



Third Session - Thirty-Sixth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Utilities
and
Natural Resources

Chairperson
Mr. Jack Penner
Constituency of Emerson



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PALLISTER, Brian	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES

Thursday, April 24, 1997

TIME – 10 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Mervin Tweed (Turtle Mountain)

VICE-CHAIRPERSON – Mr. Gerry McAlpine (Sturgeon Creek)

ATTENDANCE - 11 – QUORUM - 6

Members of the Committee present:

Hon. Messrs. Gilleshammer, Radcliffe

Messrs. Dyck, Gaudry, Helwer, Maloway, Martindale, McAlpine, Reid, Rocan, Tweed

APPEARING:

Mr. Gary Kowalski, MLA for The Maples
 Mr. Wally Fox-Decent, Chairperson of the Board and Chief Executive Officer, WCB
 Mr. Alfred Black, Executive Director, Claims Services, WCB
 Mr. Terry Edgeworth, Executive Director, Employer Services and Human Resources, WCB
 Mr. Glenn Hildebrand, Director, Communications, WCB
 Mr. Sid Rogers, Senior Director, Claims Services, Vocational Rehabilitation, WCB

MATTERS UNDER DISCUSSION:

December 31, 1996, Annual Report of The Workers Compensation Board

1996 Five Year Operating Plan, and 1997 Five Year Operating Plan of the Workers Compensation Board

December 31, 1996, Report of the Appeal Commission

Clerk Assistant (Ms. Patricia Chaychuk): Order, please. Will the Standing Committee on Public Utilities and Natural Resources please come to order.

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

Mr. Peter Dyck (Pembina): Yes, thank you, Madam Chairperson, I would like to nominate Mr. Tweed.

Clerk Assistant: I am sorry, I am just your humble little Clerk and not your Madam Chairperson.

Mr. Dyck: Madam Clerk, I would like to nominate Mr. Tweed.

Clerk Assistant: Mr. Tweed has been nominated. Are there any other nominations? Seeing none, Mr. Tweed, you are elected Chairperson.

Mr. Chairperson: Before we proceed any further, we do have to elect a Vice-Chairperson. So I will ask for nominations.

Mr. Dyck: Thank you, Mr. Chairperson. Now I would like to nominate Mr. McAlpine.

Mr. Chairperson: Mr. McAlpine has been nominated for Vice-Chair. Are there any other nominations? Seeing none, Mr. McAlpine has been elected as the Vice-Chairman of the Standing Committee on Public Utilities and Natural Resources.

Okay, I think before we get into the proceedings I am going to ask the committee if there is a willingness or a time that they would consider sitting for this morning's business.

Mr. Gerry McAlpine (Sturgeon Creek): Yes, Mr. Chairman, with the will of the committee, I would suggest 12 noon subject to passing.

Mr. Chairperson: Okay, then we shall set the end of the committee today at twelve o'clock noon.

Does the committee wish to consider the reports on a page-by-page basis or their entirety?

Some Honourable Members: Entirely.

Mr. Chairperson: Okay, the reports shall be passed in their entirety, and the reports will be considered in their entirety as one. Shall the reports be considered individually or as a group?

Some Honourable Members: As a group.

Mr. Chairperson: As a group. Okay. Agreed.

Does the minister responsible have an opening statement, and did he wish to introduce the officials in attendance from the Workers Compensation Board?

Hon. Harold Gillehammer (Minister of Labour): Thank you, Mr. Chairman. I think that we are pleased to be back in front of this committee again to discuss business to do with the Workers Compensation Board. The last time we met was two weeks ago, and the Annual Reports for '94 and '95 were passed at that time. I am pleased that we were able to meet again so soon afterwards to consider the '96 Annual Report. We have the same staff back that were here at the previous meeting. I do not think there is a need to introduce them a second time, but we are prepared to proceed with any questions to do with the Workers Compensation Board and would like to get down to business at this time.

Mr. Chairperson: We thank the minister for the remarks. Before we proceed any further, I will just say that this morning the committee will be considering the Annual Report of the Workers Compensation Board for the year ending December 31, 1996; the '96 and '97 Five Year Operating Plans for the Workers Compensation Board; and the December 31, 1996, Report of the Appeal Commission. At the last meeting of the committee, the Appeal Commission report had not been officially referred to the committee; however, for this meeting, the report has been referred. At the last meeting a number of questions had been addressed on the Appeal Commission report and the questioning

was concluded. Is there agreement today to pass the December 31, 1996, Report for the Appeal Commission?

* (1010)

Mr. Daryl Reid (Transcona): Mr. Chairperson, I think we agreed at our last meeting that we would consider all of the areas dealing with the 1996 report in its entirety, and at that time I agreed that we would, because the information that was not brought before us for over two years was somewhat dated, pass the 1994 and '95 reports and to leave in its entirety the opportunity for the 1996 discussion to take place. I think that is what this committee had agreed to. It does not preclude me then from having the opportunity to ask questions on those areas.

Mr. Gillehammer: We are prepared to answer any and all questions to do with Workers Compensation Board and hope that we can conclude that work today.

Mr. Chairperson: I think in that case then we will move—does the critic for the official opposition party wish to make an opening statement?

Mr. Reid: Not at this time.

Mr. Chairperson: Thank you. We thank the member for those remarks, and I think we are ready to proceed.

Mr. Reid: My apologies to members of the board and to members of this committee for coming here a few moments late. Unfortunately, there was some pressing caucus business, and I am the chair of caucus, and therefore I was obliged to stay until that business was concluded [interjection] Well, we hope it is resolved. Time will tell in some of these internal discussions. How we are going to hold the government to task during Question Period for the next Question Period, I guess, sometimes takes a little—it is a little in-depth discussion. Nevertheless, Mr. Chairperson, my apologies to members of the board for being late.

I have some questions, and I would first like to start by thanking Mr. Fox-Decent for his correspondence which I received regarding the policy review that he has initiated within the compensation system dealing with the medical review panels. I appreciate that there is a

process there that needs to be followed, and that you have at least commenced some discussion with regard to that.

Now, since we have met in this committee, there has been some discussion of the case that I had raised here. I am sure you are aware of the way this case had been raised in the media, and that the public has now been made aware of this case, even wider than what we had discussed at this committee.

The other case that I had raised in dealing with a traumatic event, I have also left with members of the board for their dealing, and I hope that contact has been made with the individual involved in dealing with that. I used it as an example I know, but, nevertheless, it was important to have some contact with the individual involved.

When I go through the annual report, Mr. Chairperson, I want to ask a few questions dealing with some of the areas of the report. Some of the questions I will be dealing with involve policy as well. So, while the minister himself may not be directly involved in the discussion, I would appreciate it if we still had the same opportunity to ask questions to members of the board that may, no doubt, have expertise in those areas.

The first question that I want to ask of the minister, though, is dealing with the investment committee of the board itself. I want to ask the minister, because in looking at the annual report that we have before us here, can the minister explain to me why he has, as members of that particular investment committee of the board's funds, the chairperson of the board itself, Mr. Fox-Decent, and you have the Deputy Minister of Finance who obviously has some expertise in the area of fundings and investments, and the other member that is named by the government of Manitoba is a representative of employers—can the minister tell me why there is not a representative from the other stakeholder group that is involved with the investment committee?

Mr. Gilleshammer: The composition of the board is covered in statute. I have the ability to name one person to the board. That person has been named and is someone with a lot of background, skill, and ability in this area.

Mr. Reid: If I understand the minister correctly, he is saying it is only through statutory provisions that allow him to name only one person, only one of the stakeholders to the investment committee?

Mr. Gilleshammer: By statute, the composition of the board, and I can perhaps read this into the record for him, the investment committee consists of (a) the chairperson of the board, or a person designated by the chairperson who is the chairperson of the committee; (b) subject to subsection 3, the Deputy Minister of Finance; and (c) a person representative of the views of those persons upon whom assessments are levied under this part, appointed by order of the Lieutenant Governor in Council for such term as may be fixed in the Order-in-Council appointing him. That is all covered in legislation.

Mr. Reid: Yes, I am aware that it is in the legislation, Mr. Chairperson. What I want to know is why the minister has made no move to correct the imbalance that is there. Is the minister saying that there are no capable or qualified people within the other stakeholder group that could sit in on the investment committee?

