

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

Chairperson
Mr. Bidhu Jha
Constituency of Radisson

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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Wednesday, April 11, 2012

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Bidhu Jha (Radisson)

VICE-CHAIRPERSON – Ms. Melanie Wight (Burrows)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mr. Chief, Hon. Ms. Howard

Ms. Blady, Messrs. Briese, Dewar, Goertzen, Jha, Saran, Schuler, Ms. Wight

Substitutions:

Mr. Eichler for Mrs. Rowat

APPEARING:

Hon. Jon Gerrard, MLA for River Heights

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

Mr. Michael Werier, Chairperson, Workers Compensation Board

MATTERS UNDER CONSIDERATION:

Annual Report of the Workers Compensation Board for the year ending December 31, 2009

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

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

Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2010

The Workers Compensation Board 2009-2013 Five Year Plan

The Workers Compensation Board 2010-2014 Five Year Plan

The Workers Compensation Board 2011-2015 Five Year Plan

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

The meeting has been called to consider the following reports: Annual Report of the Workers Compensation Board, year ending December 31st, 2009; Annual Report of the Workers Compensation Board for the year ending December 31st, 2010; Annual Report of the annual commission and Medical Review Panel for the year ending December 31st, 2009; Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31st, 2010; the Workers Compensation Board 2009-2013 Five Year Plan; the Workers Compensation Board 2010-2014 Five Year Plan; the Workers Compensation Board 2011-2015 Five Year Plan.

Before we get started, I'd like to make the following membership substitutions effective immediately for the Standing Committee on the Crown Corporations meeting on April 11th, 2012: Mr. Eichler for Mrs. Rowat. Thank you.

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

Mr. Ron Schuler (St. Paul): How about the committee sits till midnight and then reassesses if we should sit any longer.

Mr. Chairperson: Any idea on his proposal?

Mr. Mohinder Saran (The Maples): Maybe go for 8, and then we will assess after that. Go until 8 p.m. then we can assess after that.

Mr. Chairperson: The suggestion is from Mr. Saran go up to 8 p.m. and then we take it from there. Is it all right, Mr. Schuler?

Mr. Schuler: Well, you know what? I think we should at least sit until midnight, if not longer, but being the minority on the committee I guess we'll go with that suggestion. We can always keep delaying it.

Mr. Chairperson: Okay. So the committee will sit till 8 and then we will review at that time how it is proceeding.

Now, what I request you—for the new members—that we experienced last time, anyone who asks questions and answers, kindly raise your hand. The Chair will recognize and then you will be able to speak. So rather than criss-cross, kindly raise your hand before asking and before answering questions. Thank you.

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

Mr. Schuler: May I suggest we review them on a global approach, ask questions and then look at which ones we pass afterwards.

Mr. Chairperson: Mr. Schuler suggests a global approach. Is it the will of the committee to accept that? *[Agreed]*

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

Hon. Jennifer Howard (Minister charged with the administration of The Workers Compensation Act): Yes, happy to introduce Mr. Michael Werier. He's the chair of the Workers Compensation Board and the most popular man at the table. And Mr. Winston Maharaj, who's the newly hired chief executive officer of the Workers Compensation Board, and welcome him to his first meeting.

And I don't have an opening statement, but Mr. Werier does, and then I would allow Mr. Werier to introduce any of the rest of the staff.

Mr. Michael Werier (Chairperson, Workers Compensation Board): Nice to be here, and I just have a few comments that I would like to make. Having had the privilege of serving as the chair of the board for the last three years, I just wanted to highlight a few things that have occurred during the past three years.

Firstly, I just wanted to acknowledge the work of the board of directors. The board plays a crucial role in ensuring that the WCB administration fulfills its mandate. We oversee decision making in key policy areas responsible to ensure the sound investment of funds and the overall management of the resources and setting the future direction of the WCB.

