programming and the needs.

Mr. Ian Wishart (Portage la Prairie): I just have a few questions as well.

You made some reference when you were talking about contractors and their liability. If a homeowner, for instance, was to hire a contractor to have work done on their residence and there was an accident occurred there, would the homeowner be liable?

Mr. Maharaj: Again, it seems I've got to be careful because there's a lot of, I think, legal issues that would swirl around that.

Floor Comment: I thought you said you were a lawyer.

Mr. Maharaj: No, I'm feeling like one recently.

So, legally, I understand that they would be liable, but we have not and do not collect against them. However, if there was negligence and they had insurance, company employees, which they should, we would go after, through the insurance company, the homeowner.

Mr. Wishart: Well, I thank you for that revelation. I suspect that if that was to become the case, you have a education campaign on your hands, yes, that you need to deal with because most homeowners certainly are not aware of that additional risk that they're taking on. They may ask the contractor if they have workmen's comp; I suspect that doesn't always happen, but it's always good advice for them to do that. However, they would not be aware of the online situation where you could see whether it was current.

So I think that there needs to be a little more clarity made in that regard for not only the contractors but for their potential customers. Are you planning on doing anything in that area in terms of communications?

Mr. Maharaj: I can't say that we have anything in–we do policy reviews on a continuous basis, and certainly that might be one that it's timely to do. At this point I don't have it on my list, but I'll–I think we'll take it back for consideration.

Mr. Wishart: I appreciate that and I think it might be valuable.

You did make reference to your health spending account, which I think you said was part of the last contract negotiation. So does that apply to all retired employees or only those that are retired since the contract was signed?

Mr. Maharaj: Only those since the contract was signed.

An Honourable Member: I appreciate that comment. I did want to ask a few questions around how you–

Mr. Chairperson: I'm sorry, I should have recognized you, Mr. Wishart.

Mr. Wishart: Okay, I would like to ask a few questions regarding how workmen's compensation board acquires its medical expertise. Is there a prescribed process that you call for proposals or do you have a group of medical professionals that you work with or could you explain how it–that's done?

Mr. Maharaj: We do not use the RFP process for medical contracts. We do have a health-care unit, and we do, when we need to fill a very specific skill set in a very specific area, we would utilize either an association, go through ads in the association or go through the actual college or go through the actual industry area within there to find the appropriate skill set.

Mr. Chairperson: Now, as previously agreed, the hour is up. The House–the hour is after 4 p.m. now. So what is the wish of the committee? What is the wish of the committee?

An Honourable Member: I think we should set that we should be–I feel we should be done by 4:30. Let's just say 5 o'clock or whenever we're done. We should be done before–by 4:30, I would think. That's–

Mr. Chairperson: Is that agreed? *[Agreed]*

Carry on. Yes, Mr. Wishart.

***** (16:00)

Mr. Wishart: I appreciate that. I certainly would hope you would try and acquire the best medical advice available for–to deal with the injuries. And should the medical professionals recommend treatment that is not available in the province of Manitoba? What is the process?

Mr. Maharaj: So we would go through a progressive process of looking for that type of treatment that you're referring to first in Canada–obviously in our province–first in Canada, and, ultimately, if we have to send them outside of the province, we would do so.

Mr. Vice-Chairperson in the Chair

Mr. Wishart: So how often is that actually done?

Mr. Maharaj: It's quite rare, but still could be somewhere around an average 10 times a year.

Mr. Wishart: Thank you, and I appreciate the answer. So, when that is done, and someone's sent out of province, do you just cover the costs related to the operation, or do you cover all costs for those individuals?

Mr. Maharaj: We do cover all costs. And, again, we would have a policy guideline on that. So we'd be following that policy.

Mr. Wishart: The reason I ask is that there's been in my own constituency a number of back injury issues and some of which have been, in fact, resolved by out-of-province travel, however, mostly paid for by the individual. And the issue, I think, comes back to agreement on whether this is the best course of action or not. And I understand there's an appeal process that is followed on that. Once that is done, and if you can't reach a consensus, what is your mandate related to that? If they decide to go at their own cost and have that, what–do you have any further liability, or are you completely released?