Mr. Gilleshammer: I am sure there are hundreds, if not thousands, of people across the province that have tremendous capabilities and abilities to make comment and serve on committees of this nature. The legislation allows for the minister to have one person named, and that has been done. If the member takes issue with that individual, he could perhaps either state that now or see me privately and indicate what his concerns are.

Mr. Reid: I think the minister is misconstruing what I am saying here, Mr. Chairperson. What I am saying is that you have obviously selected a person that you feel is capable to sit in as a representative of the employers, as is your right to do under the legislation. What I am saying to you is, why have you not made a move to amend the legislation then to allow you the opportunity to bring in a representative from the other stakeholder group, who also has a vested interest in what happens with the funds of the board as well?

I mean, these funds are used not only to keep the premiums down for the employers that are paying the cost-share but also to provide for the payment of the benefits that go to the injured workers. That is why I

am asking why we do not have a representative, why you have not moved to amend the legislation to allow for a representative from the other stakeholder group which is labour? It is missing from this particular investment committee.

Mr. Gilleshammer: I can tell my honourable friend, in the 100 or so days that I have been in this office, I have taken the opportunity to meet with board members and staff at the commission to try and get a better understanding of how they work. Nobody has approached me about amending legislation. If I understand the member correctly, he has no problem with the people who are sitting on this investment committee. What he is asking us to do is to bring legislation forward to make amendments to the legislation, and I am prepared to hear his concerns in that area and take advice on that from him as well as any other people. But, if that is his request that we amend the legislation, it is the first time that it has been asked, and we will take that into consideration.

* (1020)

Mr. Reid: It is obvious that we would like to see many amendments to the compensation act itself. We were not happy with the majority of the changes that happened by way of the government's legislation back in 1991. I had the opportunity to debate at some length that particular piece of legislation, Bill 59, I believe was the number. That legislation made some significant changes to the benefits that were provided to the injured workers of this province. It went a long way towards, no doubt, addressing the unfunded liability that the board was facing at the time. We applaud that the unfunded liability has now been paid down, but no doubt it has been done at the expense of the injured workers of this province. That, Mr. Chairperson and Mr. Minister, is something that we would like to see addressed now that the surplus has been paid. I raised this at the last committee meeting whereby the board had made announcements to give a 5 percent premium rebate to the employers per year for the next three years for a total value of some \$40 million and only \$5.4 million of service improvements, not benefit improvements but service improvements, for the injured workers of the province. There is an imbalance there.

So, if the minister is going to address the changes that happened in Bill 59, bring forward legislation to improve the benefits for the injured workers of the province, yes, I would applaud that. But if he is going to take regressive measures like his government did by way of Bill 59 and Bill 43, its predecessor, I would say, no, it is the wrong move for this government to take. So I would not encourage him if that is his intent to further skew the imbalance that is in place.

I want to ask questions that are dealing with some of the funding that is showing inside the annual report dealing with Bill 59 and legislative reforms on page 37 of the document, Capital Assets. Can you tell me what the term "Bill 59 & legislative reform" costs mean?

Mr. Gilleshammer: Before I let the chairman get into the detail of that, I would like to comment on some of the information my honourable friend has put on the record. I think it is important to note that the surpluses that are being realized now at the Workers Compensation Board now that the \$232-million debt has been paid off is going to not only rate reductions to the employers who are the sole payers for workers compensation, but there are service enhancements that will be put in place, and also a rate stabilization fund is being created.

So there is a balance in the way we are addressing the surpluses. We are lowering the rates. We are enhancing service, and we are creating a rate stabilization fund. I think those are all important measures. It is not my purpose, nor I think the purpose of this committee, to debate legislation that was passed a number of years ago which put the corporation in a position that that unfunded liability was erased, and that the corporation finds itself in a surplus position. I say to my honourable friend that the corporation has to be well managed. It has to be aware of the business that they are attending to, because I tell you the corporation can find itself in a debt position very, very quickly. Maybe I could just help my honourable friend understand that by taking an historical perspective of the corporation.

Back in the late 1970s and early 1980s, there was in fact a surplus in the Workers Compensation Board funds at that time. But, in 1994, suddenly there was a \$13-million deficit. The following year there is an

accumulated debt that is almost \$26 million. Then, in 1986, it rose to \$83 million. In 1987, it went up to \$227 million. So, in a period of four short years, the corporation found itself in considerable difficulty, and of course, that debt had to be serviced. Again, it was the employers of the province who are responsible for paying those rates and servicing that debt.

Now, after some very good work since 1988, that complete debt has been eliminated, and we are able to talk about surpluses again.

Point of Order

Mr. Gary Kowalski (The Maples): Just on a point of order, I am a little bit confused by what the minister said there. I do not want to have incorrect information on the record. He said in 1994, there was a deficit. Did he mean 19—

Mr. Chairperson: It is not a point of order. It is a dispute over the facts, but I will ask the minister to clarify that year.

* * *

Mr. Gilleshammer: If I did not say 1984, it was 1984 I was referring to. I am reading the historical data; the deficit in 1984 was \$13 million; and some four years later, in 1987, it had risen to \$227 million—my point being that the corporation has to be run in a businesslike fashion, that these debts can come on very quickly, as they did in the mid-'80s. As a result of, I think, some good management by the board and good work by the employees, that deficit and that debt has now been eliminated.

What my honourable friend from Transcona was suggesting is that we do take a look at legislation. I had indicated that I would listen to any comments that he has to make on this, but it has allowed us now to eliminate that debt and look forward. The board, in their deliberations, has determined that they would create a rate stabilization fund. They have determined that there would be service enhancements, and they have determined that there would be some rate reductions—a 5 percent reduction starting this year, 5 percent the following year, and 5 percent the third

year—so that there will be a reduction of rates to employers in the province.

With that background, I would ask the chairman or his designate to elaborate further on the question asked by my honourable friend.

Mr. Wally Fox-Decent (Chairperson of the Board and Chief Executive Officer, WCB): Mr. Chair, I would ask you to call on our Executive Director of Finance, please, Alfred Black, who will respond to any questions Mr. Reid may have relative to the capital assets issue.

Mr. Alfred Black (Executive Director, Claims Services, WCB): This item includes the costs associated with implementing the act, such as new computer systems; and, actually the costs included in developing some of the material in the act, and those would be the costs of lawyers. Consistent with our accounting practices, these costs are amortized over a five-year period. So you can see that the accumulated amortization is now about \$1.4 million, and there is \$236,000 that remains to be amortized. Next year will be the last year.

Mr. Reid: So, with respect to the Bill 59 impact, there were internal operational hard costs that you had to cover in addition to the other impacts on the injured workers themselves. Am I accurate in saying that?

Mr. Black: These costs here do represent the cost to the corporation of implementing Bill 59, yes.

Mr. Reid: Going back to the comments by the minister, Mr. Chairperson, I cannot let these pass. My apologies to the members of the board, but the minister knows full well—and he misconstrues my comments again—that if he is intent on bringing in legislation that is going to be regressive as his government did last time, I would be opposed to that, and let the record clearly show that.

I know the minister twisted my words at the end of the last committee hearings, where he said that I was openly and unabashed in my support for the board and its activities. Again, the minister misconstrued what I had said, and I know the minister is going to reference his document there; he is going to try and pull a direct quote out of the Hansard. Yes, I have read through it

too. I have seen the comments that I made in there. I know full well what I said, but I do support the actions of the board. I say this in some guarded way, knowing that the minister is going to try and twist this around and use it to his own political advantage. But I do congratulate the board for some of their efforts to try and improve at least the service delivery portion.

* (1030)

Yes, you have improved the unfunded liability portion of the operations of the board, but I must say to you very bluntly, from my personal belief, that it has been done through the Bill 59 legislative process. It has not been done by any secret or magic wand waving by the board's activities. That is my perception of what has happened.

Bill 59 clearly had an impact in changing the unfunded liability portion and it was the injured workers of the province that paid that cost. When you move to 90 percent of net from 75 percent of gross, with all the warts that former system had, it was still more equitable and fair for the injured workers of the province. You could have addressed, as we said at the time during debate on legislation, the imbalances that were within that particular system, but you chose to go to the 90 percent of net instead.