And as you all may well know, our board of directors differs from other Crown corporations in that it's a tripart group. We have three representatives from the employers' community, we have three representatives from labour and we have three public

interests representatives, and myself as the independent chairperson.

So we do get divergent views expressed on many of the issues that we are dealing with, but there is a real level of collaboration amongst the members of the board of directors to try to achieve common goals. And it's been one of the most refreshing aspects of my work at the board is that there's a real group community effort made to further the interests of injured workers while respecting the rights and needs of the employer community in the province.

* (18:10)

And along with all the board members, I am—I've been pleased with our continuing efforts in maintaining communication with our stakeholder groups. We've made a real effort over the last three years to ensure that our stakeholder groups are up-to-date on initiatives that we're undertaking, that they are given an opportunity to consult and give input on issues.

We work with three committees on our board. We have the board of directors, of course, and we have three committees that are set up: a policy planning, governance and service committee; the investment and finance committee; and we have an audit committee. We also have external members of two of those committees, audit, and investment and finance, to give us additional expertise in those areas from people who have specific training and expertise in those areas.

I'd just like to take a couple of moments to highlight a number of the activities that are covered by the annual reports which are under consideration this evening, being 2009 and 2010. And during this time the WCB engaged in a wide variety of activities related to the four major themes that guide our work: prevention, recovery, service and stewardship.

Fortunately, over 2009-2010, our time-loss injury rate continued to decline and we've set now a new target of three injuries per 100 workers and we continue to work with our partners to achieve that goal.

Prevention remains a primary focus of the WCB's work in keeping with our campaign of SAFE Work—A Way of Life. We've continued to work with our partners and stakeholders on prevention initiatives and on building a culture of safety and health in the workplaces across the province.

Having injured workers recover and return to work safely and effectively is one of our key priorities. In addition to the ongoing work of our staff and supporting workers through their recovery, we've also taken a number of special initiatives in the area of dealing with workers, including the promotion of healing activities, educating employers about the benefits of having effective return-to-work programs and better integration of health care and case management services.

I'm pleased to note that in '09 and '10 almost 85 per cent of workers returned to work after sustaining a time-loss injury. The average duration of claims continue to decline and workers continue to give WCB a high score on their efforts to support them in their return to work.

In 2009 and 2010 there were a number of initiatives undertaken, including: improvements to our case management process; new technologies to streamline employer services in terms of their reporting; measures to address workers' literacy and language issues; and we decided to open up a new WCB location in Brandon.

In addition, I'm also pleased to confirm that the WCB continue to score high on its customer service measures including our overall service culture index on both worker and employer satisfaction surveys.

One of the big parts of our overall work, of course, is in managing the resources that we have to allow the continued successful financial operation of the WCB. And, during '09 and '10, factors such as improved investment markets and declining claim costs allowed us to achieve a strong financial position while maintaining average employer assessments that were below the 2008 levels. None of these achievements over this period of time would not have been accomplished without the continuing co-operation of our partners of those in the employer community and the labour community and that of the government.

I'd like to acknowledge all our stakeholder groups who have assisted us in achieving our goals. I'd like to acknowledge the work of our committees and our board of directors. And, I'd like to acknowledge as well, and most importantly, the front-line staff, the executive, the administration who, of course, carry out the day-to-day workings of the organization.

I might add that one of the things that have struck me about the organization is the amount of

staff we have working there who are of long tenure. There are many people who spend their entire working career at the WCB, and I think that's an indication of the kind of place it is to work.

Lastly, and I appreciate the committee's indulgence, so I'd like to acknowledge the former CEO, Doug Sexsmith, for his contributions to the WCB. Doug just recently retired and I acknowledge the hard work and the degree of success he achieved in all of his undertakings as the CEO of the WCB.

I'd like to, if I could, just turn it over to our new CEO, who many of you may know, Mr. Winston Maharaj, who will introduce some of our staff that are here today. Winston.