Mr. Maharaj: Well, I mean, again, I can't speak to the specifics of the case that you're referring to, but if I'm understanding that the individual has gone through the appeal process, ultimately to the Appeal Commission, has received the response from the Appeal Commission, we would be bound to follow the Appeal Commission's judgment on that.

Mr. Wishart: Well, and that's my understanding as well. And, in two different cases, individuals went and had corrective surgery done on their own and are now much better. That's fine; that's–can be individual cases. You would have no way of predicting that. Do you have any change in your ongoing liability to those individuals?

Mr. Maharaj: So, essentially, we would view the cases that we have as always open for reconsideration if there is new information being brought forward. So, essentially, a case is not closed. If there is new–if it meets the parameters to allow for it to be reconsidered, which is–the parameter is it's considered new information that previously wasn't considered. So there would be opportunity.

Mr. Wishart: So, just for clarity, he's–both cases that I'm thinking of are much better. Should I advise them to go back to work?

Mr. Maharaj: I think you should refer, if you want, offline, those specific cases, or if you want to just contact us, certainly, our VP of Compensation Services can talk to you about what would be the best course of action for your–the cases that have been referred to you.

Mr. Smook: Okay. Going back to assessment rate, I had spoke earlier about the model that you use to figure out the assessment rate, and you–it's a fairly strict model that sort of drives out what it should. And, on the 2015 budget, it drives out a $1.30 assessment rate with a $15-million operating surplus, but in 2017–that's only two years away–it drives out $1.20 assessment rate and a $44-million loss. So I'm just wondering, is that, like, is there that much room in that model to do those kind of things, or?

Mr. Maharaj: Absolutely. That is, again, because of the introduction of the prevention incentive, as well as we see a new rate model coming online, so that will also have an impact on the costs related to that year. And, as I mentioned, annually, that would be reviewed, so I can already tell you that, you know, these numbers, projected out five years, they have been reviewed, and, certainly, the decrease that you see in the rates right now look like–are very sustainable.

Mr. Smook: Can you tell me when you expect to release this new rate model?

Mr. Maharaj: The new rate model actually is already in the process of being implemented. Communications are going to be coming out this fall. There is a quite a multi-year transition plan, so components of the rate model will roll out between now and 2020. We've actually already had a considerable amount of communication with our stakeholders. We've met with key stakeholders throughout the employer side as well as labour, but, more importantly, we've had a stakeholder advisory group involved in this from the very beginning. And this group was comprised of our major stakeholders, being both employers and labour, and went through a very extensive consultation process run by Morneau Shepell. So the results of this has already been communicated but will be broadly communicated and implemented starting in the fall of this year.

Mr. Smook: One question I think I might have missed at the beginning was, on page 27, 2014 annual report, it notes cost of claims were $47 million under budget, largely due to cancelled actuary projects. Could you tell me–expand on what an actuary project is and, if it's just a project, why it would come out of claims?

Mr. Maharaj: The actuarial projects I had mentioned earlier are actuary. Every year, looking at the different assumptions, especially the key assumptions that are built into our model, so, for example, mortality tables, mortality tables are changing across–and are going to impact funds such as ours and pension funds, you know, across the country with the new rates–new tables that are going to be instituted. So that would be an example where our actuary would have to, as a project, take that and integrate that into our future projections.

This, as you referred to the cancelled actuarial project, is actually deferred actuarial projects due to the fact that the work that was being undertaken in one of the areas, wage loss, was really quite extensive, so we couldn't undertake several different reviews at the same time.

Mr. Smook: Going back to, I guess, owners, like, subcontractors, the question would be for owner-operator truck drivers. My understanding is if you have an owner-operator truck driver and he's working for a trucking company, the trucking company will deduct WCB off of him, or not?

Mr. Maharaj: My understanding is–so, as is the case with much of this, it seems to be a complicated answer. So, if they are independent, they are responsible for their own costs related to WCB premiums. If they are deemed to be employees, then you're right, that the parent company would be paying for the cost.

***** (16:10)

Mr. Smook: How do they differentiate between–like, for instance, if a person owns his own truck he is a private contractor. Now he owns his own truck, so then he would be responsible for his WCB premiums, not the company, because it's my understanding, and I've heard this from a couple of people, where they're being deducted from their, you know, mileage or whatever. They don't get paid hourly they get paid, you know.