So I do not trust this minister or this government to make any legislative changes to the workers compensation system. I am not advocating for this minister to come forward with legislation, because I do not have a trust factor in the minister or his government as I might have expressed here for the members of the board and the actions that they have. I may be doing as the minister suggests, but nevertheless I am being honest and frank with him.

My perception of events that have occurred since 1990 when I first came to this place, I have seen things that have been done to injured workers. I have raised them at this committee before. I appreciate the efforts of the board to try and address that, but I do not trust this government to make legislative changes, because as I indicated at the start of my comments here today, you have left stakeholders out of the process in one form or another.

I have not seen any public hearings that you have held around the province, Mr. Minister, talking to the injured workers of this province. Why have you not gone around the province, through members of your compensation committee and members of your own staff who are responsible for the workers compensation system and held public hearings with the claimants that would allow them to come out and tell their personal stories?

We have an imbalance in that aspect as well. They call my office. They call the offices of my colleagues almost every day talking about problems with the workers compensation system. Some of them, yes, are very serious cases. I have raised them here in this committee two weeks ago; I have raised them in the past, and I will continue to raise them in whatever forum I feel is appropriate to get the message across that there are still problems with the legislation and the way it is addressed.

I had a case of my own constituent—and I will not use the name here—but it was raised with the board dealing with an overpayment matter. Now, it is my understanding that the overpayment situation should have been dealt with some time ago, where the board finds that they have some difficulties within their process where they are somewhat lax in administering or in some way adjudicating the claim, that the board would assume responsibility for any overpayment situation that can occur. Now, I know the minister has received a letter from my constituent on this. I am in the process of drafting a letter as well to a member of the board to try and have this matter addressed.

There is still a problem with overpayments where the board has clearly, from what I am told, admitted that they have some responsibility in the overpayment situation. So it is a situation that is still occurring; there are still some wrinkles and some warts that need to be worked out within the system. I will be addressing those internally, because I found, as I said before, with past ministers of Labour responsible for the board, it has been essentially a dead letter office. I do not want to put my constituents or the claimants that come to me at risk of further delay. We have already had one suicide directly associated with the workers compensation system and another one that happened outside that was a workers compensation claimant as well. I know the board is dealing with those situations

the best they can internally to try and improve your security, but I can tell you, the security and peace of mind of the long-term claimants has not improved. It is still a problem area.

My understanding of the long-term claimant situation is that is where you have succeeded in making your savings to move toward the elimination of the unfunded liability. It is the long-term claimant area that you have made your cost recovery. Those are the people where you are going to continue to see problems.

The improvement in service is appreciated. You have made some steps towards improving your service delivery; I recognize that. You have done a consultation process, not only in that area but in other areas. It is a good step. You bring your stakeholders into the process. But we have not made any improvement through the legislative side dealing with benefits, and that is why I raise it here. You have continued to reduce the benefits for long-term claimants that are two years and beyond, from the 90 percent net down to 80 percent net; say to them, well, you could take 5 percent of that and put it into a pension for yourself so that when you get to age 65 there is your pension. It does not help those claimants when they are trying to live on 90 percent of what their income had been before.

Let me give you an example here of the impact of Bill 59. A miner making \$60,000—it is not uncommon for a miner to work a lot of overtime, make \$60,000 in a year. Maximum limit, I think is in the range of what, some \$37,000 or \$40,000 maximum benefit payout?

Floor Comment: Forty-eight.

Mr. Reid: Forty-eight thousand dollars for that miner? And then after you reduce, if that miner is injured for over two years, you have a further reduction of 10 percent for that particular individual. In the case that I have, the example I have before me here is, a miner who has been injured for over two years, has three children to support, went off at 90 percent of his net income, then was further reduced after two years by another 10 percent, so he has a total of 20 percent loss of earnings. You have a certain standard of living that was lived on, that you live, as we all do, we live up to our means, many of us.

This individual now is living on some \$25,000 a year, from what I am told. So you can see the significant impacts that Bill 59 has had on the long-term claimants, that there is an imbalance that is in the system that allows for these injustices to happen where the claimants, such as this miner, went from a \$60,000 a year annual income with three children to support and is now in the range of some \$25,000 of income. That is a significant loss of earning power for that particular family.

This information comes to me secondhand, I will admit that, but it is an example of the cases that I am hearing about. That is why I raise it with the minister and with the members of the board that there are imbalances that have occurred as a result of Bill 59. If you were to suggest to the House and do it in a consultative fashion with members of that opposition, in an all-party way, and all the stakeholders involved, that we want to make legislative changes that would allow for some improvement in the benefits now that you have a surplus there. I am told that you are unclear on what you are going to do with the surplus after the three years have expired, because you have given 5 percent reduction after those three years.

I know the government is under pressure now, as is the board, that you have received correspondence from members of the business community calling for further changes, further reduction in premiums and further changes to minimize the impact to employers. I think that is totally unfair considering that you have already given a \$40-million reduction to the employers over these first three years of surplus position and only \$5.4 million of enhancement on the service side, not the benefit side, but the service side to the claimants of the board.

I have to say to the minister that, no, I do not trust his government to make the legislative changes because you do it in a unilateral and an autocratic fashion. You do not involve the stakeholders in the process. You do not involve members of the opposition. You do not do it in an all-party way to bring about those changes or the improvements. Therefore, we do not trust any changes you may be contemplating. We saw what happened with Bill 26 last year, labour legislation; Bill 17, and we are seeing it again with your Essential Services Act now. You do it in an autocratic and a

unilateral way. You do not consult the stakeholders that are in the process, so we do not have a trust.

The employers of this province view that the compensation system is a nuisance tax. That is essentially what they term it. It is a tax on employers. I have to say to the employers of this province, if you term that a nuisance tax, then perhaps you should be suggesting to the government that we go back to the tort system and let your businesses go bankrupt when you get sued in the courts. Is that what the employers of the province are suggesting by saying that this is a nuisance tax on them? This was a way to prevent the employers from losing their jobs, their businesses, through the no-fault system.

* (1040)

Yes, there are some drawbacks to the system, but it does provide protection and it gives protection and benefits to the injured workers. So there was a balance that was struck in past years. That balance has been skewed by this government through Bill 43 and Bill 59. We protested vehemently at the time to the changes that your government was making. We did not approve of those changes, with one exception. You indexed the benefits which we agreed should have been done. There is still a problem with the indexation that is there. I have got a letter here from a claimant living in Minitonas, in the Swan Valley, where there is an imbalance, where the individual had a claim dating back to what I believe is the early '80s. The individual is only indexed for those claims after a period of time. When it came in—and I think it first kicked in in 1994, because there was a two-year lag before the indexation could take effect—you did not have it take effect immediately in the first year. You built in a lag in Bill 59 to allow two years before the COLA clause would kick in. So, if you want to make some adjustments to that, you could look at some changes that would allow for an indexation for the full cost of living for the long-term claimants.

That would be one way to address the imbalances that are happening within the compensation system. Never mind defining this as a nuisance tax that you have to pay. It is one of those other taxes that you just have to pay. I am appalled that somebody would even suggest that this is a tax on the employers when it was

clearly an insurance fund set up to protect both the claimants that are injured in workplace accidents and the employers themselves. As I have said, the long-term claimants continue to get the shaft, and that is where I believe that the compensation system has been able to reduce its unfunded liability.

I want to raise an issue dealing with policy, because this is another policy that came out as a result of Bill 59, where the companies were unable to top up benefits, either through collective agreements or through good will or good spirit on the part of the employers of this province, through negotiations with their unionized workforce, or just in the spirit of common decency towards their fellow worker.

We have a case that was before the courts dealing with Poulin's—and I raised this matter at the last committee hearing—where the worker was injured, suffered neurological damages, and that person lives in my community of Transcona. I go by that home many times a week, and I see the ramp coming out of the front of that house to allow for wheelchair access now. The company was fined \$5,500, \$5,500 for a workplace accident that left this 39-year-old father of two teenaged children with serious neurological damage. I do not know how we can live with ourselves knowing that a case as serious as this one is allowed to happen, and the penalties that are involved here are such meagre and minor amounts.