Mr. Winston Maharaj (President and Chief Executive Officer, Workers Compensation Board): Yes, we have quite a number of our staff here today from the executive team and I'd be happy to introduce them. I expect I'll be consulting with them a number of times throughout this process, being new to the WCB.

Maybe what I'll do is read out their names and just ask them to stand. Some of them are behind me, but some of the staff are also sitting in the back seats. David Scott, vice-president of Rehabilitation and Compensation Services; Alice Sayant, vice-president of Prevention, Assessments and Customer Service; Darren Oryniak, vice-president—the acting vice-president of Human Resources, IT and Administration Services; Lori Ferguson Sain, corporate secretary and director of legal services; Warren Preece, director of Communications; Stu Charles, chief information officer; Lynne McCarthy, director of Investments; and Andria McCaughan, director of Finance. Sorry, we also have Peter Wiebe, the registrar from the Appeal Commission here, if there are questions on the Appeal Commission. Thank you.

Mr. Chairperson: We thank the honourable minister, Mr. Werier and Mr. Maharaj. Does the critic for the official opposition have an opening statement?

Mr. Schuler: First of all, I'd like to thank Mr. Michael Werier for his comments and for the introduction.

We certainly want to thank all of those who do serve our province in the way that they do, and the Workers Compensation Board is very important for business and for workers. Much better system than everybody trying to maintain their own insurance

and trying to solve it that way; it's better off having a centralized insurance company that takes care of these things. And, although I don't think you please everybody to their expectation all the time—and we'll be going through a few of those later on—I mean, it still is a very important role, what you do, and I'd like to thank the board of directors and all the committees and certainly the management for the kind of work they do. And I certainly look forward to spending some time going over the reports.

I think it's very timely that I was appointed the critic for Workers Compensation Board, because over the last four or five years somehow on one of the brochures, the telephone number on the brochure was my office phone number. So we got anywhere from six to 25 phone calls a day. And it was very interesting because the phone would always be answered, Ron Schuler's office, and they'd say, I'd like to know where my claim is. And it—first it threw us and it took probably three to four months to figure out where the problem was. And sure enough, it said, for more information call my number. And that has since been corrected, and we thank you for that, because it was amazing how my voice mail would always seem to be full.

And I certainly do want to spend some time going through various aspects of the corporation. So once again, thank you to the chair, Mr. Werier, and Mr. Maharaj, for the work you do as the president, CEO, and the board of directors and senior management.

Look forward to a great evening. Whether it goes till 8 or till midnight, I'm sure we'll get into the corporation and have a lot of questions answered. So thank you for that opportunity to put some comments on the record.

Mr. Chairperson: We thank the member. Thank you. Now the floor is open for questions.

Mr. Schuler: How often does the board chair and the CEO meet with the minister, Minister Howard?

Mr. Maharaj: Well, since my tenure, which is only three months in—three to four months in, I've met once with the minister. But my understanding is, over the history, it's somewhere between once a quarter to maybe once every two quarters.

Mr. Schuler: When was the last time that you met?

* (18:20)

Mr. Maharaj: I think that would have been about one month ago, approximately a month ago.

Mr. Schuler: Does the board meet with any other ministers?

Mr. Maharaj: Not since my time; the board has not met with any other ministers.

Mr. Schuler: Does the minister provide policy directives to the board?

Mr. Maharaj: Again, for the meeting that I've had with the minister, I haven't—she has not provided any policy directive, no.

Mr. Schuler: Does the board chair, CEO or any other member of the board meet with the Premier or persons designated from the Premier's office?

Mr. Maharaj: Not to my knowledge, no.

Mr. Schuler: And I appreciate you've only been there for three months; I don't know if we could direct this to the chair of the board who's been there a little bit longer, is the board chair aware of anyone from the corporation meeting with the Premier or designates with the Premier's office?

Mr. Werier: Certainly, in—during my tenure as board chair, I've never met with the Premier and I'm not aware of any—as part of WCB business, and I've—not aware of anyone on the board meeting with the Premier with respect to WCB business.