Mr. Maharaj: I'm sorry to say I don't have a quick and easy answer for you. It is an actual complicated test that is done through one of our policies or assessment department will apply something, essentially a business test, which is stipulated in our policy, which I'd be happy to send you if you like it. And that business test will go through and try to determine how independent the subcontractor that you're referring to is from the parent company, and that will ultimately lead to whether they're deemed to be an employee essentially or not.

Mr. Smook: If you would provide me with that I would really appreciate that.

Fair Practices Advocate, the Fair Practices Advocate looks at four different areas of WCB information disagreement with decision, communication and timelines. In the 2013 report under information one of the areas of concern there was a difference of opinion between the WCB's medical officers and the person's physician on a medical matter. Is this a concern for WCB? And, if so, what's being done about it?

Mr. Maharaj: We have actually moved to a model of consultation so if there is a difference between the two medical health providers, our physicians will actually contact the other physician, will reach out to understand why there is a difference and, you know, they'll discuss it and obviously they both are professionals within their field and have certain requirements to–and standards to follow. So hopefully that would lead ultimately to a better understanding of why the difference exists.

Mr. Chairperson in the Chair

What that may be referring to is there are instances where we would have difficulty in getting a response from the external health-care provider and as time goes on that can often cause a claim to really drag out, as far as getting closure and a decision.

Mr. Smook: In regards to disagreement with decisions in both the '13 and '14 report, the Fair Practice Advocate found that 18 per cent of the decisions made by WCB were found to be wrong or unreasonable. Does the WCB not find that an 18 per cent number is high? And are they doing anything about that to make these decisions more accurate, I guess?

Mr. Maharaj: The 18 per cent, I just want to highlight, actually refers to 18 per cent of the decisions within a particular category that was brought forward to the Fair Practices Office. So we have a total of approximately 30,000 claims coming in; approximately 15,000 are time-loss injury claims, and I believe and I just–this number is very rough because it's off the top of my head–but the number of complaints going into that office annually would be somewhere around 400, and the number that are actually referred to is the 18 per cent where the decisions are turned over would be a subcategory of that 400. So it is actually, I would say, from a material perspective, not a concern. Absolutely, I would be concerned period with inconsistent decision making or decision making that doesn't seem to be appropriate given the claim, and that's certainly one of the things that we hope to address under our compensation services' best practices.

Mr. Smook: According to the 2014 Appeal Commission and Medical Review Panel report, the average time from date of request for a report being published is now almost 14 weeks longer than it was just two years ago. What reasons are behind this 50 per cent increase in timelines?

Mr. Maharaj: So can we have the question repeated? I've asked the representative from the Appeal Commission to provide–*[interjection]*

Mr. Chairperson: Kindly wait to be recognized. Yes, Mr. Smook.

Mr. Smook: According to the 2014 Appeal Commission and Medical Review Panel report, the average time from date of request to report being published is now almost 14 weeks longer than it was two years ago. What reasons are behind this over 50 per cent increase in wait times?

Mr. Maharaj: So, you know, I think this is really a statistical issue more than anything else. As it turns out, the number of reports are extremely low. There was one in 2014, one in 2013 and three in 2012. So, you know, when you're dealing with one report, it's really the nature of the complexity of the specific issue at hand, what might be reviewed, so I don't think–statistically, I can't make any determinations from one report.

Mr. Smook: Yes, I was just looking at page 23 of service levels, and that's where I'd taken those numbers from.

Okay, we can move on to the stakeholders' consultation report, I guess the Morneau report, as you call it. It found that there are some employers who are dissatisfied with the volatility of assessment rates. Concern was expressed over the balance between collective liability protection and punitive rates, as well as there was concern over the incentives and outcomes that are currently in place. Feedback in the report showed that employers feel that they're being punished in a supposedly no-fault system. How is the WCB combatting employer concern over the balance between collective liability protection and punitive rates?

Mr. Maharaj: So that consultation report ultimately led to us looking at what changes we can make in our rate model through the comprehensive rate model review to address exactly that. And, ultimately, what was brought forward through that stakeholder advisory group as well that I had mentioned earlier was a model that will see rates be more responsive to small-medium employers. So, in other words, there'll be less variability for small employers and less variability for medium employers that have a less statistically valid history to bring forward. So that's going to be a key part of the new model coming out, as well as less variability for everybody overall by capping the amount of change that can happen year over year to your premiums.