I have to ask, though, because Bill 59 said that there would be no longer any top-up provisions allowed, what steps the board is going to take, because it is my understanding—and the company lawyer for Poulin's has indicated—that the client is topping up the compensation benefits for the individual. Are you prepared as a board and as a minister responsible for the compensation system, are you in the spirit of common decency prepared to allow that particular employer, at least in one good-faith gesture, allow the individual to have that top up of their benefits, so that there is no further financial impact on the family? Are the minister and the board prepared to allow that to occur so that the family does not suffer as a result of an accident that was obviously, by the reporting and by the documentation that I have downstairs showing that there should have been steps taken to prevent that particular workplace injury, through training,

equipment, et cetera, are you prepared to allow that collateral provision to take place?

Mr. Fox-Decent: Mr. Reid, you are referring obviously to a matter that was in today's press. This was the first that we learned of what would appear to be additional payments to this unfortunate injured worker by the employer. We were simply not aware of that. I think the best thing I could say to you on this is that we will need to look at the facts. We will need to know exactly what the situation is here, and when we are in full possession of the facts, make a judgment on what our act and regulations allow relative to the situation. I do not wish to sound bureaucratic to you when I give you an answer like that, but we really do not know what has happened here. We only have that comment of the lawyer for Poulin's relative to what they have done in this case, and we certainly will take a look at the facts, and on that basis we may or may not have to, under our law and regulations, take some action.

I say to you gratuitously, and perhaps unnecessarily for me to say this, and certainly it is meant to be in good faith that I say this to you, I would like us to administer our system not only fairly and effectively but compassionately. We therefore, I think, have a duty to look at the impact which workplace injury has on the individual in question, and there are obviously limits relative to law and regulations which govern our activity, but when we are administering that which has been given to us by others, by the government, as the parameters, one of the principles that I think we clearly should have in play is a compassionate response to worker. I cannot really say more to you on this situation until we have a look at the particular case and make sure we understand what the facts are.

Mr. Reid: I know the legislation in place can in many ways tie your hands, and I have already expressed my concerns for the imbalance in the legislation. I did not approve of those changes when they occurred in Bill 59 in 1991. I was part of that debate, and I see the repercussions, the impact of those changes on the people that come to my office. Now I know the minister has other people that handle his cases and do the writing for him. Perhaps he does not read the letters that we send to him or other MLAs send to him, because that I think would open his eyes up. I do not write to the minister on every case. I deal internally

with the board, and I appreciate the efforts of the board in helping me through your adjudication process through some of your senior officers who have lent that support to me to try and resolve these matters.

I am paid to look at the facts of the case, and where it merits some intervention, I take those steps and I take my responsibility seriously. I do not come to the board or to the minister with frivolous cases. I could do that and just wash my hands of all the cases, but I do not do that. I seek our expertise within the board and within the minister's office to try and resolve some of the matters, and if there is something that needs to be done by other means that I am not aware of, please draw it to my attention. But when I raise these matters I am raising the human consequences of the legislation, the human consequences of the actions and the decisions of the board, and I know your hands are tied as members of the board in dealing with many of these matters like collateral benefits, and I have raised this issue here today. But I raise it from the human side. Yes, there is a cost factor involved. The company has been found guilty of violation of The Workplace Safety and Health Act. No doubt, or I would expect, at least at the minimum that there would be some impact on the premium assessment for that particular company, and I will get to that line of questioning in a minute with respect to premiums and assessments.

* (1050)

But this is the human impact, this individual, and I ask you to take into consideration that the company has been found guilty. In the Power Vac case, the company was found guilty of Workplace Safety and Health violations. There were token fines assessed because essentially that is all that legislation would allow. The company is trying to make it at least partially right. I do not know if it is for public relations reasons. I hope it is not, but the company is taking steps to try and alleviate some of the financial impact.

Your legislation, Mr. Minister, through Bill 59, ties the hands of this board in dealing with the human consequences, because you will not allow companies, through your legislation, to take those steps. Your legislation will not allow for the negotiated agreements between employers and their union representatives, the employee representative groups. That essentially ties

the hands of the board in dealing in a compassionate way with the long-term claimants such as this individual that worked at Poulin's and the Power Vac situation.

I know the board is taking steps to minimize and provide an extensive level of service and treatment to those individuals. Yes, they are entitled to that under our system, but when it comes to financial loss you cannot imagine the impact on a family, because your payments, through the compensation system, only compensate the family for a portion of their wage loss. You do not compensate them when they have to hire somebody to come and shovel the driveway in the wintertime. You do not pay somebody to come and paint the house. You do not pay somebody to build that rec room in the basement. You do not pay somebody when they cannot go out and play baseball or soccer with their children. Those are the human consequences and where the legislation falls down.

So there are further costs that are impacting upon the families that the legislation and the system does not allow for. Those are the human stories that I bring to this committee, to members of the board, and to the minister. You have those costs that are borne by those families, and when you penalize them the 10 percent initially and a further 10 percent for a total of 20 percent after two years, you are doing an extreme disservice to those long-term claimants. They do not want to be on long-term disability. They do not want to be unable to go to the baseball diamond with their children. They do not want to have to sit home because they are too unable to go on vacations or to go swimming at the beach with their children. They do not want to be in that lifestyle. They want to be able to live normal lives like most of us in this room do. But that is not happening, and when you have penalized them that 20 percent after two years, you are doing them an extreme disservice. That is why I draw it to the attention of the committee members.

I want to ask some questions. We could go on at length here about Bill 59 and its impacts. I will no doubt be raising it throughout this committee hearing again this morning, but I want to talk about the assessments. I want to talk about your merit and the surcharge program. If you have got some facts and figures that you could provide for us, I would

appreciate having that information and the type of dollar value that we are talking about. If you have had a rebate program and if you have had a further assessment or any other penalties that are involved, I would like to know that information as well.

Mr. Chairperson: All right. I welcome Terry Edgeworth, Executive Director of Employer Services and Human Resources, and I would ask him to respond to the question.

Mr. Terry Edgeworth (Executive Director, Employer Services and Human Resources, WCB): The Workers Compensation Board no longer has a merit surcharge program. That program was eliminated a year ago.

Mr. Reid: Can you tell me then, because this report is 1996 and you said it was eliminated a year ago—so there would have been a part-year of costs for 1996. Can you give me the figures for at least that part-year, please?

Mr. Edgeworth: We would have to obtain those figures for you. The number of firms being affected was significantly shifting, and the dollars being charged through surcharge had reduced significantly, which was one of the reasons the program was eliminated as it was no longer meeting its original—or had met its original intent and had outlived its usefulness.

Mr. Reid: Correct me if I am wrong. I thought the purpose of the merit surcharge program was to encourage safe workplace practices that would involve both the employer and employee and that one of the ways of accomplishing this would be to have a program like this where there would be a financial incentive for employers to undertake some of the preventative or corrective measures that would be necessary. What program has replaced the merit surcharge program? What type of process do you have in place to create that encouragement?

Mr. Edgeworth: You are correct. That was part of the objective of the program. The program had originally only applied to those firms that had in excess of a \$2-million payroll. As such, it only applied to approximately the top 400 firms in the province in Manitoba, versus the 20,000 that are registered with the board or approximately 20,000. The program was a

cost-neutral program. That is, there had to be surcharges in order to warrant merits. Over the years, the difference between what we might term good firms versus poor performing firms had closed such that the amount of surcharge and thereby the amount of merit became of less significance.

Consultation with our stakeholders indicated that there was not an interest in continuing the program. Rather, the suggestion was that we should look at incorporating more within the experience rating system, which would then apply to all employers in the province. A result of that was that the experience band for a particular rate group was broadened, allowing a rate differential in any risk classification to be as much as 40 percent above a base figure and 40 percent below, depending on the experience of the firm.

Mr. Reid: Before I go on with that line, Mr. Chairperson, perhaps if you have—and I apologize for maybe not giving some advance notice that I would be asking the question with respect to the merit surcharge. I would appreciate if you have some information and some historical data on that. You could send it along later. I apologize for not giving you advance notice in asking that question.

On the experience rating, you said that there is a 40 percent on either side, and then you have got a balance that is in there. What has been the experience of the board with respect to the experience rating? What type of movement have we seen within the firms of the various classifications that you have? Have you seen much shifting of individual companies in those groups, either up or down?

Mr. Edgeworth: I am not sure that I could clearly answer that question, nor am I sure I understand it, to be honest. The model is a complex model, and to answer with an easy answer would be difficult. The number of firms moving up and down each year varies based on their experience. Not only does the individual firms' experience affect their rate, the experience of the whole group that they are in could affect an individual rate. Direct costs have a significant bearing on firms' rates, without a question.