Mr. Schuler: Yes, and as sort of a standard, again, yourself only having been here—I think this is all supposed to be through the chair so I'll make sure I direct it to you, Mr. Chair, to Mr. Maharaj—if questions can't be answered, we're always fine with having that sent to us later on, and, you know, I understand that we won't get all the answers we want tonight, certainly with the tenure. So I'll move on to my next question either to the chair or to the CEO. How are board members chosen?

Mr. Werier: Well, as I mentioned earlier, there are labour reps and public interest reps and employer reps. They're all order-in-council appointments. I know there is consultation done with various parties before appointments are made, but it is an order-in-council appointment.

Mr. Schuler: So the labour appointments, they come as a recommendation from where?

Mr. Werier: I can't specifically answer that, Mr. Schuler.

Ms. Howard: Yes, I can help answer that. They're appointments by Cabinet. The Manitoba Federation of Labour recommends the labour representatives and they undertake a 'consolidive' process for that, and the Manitoba Employers Council does the same on the employers' side and they forward names to me. And then the public interest ones are sort of taken from people who are interested in serving in the public and who sometimes fills skills gaps on the board and who sometimes fill the need for geographic or other population representation.

Mr. Schuler: So the MFL reps on the board would be who?

Ms. Howard: The current reps are Bob Dewar, Wendy Sol and Rob Labossiere.

Mr. Schuler: And the MEC reps would be?

Mr. Maharaj: The employer representatives would be Jane MacKay, Ronald Hambley and Paul Challoner.

Mr. Schuler: And the public interest representatives would be?

Ms. Howard: The public interest reps would be Colleen Seymour, Ken Sutherland and Rob Ploughman [*phonetic*].

Mr. Schuler: And the three public interest individuals showed—how would they have shown an interest? Did they—do they apply for this? Is this something that's sent—is there a link on the WCB website, click here if you have an interest? Like, how does one get on the list to be chosen for the public interest?

Ms. Howard: It's done through the agencies, boards and commissions process, so there's a website for agencies, boards and commissions that list all of them, that have—has, I believe, on that website there's a form that people who are interested in different appointments can fill out. It kind of talks about, you know, some of their personal information, some of their interests, some of their background, and then they can submit that and then ultimately I make the decision; I make the recommendation to Cabinet and Cabinet appoints.

Mr. Schuler: The three public interest individuals, what did they—what was lacking on the board that they bring to the board that they're supposed to fill?

Ms. Howard: Well, both—it's not necessarily something that's lacking on the board, but we do consult with the chair of the board on making sure

that the board is representative, that it has the right skill mix.

So, both Mr. Sutherland and Mr. Ploughman [*phonetic*] are accountants and they bring that kind of financial expertise. The board deals with a lot of financial information.

Ms. Seymour is from Brandon. She's retired, and it was felt that since the office is expanding into Brandon it's important to have a perspective from that area represented on the board.

Mr. Schuler: How often do the board of directors meet?

Mr. Werier: The board meets—must meet at least 10 times per year. As per the legislation we're required to meet that amount and we're scheduled to meet 10 times this calendar year.

Mr. Schuler: And is there a per diem paid to board members?

Mr. Werier: There is a per diem paid to board members. Either a half day meeting or a full day meeting.

Mr. Schuler: What would that per diem be?

Mr. Werier: The present per diem for a half day is \$182 and a full day \$320.

Mr. Schuler: And that would be the same rate for chair or anybody else, if that's [*inaudible*].

Mr. Werier: The chair is paid on a per annum basis.

Mr. Schuler: What does the chair get paid on a per annum basis?

Mr. Werier: The current amount, with \$50,000.

Mr. Schuler: As all the board members have been appointed, are the appointments term-based?

Ms. Howard: I believe the appointments are for three year terms. And we try to do the appointment process in such a way that not everybody is coming up for reappointment at the same time so that there's continuity on the board.