And overall what you'll see is a narrowing of how much you can move up and down based on your individual rate experience versus the collective liability component. So that balancing is exactly what is addressed in the new rate model that will be coming out.

Mr. Smook: Yes, on page 27 of the report there's basically five summary conclusions and key recommendations. Is WCB looking at all of those recommendations?

Mr. Maharaj: Yes, we've looked at all of those recommendations and a version thereof has been incorporated into the changes that will be made. Again, we've already had stakeholder consultations on that, made our key stakeholders aware of those changes and will be communicating more broadly in the coming months.

***** (16:20)

Mr. Smook: In other words, this new model will be more in line with some of the other provinces out there or will it still be–

Mr. Chairperson: Mr. Maharaj.

Mr. Maharaj: Absolutely. The goal of this was to bring the model in line with the other provinces, as far as what we would term aggressiveness in the volatility, and the new model achieves that.

Mr. Smook: In 2000 or '14 or previous years, has the WCB received any gifts for major events such as Jets tickets, Bomber tickets, concert tickets? If so, could you provide us with how many tickets were gifted to what events and who used them? If you could provide this information for the last three years. Last year I asked this question, I got Jets tickets, but are there any other areas that have major tickets that–I would like if you could provide that for us, please.

Mr. Maharaj: We have received no tickets to other areas, and the answer from last year continues on, no tickets for the Jets or other areas.

Mr. Smook: Does WCB in their promotional items buy *[inaudible]* tickets? Like, for instance, to the Grey Cup game, is the WCB looking at buying a bunch of Grey Cup tickets?

Mr. Maharaj: No, we have not, and we aren't looking at that.

Mr. Smook: Could you give me a breakdown, and it doesn't have to be today, but how much WCB spent on sponsorships and donations in 2014, a breakdown? You can provide me with that in writing later if you want.

Mr. Maharaj: Certainly, that is available on our website. As well, we list all of our sponsorships and donations. However, we can provide it to you if you like. We can undertake to send that to you.

Mr. Smook: Another question, which you probably answered for SAFE Work Manitoba, but how much does WCB spend on promotional items and possibly a list of all those items?

Mr. Maharaj: So I think if–in order to ensure that our list is complete, I would undertake to send you a list of all promotional items that we currently have under SAFE Work Manitoba.

Mr. Smook: Well, I thank you very much for your answers. I was just wondering if you could introduce us to all your staff there, so we could have a list of who's all here because it's in a–*[interjection]*

Mr. Chairperson: Yes, Mr. Maharaj, you would like to introduce everyone?

Mr. Maharaj: Certainly, and–

Mr. Chairperson: Please go ahead.

Mr. Maharaj: But page 11 is their title, so I'm going to choose them by name. But Stu Charles is our chief information officer; Darren Oryniak is our VP of

Compensation Services; David Scott is our VP of–see, this is where the titles get long–our VP of People, Technology and Innovation; Warren Preece is our director of Communications; and Jamie Hall is our chief operating officer of SAFE Work Manitoba; Alice Sayant–see this is another one–

Floor Comment: Vice-president of Strategy and Assessment Services.

Mr. Maharaj: See, I had strategy. Strategy and Assessment Services. And Lorena Trann is our chief financial officer; and I think you may know Lori Sain who is our counsel and our VP of Compliance and Corporate Services.

Mr. Chairperson: Thank you very much.

Mr. Smook: I thank you for that.

Mr. Chairperson: As there are no more questions, question for the committee is: Annual Report of the Workers Compensation Board for the year ending December 31st, 2013–pass.

Shall the Annual Report of the Workers Compensation Board for the year ending December 31st, 2014, pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no. So the report is not passed.

Annual Report for the Appeal Commission and Medical Review Panel for the year ending December 31st, 2013–pass.

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

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I hear a no, so the report is not passed.

Workers Compensation Board 2013-2017 Five Year Plan–pass.

Shall the Workers Compensation Board 2014-2018 Five Year Plan pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Did I hear a no? So this is not passed.

Shall the Workers Compensation Board 2015-2019 Five Year Plan pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: The report is not passed.

Please leave the copies of the reports that did not pass on the table.

The hour being 4:27, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise. Thank you very much.

COMMITTEE ROSE AT: *4:27 p.m.*