Mr. Reid: I did not really explain that question very clearly. My apologies, Mr. Edgeworth. I am just trying to get an understanding here, if we are making any progress. I know there is more than the compensation premiums that come into play in reducing workplace accidents. One can be, through the experience rating, the merit surcharge programs or some other program where there are incentives, financial, that are involved and, of course, there are other ways through The Workplace Safety and Health Act, which needs some serious amendments to it as an incentive as well, and beyond penalties that would be \$150,000 like the minister is contemplating now for his maximum fine level.

We have proposed that they would be in the half-million-dollar range as one of the incentives that could be available through the courts for those that are found guilty of Workplace Safety and Health violations. That is why I am asking questions with respect to what the experiences of the board have been, using that other incentive, which is financial as well, trying to determine whether or not—and I look through the annual report dealing with the number of time-loss accidents and there is a classification. You have got coding that is attached to them and I am trying to get an understanding here of what you are seeing internal to the board's operations of shifting of various employer groups, on the experience rating that you are seeing. Are you seeing a shift where employers are and the operations of their employees are becoming safer, or are we seeing a tendency or a direction in the opposite direction? I am trying to get an understanding of the process because you see it first-hand through your statistics.

Mr. Edgeworth: I will go back to the merit surcharge program just for a moment because of that, because it was clear from us that financial incentive, in some way, was having a bearing in that the number—and, again, which is why we felt it was time to look at other options—the number of people being surcharged and the experience of the surcharge firms, the performance significantly improved, such that there were less and less firms being surcharged, more and more qualifying for a merit, thereby saying, it is having an effect, it is closing the gap.

But there are so many factors that impact that. The experience rating model itself impacts that. The model

provides for adjustments over a longer haul, even at the change of risk categories. When we look over a five-year period and how that experience of a group that they are in, what their experience is like versus the risk category that they are in, and there are shifts both up and down that occur annually, as well as this 40-40 split, we find that the bulk of the employers are in the lower portion of that band. There are a lesser number of firms always in the upper portion of the band, but to separate, is it education, is it inspection, in penalty, is it the incentive of your rate-setting model? It is very difficult to go and say which one of these caused what effect.

The merit surcharge program, because it was defined boundaries, allowed us to go and do that. You know it was one program, it was very specific. We could look at firms in it and say, this one program now applied to them and what happened, but in the broader context, it is very hard to say, well, it was inspection that had the impact or it was education that had the impact or it is the financial incentive of the rate-setting model that has an impact because they are all so intertwined. You know that is a challenge we are always looking for: How do we measure which one has the biggest bang, which measure is the biggest bang for the buck?

Mr. Reid: Thank you for the explanation.

I have been looking at the gross numbers, in both senses of the word, with the total number of time-lost claims, and while there has been a slight decline in year over year, this year, the numbers are staying high. I would like to know what types of programs you have in place, other than the merit surcharge or the experience rating process that you have in operation, that would drive down the statistical numbers that we are seeing on the overall time loss from its level of some 41,000 plus. I think if you do a long-term historical comparison, there was a blip in the map there during the recession where it went down, I think, to 37,000 or 38,000 jobs. Historically, we have had a fairly constant number of time-loss claims.

I am wondering what steps you have taken to try and reduce the number of claims so that we can move away and start moving in a downward direction on time loss. Can you tell me about your education process? Do you have any education processes in place with the

employees and employers? Can you give me an idea of what types of efforts, what type of human resources, you apply to that task; if you do that type of work, what type of financial resources you apply to that task?

Mr. Edgeworth: I guess the best place to start is to acknowledge our very close working relationship with Workplace Safety and Health. Workplace Safety and Health has the prevention mandate, and we have a role in there and work very tightly with them. The first is generating data, a tremendous amount of information that we can provide to help identify where there are priorities, trends and concerns that we would have. A second has been, we developed some—again, looking at data—data to help us pinpoint those firms that have experience that is poor, you know, in comparison to others in the same sector, poor in terms of the rate category—there is a number of ways of doing that—and to look at actually contacting and visiting.

This began a couple of years ago. In particular, we saw a growth in accidents. That was a concern. Why did we all of a sudden see an increase? We produced some reports to look at the top 50 in every area and say, what was happening here, why are they growing? We personally called them to say, are you aware? That was the first thing—phoning a company and, are you aware—which was interesting, and it had a very positive impact, because sometimes people at the top of the company are not. Then they can start to analyze, well, what is happening, and it was an offer of assistance to deal with what is happening.

Some of the assistance that has developed has been a result of the merit surcharge program. When we are out dealing with firms who are being charged increasing costs, there is a question that says, what can I do about it? What kind of assistance or help can you provide to help us better manage this? We developed some processes in terms of putting together an overall model for looking at what we call practical safety management, an overall broad framework for looking at that, and to help people deal with their own strategies, but provide a framework. Speak at conferences on those types of things, and so on.

Another process that began, what, two years ago, is funding to support an ergonomics initiative in, again, Workplace Safety and Health. There are hard data

which Workplace Safety and Health would have to support the benefits of that kind of an intervention in reducing the risk in firms. We are beginning to find more firms than that individual can support, seeking that advice at the front end, even in design. This year we had an initiative to enhance that, in terms of some funding, working in a co-op program with the University of Manitoba, University of Waterloo, ourselves and Workplace Safety, to increase the support in this ergonomics field, to look at prevention, particularly high-risk, high-cost areas. We have targeted certain industries to work with.

The other is the relationship then with industry safety officer programs, in that there are few industries that fund their own safety programs. We assist in the collection of monies for them and give it back to them, but we work closely with them, in terms of data, again, to help them pinpoint where their priorities should be.

* (1110)

Another question you asked me was the number of resources. It is a small unit. We currently have a team of four individuals in that unit. Again, it began looking at how you affect those higher or poorer performing firms and positively impact experience.

Mr. Reid: I would imagine, and looking in the annual report as well, that it is showing that there are, what we would call peak months, where there are spikes in the number of claims that come in. I think, if I recall correctly—I do not have it here in front of me—it was in the warmer months of the year, June, July, August. Now perhaps that may be associated with the construction season that would no doubt be increasing its activities during that period of time. What type of an advertising campaign do you have to continually make the public aware of the need to be always on guard in the workplaces to prevent workplace accidents? What type of a campaign do you have? What type of a budget do you have for that, if you have any? Can you describe for me some of the activities that you undertake to make the public aware of a need to be always on guard to prevent workplace accidents?

Mr. Chairperson: All right. I will welcome Glenn Hildebrand, Director of Communications, to the table and ask him to respond.

Mr. Glenn Hildebrand (Director, Communications, WCB): Traditionally, the board has, for a number of years, been very involved in advertising within trade publications. We have also done some general awareness advertising through more conventional media, newspapers. This year our campaign has expanded, as it has for the few years. In addition to the trade publications, which we are focusing on reporting accidents properly so that we can reduce that period of time between the accident actually occurring and the worker reporting that to the Workers Compensation Board, they are focusing in that area, in the area of about \$5,400.

We are running a campaign in conjunction with the national Day of Mourning in the area of about \$3,900. That is newspaper, the multicultural print, if you will, ethnic papers, radio, targeted at 18 to 25 males particularly, and some ethnic radio as well. We have a campaign that is running, focusing on the hiring solution. One of our employment services programs is geared at reintegrating or returning injured workers to the workforce. That is in the career section of the major dailies in both Brandon and Winnipeg. That is some \$2,800, and there will be a campaign running during the summer where we are focusing on reporting accidents early and also some safety awareness. That is a fairly involved campaign that consists of provincial newspaper, ethnic print, radio, ethnic radio and posters—some \$38,500. The total budget that we have for this year is just under \$54,000.

Mr. Reid: You have explained and broken down some of the costs and given me the detail on that. You have a total budget of \$54,000. I have seen some of the advertising that the board has taken out. It seems to be in an ad hoc way in some of the daily papers and, I think, in some cases, issue specific. I have seen some of the trade publications with respect to the heavy construction industry and the trade magazines that they have. I have seen your advertising there.

Are there some things that we should be doing, that the board should be doing, with respect to further making both employers and employees aware of what needs to be undertaken with respect to reporting both the employer's and the employee's side? No doubt the employees go, because they are already injured and they go to the doctor for treatment, in many cases, so

that gets reported through the doctor, but on the employer's side I understand you are trying to raise the awareness.