Mr. Schuler: Are any board members serving where their term has expired?

Ms. Howard: I think they're all up to up-to-date. The chair is up for reappointment and the process for reappointing the chair involves consultation with both labour and the employer communities, so we're

undertaking that currently. But the chair continues to serve at the pleasure of Cabinet.

Mr. Schuler: The minister says she thinks. Can we—could we get information back on that if that's actually the case?

Ms. Howard: I'm assured that I'm completely correct. Which could be the only time tonight that happens, but.

Mr. Schuler: Are there any term limits on appointments?

Ms. Howard: There are no term limits on appointments. I think one of the things that Mr. Schuler may be familiar with was some advice that we've received, some recommendations we've received from the Auditor General and her look at the agency, boards and commissions process. And one of the things she recommended is that we take a close look at folks who've been on boards for longer than 10 years. So we're in the process of doing that.

We don't want to necessarily displace experienced people or people who have specific skills, but I do think we are in the process of trying to refresh boards. I don't think anyone on the Workers Compensation Board has been there longer than 10 years, but that's generally the guideline that we're working with now.

Mr. Schuler: Is there any form of succession planning for board members?

Ms. Howard: Well, certainly we look to the employer community and labour community to be mindful of that and in our consultations on the board we'll talk about that when somebody is getting ready to retire, wants to come off the board, or we think there's a need for refreshment. So we work with them.

I also think the fact that there are—the terms are staggered—allows for not everybody to come new on the board at the same time. I also know the board has a robust orientation process for new members and, in addition, we've made available through the agencies, boards and commissions, training opportunities for board members to learn about governance.

* (18:30)

Mr. Schuler: Is there any form of succession planning for senior management?

Mr. Maharaj: We do have a very involved succession planning program—not just for senior

management but, actually, it cascades down throughout the organization—that involves looking at the competencies of each individuals, looking at particular positions, looking at high-risk positions and ensuring that we have the appropriate skills and redundancies in place.

Mr. Schuler: What qualifications, credentials are required for board appointments?

Ms. Howard: I think, as the Chair was saying, it's kind of a tripartite board, so we generally take the advice of both the labour community and the employers' community on their representatives. They would normally send names of people who have a lot of experience in those roles and people who have a great deal of respect in those communities. And, in terms of the public interest reps, we consult with the board on what kinds of skills they're looking for. That goes into it. Part of it is also trying to make sure that we have representation from geographic areas, and that's more or less talking about earlier when we opened the Brandon office. We also strive to make sure we have representation of women and other groups that are affected by the board's decisions on the board.

Mr. Schuler: Is there an evaluation process for board members?

Mr. Maharaj: There is an evaluation process for board members, not only for the board members—the board as a whole, but there's also a self-evaluation process that the board goes through.

Mr. Schuler: So any evaluation of individual board members is done by themselves?

Mr. Maharaj: I'm sorry. I've just been informed that they have not done the individual evaluations as yet, but that is part of the process. But there has been board evaluations in 2008 and committee self-evaluations in 2008.

Mr. Schuler: Does the board approve its own expenses?

Mr. Werier: The board passed a revised protocol and remuneration and business and travel expenses in September 2011. The process we have in place is the corporate secretary verifies the request for reimbursement and presents them to the chairperson for approval. Any expenses that the chair would have are approved jointly by the chair of the audit committee and the CEO.

Mr. Schuler: What kind of expenses are covered for board members?

Mr. Werier: The basic expenses are when board members may, once a year, travel to a national conference, which involves training on governance issues and other issues relating to overall operations of Workers Compensation boards.

Mr. Schuler: Is mileage covered?

Mr. Werier: The only mileage, I think, that arises is one board member who has to travel from outside of the city—or two board members that have travel expenses because they're outside of the city.

Mr. Schuler: What about meals?

Mr. Werier: Directors may claim reasonable actual meal expenses with original receipts while on board business, which does not already include a meal, excluding alcohol, so that the expenses must be reasonable for the locality.

Mr. Schuler: Is there a specific conflict of interest document that has to be signed, similar to what members of the Legislature have to?

Mr. Werier: The board bylaw in place relating to conflict of interest is with the general council and corporate secretary. It was amended in 2006 and directors' advocacy before the WCB is not permitted. The bylaw was further revised in October 2009 and it requires an annual conflict of interest declaration form. We also have annual training on code of conduct and conflict of interest, which is conducted by our general council and corporate secretary as part of the board's ongoing training and development plan. And so that's basically—I believe that addresses your question.

Mr. Schuler: What are the current procedures for training on the board of commissioners? For instance, this is a recurring theme in the Auditor General's report, that boards are not knowledgeable about how to be board members and what their role is. So the question then is, what are the current procedures for training of boards?

Mr. Werier: New and continuing board members receive a thorough orientation including committee orientations, orientations for committee chairs, and there's detailed and ongoing orientation throughout our work. Arising out of the 2008 evaluations that we had we decided that following the initial orientation of board members that an orientation would be offered again after four to six months.

Beginning in February of 2006 and now annually, our Policy, Planning, Governance and Service Committee confirms the governance education and training plan for the board and we've had training ongoing in a number of areas: financial literacy, risk identification, governance, code of conduct and conflicts of interest, investments. We get regular governance updates from our corporate secretary, who is a member of the Manitoba chapter of the Institute of Corporate Directors. She'll attach to our information, before a board of directors meeting—report some meetings that she's attended.

We also have a national association, which I alluded to earlier, which offers a two-day governance session each year at the learning symposium and that deals with a wide range of governance issues, and a number of board members have attended these sessions over the years, including in 2011.

We also, in accordance with governance practices, developed a list of competencies the board of directors should possess on a collective basis and that's reviewed annually, and in 2011 we underwent a self-assessment of our skills and competencies. We had the assistance of Brown on—which is a company that deals in governance issues. So we reviewed, each of us, what competencies we had and where we might be lacking, so where our strengths were.

So that gives you, I think, an idea of the training in that area. We view that very seriously.

Mr. Schuler: The last time the board had any kind of evaluation, self-evaluation or otherwise, was four years ago. Is there a plan to do another evaluation of board members?

Mr. Werier: The board is going to look at that issue this year, Mr. Schuler, in terms of further initiatives that we might undertake in that regard.

Mr. Schuler: Probably four years is a long enough time. Probably a good time to do it and glad to hear that's the case, and we'll follow up on that the next meeting of this committee.

So one more question on—sort of related to this. As the board is responsible for succession planning, what procedure and criteria was used for choosing the current and—the current CEO and president?

Mr. Werier: We went through a whole process to deal with CEO recruitment. At our March 17, 2011, meeting, we agreed to a two-step process for the recruitment of our new CEO, knowing that our CEO

at the time, Mr. Sexsmith, was planning a retirement—planning to proceed to retirement having given us notice. It began with a selection of an executive search firm, and we agreed that our Policy, Planning, Governance and Service Committee would be responsible for conducting the search and doing the recruitment.

* (18:40)

The next month we issued an RFP for an executive search firm. The administration did the initial recruitment and prepared a short list for the committee to review, and, following interviews by our committee, Meyers Norris Penny was selected as the executive search firm. They met with the board at a planning symposium that we have on an annual basis; that was in June. We went over the recruitment process then. The board established the CEO selection committee. In June, Meyers Norris Penny conducted a public process for the recruitment of the new CEO. There was advertising both locally and in the national press and posting on websites that Meyers Norris Penny runs. They prepared a long list of candidates for consideration by the committee. We met and then determined—we, being the selection committee, met and determined a short list of candidates. We then interviewed—we, the selection committee, interviewed the short list in the September 2011 over a two-day period. The board then approved the appointment, which was recommended by the selection committee, and the appointment was announced in October 12, 2011.