Are there other things that the board should be doing to further raise awareness of the public, of the general public? Are there steps that you can take to raise that awareness? I mean, \$54,000 for an advertising budget. Geez, the government spent more than that just in hiring one person.

An Honourable Member: Writing letters to the editor.

Mr. Reid: Yes, writing letters to the editor. Right. Yes, no doubt there were some expenses of stationery and stamps for that cost. At least, I hope that was not sent through the government mail.

Are there some steps that the board can take to further advertise and make the public aware of what the rights and responsibilities are for everyone that is involved in the workplace? Do you have a plan in place for that type of activity?

Mr. Hildebrand: Mr. Chairman, the totals that I just talked about were our paid advertising. We are also looking at unpaid advertising as well as the vehicles that we have available to us within the Workers Compensation Board, which are: Update quarterly newsletter that goes to some 20,000 registered employers. We have an extensive series of publications and pamphlets and posters that are made available to employers; and the step-by-step publication that goes out to any claimant and is also used by many different folks in terms of an educational tool. It has a pull-out poster on the basic steps that need to be taken as far as compensation, and as I indicated, the advertising budget that we have had has been growing over the years.

Mr. Fox-Decent: Mr. Reid, I just wanted to add a word, if I may, relative to this issue, and I am speaking very frankly here. There is a little bit of feeling among our stakeholders, I think, that since we already spend almost \$5 million a year to fund the Workplace Safety and Health division, we should not be doing things that duplicate what is properly described, or is said to be described properly, as their work, which is prevention of accidents in the workplace as well as enforcement. I am being very frank with you. We often rub up

against this, and we are a little frustrated about it, frankly. We would like to do more. We have some resources that we could do more relative to advertising, for example, but the stakeholders say to us, hey, back off, where clearly Workplace Safety and Health has been given the mandate and it is properly their responsibility to get on with it.

I think we probably need to work out and we would like to work out, and we talk a lot with Workplace Safety and Health about working out an arrangement whereby we would be happy to do more. I think the difference here is, and I may be—I am not looking at the minister at this point. I hope he is okay with what I am saying. I will find out in due course, and very quickly actually, but the fact is that, of course, the budget for work—[interjection] Workplace Safety and Health, we essentially pay the bill, but the budget is set by Treasury Board. We have nothing to do with setting the budget terms for Workplace Safety and Health. I am not suggesting we should. We pay the bill; we do not set the budget. Therefore, there may be some advantage in our doing a little more in the prevention area because we have, as a Crown agency, a good deal more independence and ability to make things happen quickly.

* (1120)

So I am just saying to you, we have a very good relationship with Workplace Safety and Health. We believe that we strongly support what they do and vice versa. Every time we try to do anything significantly more in prevention, we usually find that our stakeholders are saying to us, this is getting into an area where you could be developing parallelism and where there could be a duplication of effort that is not productive. So there is a certain amount of frustration around this, at least for me, I think for some of my colleagues as well, and I think we have to work at this. We have to work at how we can best use our resources in this area because prevention is the answer to it all. Prevention means no injured workers or fewer injured workers. Prevention means lower assessment for employers because there are not as many injuries and so on and so on.

So we feel very strongly about the need. We nevertheless are required and do dutifully recognize

that the responsibility is essentially that of Workplace Safety and Health. That is not a, you know, over-to-them kind of thing, because we do not feel that way but, as I say, we have a little bit of difficulty relative to this with our stakeholders on both sides, both labour and employers who say, this is really the work of Workplace Safety and Health and if they were doing it or are doing it properly then that should be enough or nearly enough.

Mr. Reid: I agree with you. Prevention is the key and that is basically the reason why I have raised it. Yes, you can hand me a brochure and I will glance at it today and if it is pertinent I will keep it on file. We all lead busy lives and quite often we forget that reminder that we need to be aware of what is happening around us, but I think that we—that is one of the reasons why I raise this. There has to be a continual reminder and education process in place in the workplace, on billboards or someplace that will trigger a thought process that says, okay, I have got to be extra careful on the activities that I am undertaking today, in the performance of my job, getting to and from work, in my family life.

My experience with my previous employer was in that line where we had a training process that it was always drummed into us about working safely. I am not saying that accidents did not happen there. There were some serious things that I thought could have been addressed in a better way, because that was the reality of that workplace in heavy industry. But if we do not have that continual education reminder, and that is why I talk about the advertising and the process that you can communicate that through, the working people are not going to be continually reminded: I have to work safely.

If I do this job, what are the repercussions? I can do it two ways. I can do it the right way or I can do it the wrong way. I can take the shortcuts just this once and maybe lose my hand, like I have seen some of my colleagues in my previous employment have happen to them. So that is why I am thinking here and asking questions with respect to your advertising budget. I do not want you to duplicate work that perhaps should be done by Workplace Safety and Health. When we get into the Estimates of the minister's Department of Labour, perhaps that would be a line of questioning that

we could pursue with respect to the efforts that you are making to continually make the public aware. I will advise the minister now that we will pursue that line of questioning.

If there is something that can be done in conjunction with Workplace Safety and Health, I would like you to undertake that activity so that you do not duplicate first but at the same time to continue to have that education process in place.

I want to ask you though, with respect, since you say, and you have told me in past years I know, you fund Workplace Safety and Health, you funded some \$5.5 million dollars—is that the correct, \$5.4 million was the number—and is that 100 percent of the cost of the operation of the Workplace Safety and Health Branch?

Mr. Fox-Decent: The funding is 95 percent of the total for the operation of the Workplace Safety and Health division. The '96 figure was—that is what I thought it was, in the \$4-million range. [interjection] Right. It is \$4,305,000, Mr. Reid, last year. Then, of course, on top of that there is another \$780,000 for the Worker Advisor office. So between the two they come up over \$5 million, and that may be the figure you are thinking of.

There is a little portion of the Workplace Safety and Health division that is funded I think through—some of it I think may come from the firefighters or the Fire Prevention Fund. A very small portion, I think, may come from there, but we are at about 95 percent of the total.

Mr. Reid: I do not want to ask this question of members of the board, because it may be an area that is outside of their area or jurisdiction. I will ask it of the minister. Since the board through its assessment on the employers funds 95 percent of the total costs, and if you in some way make administrative changes within the Workplace Safety and Health Branch, whether it be administration reductions or field inspector reductions, I take it then that reduces the amount of money that the compensation would forward to the Department of Labour to cover 95 percent of the Workplace Safety and Health costs.

Mr. Gilleshammer: I appreciate the member indicating that, once we get into the Estimates process,

probably next month some time, we will have an opportunity to go through the Department of Labour expenditures line by line and discuss our budget. I truly look forward to that. I appreciate the member's input on any of a number of items here today. Workplace safety and health, of course, is a vital part of the work we do within the Department of Labour. If there are ways that we could improve the service that we provide, because I would like to go on record as agreeing with my honourable friend for Transcona (Mr. Reid) and the chair of the board that prevention— [interjection]

Well, I am extending a hand of friendship here to my friend. I think that, you know, he had made comments before that opposition members twist his words and displayed sort of a negative attitude towards relationships. I think that the honourable member for Transcona has a great deal to offer in terms of input for our department. Nobody in this room or in the Legislature could ever doubt his sincerity, the expertise that he brings and the zeal that he brings to the job. Last day when we met he talked about himself as not only a critic but an advocate, and I accept that and I believe that. I think that hopefully we are establishing a good relationship. I know that the last time we met he indicated his trust and confidence in members of the board. I think they have responded to him on a specific case. I anticipate that we can continue to work in that spirit of co-operation. I think he has, maybe, flagged an issue here, and the chair has agreed that maybe there are some areas of overlap and duplication in terms of the efforts that we are putting into workplace safety and health. If the honourable member has ideas or suggestions that would help us to expend those monies in a better way, if it is more advertising or more inservicing, I think these could truly be valuable for the prevention of accidents in the workplace.

* (1130)

We agreed, I think, last time that any accident or any serious accident or death in the workplace is one too many. I think we all have a responsibility to work in this area to try and improve what we do and bring down that rate. I am pleased that the information that the department has brought forward in terms of the trend lines in terms of accidents and fatalities is trending

downward. I think that is something that we could all be pleased about.

If you look back to the 1970s and 1980s, the trend is that there are fewer accidents, fewer fatalities. Unfortunately, there are some parts of industry, some parts of people's lives that are being affected. I know the member for Swan River (Ms. Wowchuk) would—well, she is young, vital, and will be here for a long time, I am sure. In the whole farming field, there are simply too many accidents during times of seeding and harvest where people are working long hours. While equipment is very modern, it still can be very dangerous. We will work with the Department of Agriculture, Rural Development and a lot of the stakeholder groups out there to do what we can to reduce those incidents.

Having said that, if there are improvements we can make in how we expend those dollars that come to our department through the Workers Compensation Board, I would make the commitment that we would constantly look at that and be able to improve the service and improve our record in the whole area of workplace safety and health.

Mr. Reid: Mr. Chairperson, I did not want the minister to put words in my mouth again. I appreciate the group hug he was talking about in his sentiments. I take him as being a sincere individual. But I did not say that there was duplication. I said I hope there is not duplication or overlap, because I think it would be a waste of the funds that are involved. I am not encouraging that to occur. I did not say that there was, but if there is, I would encourage the board and the minister both to take the corrective steps to ensure that the appropriate function is performing those duties.

We will get into the discussion with respect to safety advertising when we move into Workplace Safety and Health. To get back to the question I had asked previously with respect to the budget for the Workplace Safety and Health, which the minister did not answer and he kind of skated around again—he has got his new skates on again today and obviously has polished them up.

I want to ask about the Workplace Safety and Health budget. When you make administrative reductions

and/or reductions in field officers or any other function of Workplace Safety and Health under these 95 percent funds that come from the Workers Compensation Board, what impact does it have on the board's operations? Does it enable them to lower their assessments of the employers?

Mr. Gilleshammer: I am informed that we have not changed that budget line, and we will get into that when we get into the debate on the Estimates. We will continue to expend that money in the best way that the professional advice brought by either Workers Compensation or staff within my department bring to us.

Mr. Reid: So, then, I have to take it that the minister does not want to talk about it here today, that he wants to talk about it in the Estimates for the Department of Labour and that indeed there will be a reduction in the monies coming from the board because the board funds 95 percent of the Workplace Safety and Health operations. If you reduce staff within the Workplace Safety and Health division, there will be less funds required from the Workers Compensation Board, so therefore indirectly there would be less monies required from employers. Therefore, there would be an added incentive for the government to reduce or minimize the number of people working within Workplace Safety and Health to minimize the impact on the payer of that particular fund. Is that accurate?

Mr. Gilleshammer: Well, using the skating analogy, my honourable friend is skating rather clumsily here, because I just indicated there has been no reduction in the funds that have been forwarded from the Workers Compensation Board to Workplace Safety and Health. I did give my honourable friend the commitment that we would take the advice of the board, and we will take the advice of the professionals in my department to expend that money in the best way possible for the purpose of having safer workplaces.

Mr. Reid: I will give the minister notice then that when we get into Labour we will have some further discussion with respect to Workplace Safety and Health, as I am sure he is already aware.

I would like to ask questions with respect to the medical unit cost. I will leave with members of the

board my concerns with respect to the continuing and ongoing education process and hopefully it will be resolved between Workplace Safety and Health on how best to continue that education process. I want to ask some questions regarding—and I had the opportunity when last this committee met two, two and a half years ago—[interjection] No, last time. This is a continuation of the existing committee that was called.

I asked questions with respect to the medical unit, the number of cases that they might see, the number of claimants they might see on behalf of the board. I would like to know the number of full- and part-time doctors, medical practitioners, which I think would include chiropractors, that you have working for the board, the number that are on contract with the board. I would like to know the costs that are associated with the operation of that particular division of the board.

Mr. Chairperson: I would like to welcome Mr. Sid Rogers, Senior Director, Claims Services, Vocational Rehabilitation, and I would ask him to respond to the question.

Excuse me, if I can just ask you to draw that mike a little closer. Thank you.

Mr. Sid Rogers (Senior Director, Claims Services, Vocational Rehabilitation, WCB): I am not sure if I got all the questions. I will start answering, and you can supplement.

In 1996 the health care unit reviewed 43,409 Workers Compensation files. In addition to that there were 498 criminal injury files which they look after for the Criminal Injuries Board. There are 31 part-time health care staff which works out to approximately 13 full-time equivalents. The cost of the WCB health care professional services was \$2.2 million in 1996. I do not know if I have them all yet.

Mr. Reid: On your 31 part-time staff, I take it then that the numbers that you are referring to here are contract medical staff that you have working for the board. Could you also indicate if you have any full-time medical staff working for the board?

Mr. Rogers: They are contract staff. They are all working part time in the sense that the maximum is

about 30 hours a week. Occasionally, it goes over that, depending on filling-in needs if people are away. Some doctors are relied on to help us out and go beyond that. The maximum actual contract hours is 30, although we do have a few who occasionally go over it.

Mr. Reid: I am sorry, I may have missed the number there. You had 30?

Mr. Rogers: Thirty hours is the maximum contract hours, but, as I say, occasionally we go over that on contingency basis to fill in for missing people.

* (1140)

Mr. Reid: Mr. Chairperson, \$2.2 million. I have raised this with the committee before, and I know I have raised it with the minister's predecessors. I refer to a report—and I know Saskatchewan has done another report, a review of the workers compensation system, which you are no doubt aware of. In their document, this one is from 1992, I believe it was—August of '92—and they have undertaken and completed another one just recently. They talk about the role of the physician with respect to the board. You say that your doctors, either contract or otherwise, working with the board, see, if I understand you correctly, 43,000 claimants in a year. Is that accurate? Is that what they actually see in an office visit at the board's facilities?

Mr. Rogers: They saw 43,000 files in 1996. That does not mean that they saw all of those people personally. Much of that would be file review and advice for adjudicators. The 43,000 would include some multiple—the file would come; there would be advice. At some point later a case manager might ask for further advice, and the same file would be there. This is not individuals, this is files, and some of the files would be counted each time they come.

Mr. Reid: Okay, so there are 43,409 case file reviews, and some may be duplicates. Can you tell me, of those 43,000, do you have information relating to the number of claimants that your Medical Services department would actually see the claimant and perhaps perform a medical evaluation on or a medical examination?

Mr. Rogers: Yes, in 1996 there were call-in examinations where we actually have the individual come in to be seen. There were 1,568 in 1996.

Mr. Reid: So there was actual examination of claimants, 1,568 in 1996?

Mr. Rogers: If I could just add something. In addition to that, there were 700 call-in exams for the purpose of determining an impairment rating. So 2,268 in total.

Mr. Reid: So the board doctors call in 1,568 claimants and they also look at and do assessments on some 700 claimants for impairment awards?

Mr. Rogers: That is correct.

Mr. Reid: For a total of 2,268 claims, roughly, that they would see in a year. Can you tell me what type of cost is associated with those doctors looking at those, forming a medical position on the impairment ratings and also the costs for the call-ins where they do office examinations?

Mr. Rogers: I do not have the figures broken out on that. I could endeavour to get some calculation on that, but I do not have the total cost broken out according to those categories.

Mr. Reid: Going back to the efficiency question, Mr. Chairperson, I will direct this question at the minister. I look at the Saskatchewan example, where they have raised as recommendations to that government, changes that could be made to improve the efficiency of the compensation system. I have raised this at past committee hearings on this, for the minister's information, with his predecessors.

I look at the Saskatchewan example. They define a role for the board physicians to be involved. They have several recommendations, of which the minister no doubt has access to. It lists roles such as interpreting and explaining medical reports and data to the employees of the board. I have no problem with that. I mean the adjudication and review offices of the board, I would expect, would not have that medical expertise. No doubt you need that type of advice available to you.

Assisting the board in determining when the opinion of an independent consultant should be requested; seeking a second opinion from a medical consultant, I have no problem with that. Assisting the claims department in identifying cases for rehabilitation, okay,

that is a given. Determining a level of functional impairment. My experience with that one has been in Manitoba here. I have raised this; I have written to the board about this. I have raised it with previous ministers, that there are some doctors on the board—and I know Mr. Fox-Decent and I have had some discussions on another case that involved doctors being involved. I will not go into any details about that case here—but where there are doctors that are being paid through the compensation system doing functional impairment assessments, there are injuries that are occurring as a result of those tests.

These people come to my office. Even though I am not a medical expert, you can disguise a lot of things and pretend to do certain things, whether it be a limp or otherwise. But when a person is in pain, it is pretty hard to disguise or to pretend that you are in pain. I see these people coming into the office after having undergone some testing with your Medical Services department. By putting them through a variety of tests and bending them in ways that exceed their capabilities, it further detracts from their recovery.

The Saskatchewan report here has indicated that the board doctors should be undertaking to do case review, to do evaluations to assist the adjudication and review process, but to leave the decisions of the functional impairment and the treatment that is required for the, hopefully, complete recovery or the plateau recovery level of the individual up to the independent medical practitioner—I have raised this with the board before and the previous ministers—there is a way here that we can allow for some independent doctors to be involved in the process of evaluating the claims themselves, providing the medical expertise.

I am not a doctor; I do not profess to be one. When I need information, I go to medical people and ask their advice. I see here that the claimant is going to their doctors. Then the board is calling the claimant in to do 2,268 claims reviews, where they actually had the claimant in for medical examinations, and it further adds to the cost of the board.

I guess my question here is: Why can we not leave those evaluations to the independent medical people, to allow them—yes, the board would still be responsible for those costs, because it is a workplace injury, but

there is a duplication here. There is a duplication of medical services that the board is performing. You should allow the independent medical people, whether it be a specialist—an orthopedic surgeon, a neurological surgeon, if there are back problems or other problems similar—to do those evaluations. From what I sense from my interaction with the board and previous ministers, there is a feeling that if you allow a general practitioner to do an evaluation, there may be a perception of a vested interest, because it may be the family doctor. If you allow an independent medical specialist to undertake those evaluations, other than the board doctors, then there is a perception of fairness on the part of the claimant. There can also be the perception that the independent doctor has nothing in long-term relationship with the claimant in most cases, and that it may be a way to minimize your expenses at the board. So you can go a ways to solving the problems of a perception in some areas and costs related to the operation of the board itself.

* (1150)

I am going to leave this question with you, because you have indicated that you do not have all of the information here right now with respect to the Medical Services cost for those 2,268 cases. I would like to know what costs are directly associated with the performance of those claims review, knowing that the bulk of it is literature reviews and evaluations that need to be done. I understand the board has to do that for some time, but I would like to know the costs. If you can get that information back to me at some point, I would appreciate knowing that as well.

The other aspect of it with respect to the duplication of services on the medical side, I will leave with the minister, so that he can give it some thought or some consideration down the road.

Mr. Fox-Decent: We will get you the costs relative to those 2,200 cases where the claimants were brought in, get it quickly and provide it to you, sir.

Just a couple of comments, if I may, about this area. First, I think it is useful to remember that in 90 percent of the cases where the family doctor is involved, the family doctor's opinion is accepted without question. So 90 percent of the time we work with the family

doctor, we applaud what they do, and we say, we accept your diagnosis. I know you would want to get the perspective of how many times we intervene and say, no, we do not think the family doctor's perspective is the way we view the appropriate approach to the case. It is about 10 percent of the time.

The other thing is that we think quite strongly that all of our doctors are part-timers and work in the community as physicians, which helps them in terms of providing us a quality of service, because they are community based; they understand the needs of injured clients on the basis of their community practice. They come to us for 20 hours a week, 15 hours a week, 25 hours a week, some 30 hours a week. Even our head of department is not full time. He maintains a day of private practice where he goes into his own clinic.

So we think that strengthens the kind of quality of assessment that we can bring through these community-based doctors to our process. I just put that to you as a couple of general comments about the sort of undergirdings of the system.

When I came in almost five years ago, we had some rather elderly doctors full time who had, I think it is fair to say, developed certain attitudes. I think it was important that we should thank them for their services and send them on their way. That is what we did. We now have, by and large—not that there is anything absolutely marvellous about youth—a young group who are closer to the learning edge of medicine than to the end of the road. We think, and we get feedback from our Labour Board members who support the idea, that we are doing somewhat better relative to (a) interaction with the family physician, and (b) appropriately modern response to the cases as they come forward.

Mr. Gilleshammer: Well, I think the member has raised an interesting question here and just interest in the response too. Certainly, if there is anything we can learn from what is going on in another province, that would be beneficial.

I think the medical diagnosis and the evaluation that is done by the medical community is so very, very important to what the board does and how they reach their decisions. I am pleased to hear the chairman talk about the ability of the corporation to renew the staff in

that area, to have them practise in the community on a part-time basis, and to have people who are doing general practice out there as part of the medical team. Also, of course, it is very important to have the specialists who can be brought in or who are part of the medical team to examine, evaluate and give decisions to the board.

The idea the member for Transcona (Mr. Reid) brings forward about outsourcing or privatizing some of the work that is done by the corporation, I think, has some merit, so that you can go into the community and find those specialists that are required for different evaluations. Concerned about the examples that he used to indicate that there would be practitioners doing evaluations, where individuals who present themselves may be asked to do things that they are unable to do, and—

An Honourable Member: It exacerbates their problems.

Mr. Gilleshammer: As he indicates, makes their condition worse. That, obviously, would not be a good medical practice nor something that anyone would want to see.

I would urge him, if there are specific cases, that he would reference, document and bring them forward. I know the last time we met there was certainly agreement here that for any of these cases that we did not want to start throwing names around here and talk about individual cases. I know the chair and the staff indicated their willingness to meet with you, talk with you and deal with specific cases on an individual basis where it does not become a discussion in a public forum, and I compliment the member for doing that. I think the chairman last time, I guess, had some difficulty with us starting to debate individual cases here, and the committee decided that the most appropriate way for us to work here was to talk about policy issues, directions, legislation and that members of all sides of the House should feel free to contact the corporation to talk about those specific cases that they had brought forward by constituents.

In fact, not only was that the appropriate way, but it was the most timely way for members to get the information that they are wanting to relay back to the

people that they are advocating for, the people that they are meeting, the cases that are being brought to them. But the whole question of injured workers sustaining further difficulties, further injuries through a medical examination is not appropriate, I do not think, to any medical practitioner. I would hope that, if there were cases like that, we could deal with them and have the board review that so that that sort of thing would not happen. I think—[interjection] Well, my honourable friend says that from time to time these things happen, and that would be unfortunate. Again, I guess it is an example of the value of this committee and the value of the work that he does in bringing these cases forward. I know that he would not always even admit that he is right all the time, but I am sure that sometimes he is right, and if these specific cases—[interjection] Well, I know that we do not want to get into a debate here, but I know that he must be right sometimes.

I think that is the value of this committee and the fact that we can talk about cases and I think provide valuable information to members of the House because, from time to time, all of us get cases that appear on the surface to be pretty clear-cut and ones that we want to do something about and, you know, we have the ability to have members speak directly to the corporation to see that there is—

* (1200)

Mr. Chairperson: Order, please. As previously agreed, it is now twelve o'clock, and committee rise.

Point of Order

Mr. Gilleshammer: On a point of order, Mr. Chairman, I wonder before we adjourn whether there is

a willingness to pass the 1986 report—1996 report. I am having trouble with my decades this morning. We have had a good discussion both two weeks ago and today. We have made the commitment that, if members want to raise individual cases with the corporation, they can do so, and I would seek leave of the committee to see if we could pass the report.

Mr. Reid: On the same point of order, Mr. Chairperson, I believe—I am not sure what the schedule of the board members is like, but in this last committee we had sat until 12:30, and I thought, maybe wrongly so, I had assumed that this committee would also be sitting till 12:30 today. I have a few more questions, and I think my colleagues have a few questions they would like to ask as well if there is a willingness of this committee, if the members of the board are able to sit until 12:30.

Mr. Chairperson: It is not a point of order, but it was indicated at the beginning of the meeting, due to some commitments that members had, that we would rise at twelve o'clock.

* * *

Mr. Gilleshammer: The discussion here earlier this morning after we got underway was that people had to be away. If there is an ability to pass this by 12:30, if the committee was willing—if we are not going to pass it, then I guess we will leave it to the House leaders to find another time for us.

Mr. Chairperson: Twelve o'clock, committee rise.

COMMITTEE ROSE AT: 12:02 p.m.