Mr. Schuler: Thank you very much for that.

Next question that I would like to ask the officials from the Workers Compensation Board is: When are the renovations to 333 Broadway expected to be completed?

Mr. Maharaj: The renovations of the exterior of the building are expected to be completed in February of 2013.

Mr. Schuler: And if it would please the committee, I'd like to go back to the last committee that sat. And I wasn't the critic and the gentleman across the way wasn't the CEO, so it's two different players were at the table. It was June 6, 2011, and Mrs. Taillieu, the critic at the time, said: Can you provide an update on the exterior repairs of 333 Broadway? And Mr. Sexsmith replied: We expect—we don't expect to be completed until approximately late fall of 2012.

So the question then has to be: Why is it taking so much longer than it was intended to in the first place?

Mr. Maharaj: So, with a project of this magnitude, there certainly is some unforeseen circumstances that can occur, but one of the kind of critical pieces to do this is the weather and—which is obviously uncontrollable to some degree. So the main reason for that extension, which is about three months going from the fall to February, was really because of some of the weather concerns, some of the unforeseen issues that were uncovered as they went throughout the project.

Mr. Schuler: So what was the start date of that project?

Mr. Maharaj: The planning and design work began in the fall of 2010, and work on the building itself commenced in December of 2010.

Mr. Schuler: That's an awful long time for a exterior renovation project. What exactly is being done to the building?

Mr. Maharaj: It's actually quite an amazing project when you have an opportunity to go in and review the work that's being done. As you probably know, the project was undertaken because of some very serious safety concerns and structural issues. I've had the opportunity to actually first-hand see the work that's being done and it's quite extensive. So what needs to be done is for the granite to actually be taken off of the exterior of the building; so that's granite slabs that are approximately 750 pounds are removed from the building. The steel structure underneath then needs to be removed and repaired. Asbestos needs to be removed and abated and a sealant needs to be put on. Then it all needs to be put back on. So it's quite an extensive renovation, absolutely necessary as the steel structure underneath was not safe for holding the steel—the granite slabs in place.

Mr. Schuler: Is there an extensive asbestos remediation process taking place? Is there a lot of asbestos in the building?

Mr. Maharaj: The asbestos was on the exterior of the building so there was asbestos abatement that needed to be done, and it's being done under the necessary conditions by Workplace Safety and Health. So that is taking place, not on the interior of the building, though, on the exterior.

Mr. Schuler: If I could take the committee back a few years to Tuesday, June 8th, 1999, then critic, a Mr. Daryl Reid, asked about the costs of the building. And Mr. Black was then the CAO, and he said the purchase price of the building was a little under \$3.5 million—is what the building was purchased at. And then the then critic asked, can you tell me how much it will cost you to do renovations to the building, and Mr. Black answered, well, the cost was \$3,050,000. So the purchase price and the renovation price back in 1999 comes to a little bit more than \$6.5 million. What is the actual renovation cost going to be of the renovation of the exterior of 333 Broadway?

Mr. Maharaj: The cost is \$15 million and that is for the exterior renovation.

Mr. Schuler: Surprising that's going to be twice, a little bit more than twice, what it cost to buy the building and to renovate the entire interior of it. And we did get an FOI, and I suspect you did see it. And the question we asked: Please provide the original cost estimate for the WCB renovation of 330 Broadway and the costs incurred to date. And we got back that the original cost was between 7 and 8.5 million dollars, and the costs to date on this project are \$6,943,000, just shy of \$7 million as of January 31st, 2012.

I guess my question to you is if this is going to be done by—I wrote down the date—I think it was December two thousand—February 2013, that means that there's still over \$8 million that have to be expended. I mean, you've had scaffolding up there for more than two years and it cost \$7 million, yet the next year is going to cost \$8 million. Like why is there so much cost at the end of the project? What is it that they're going to do that costs so much money in the last phase of that renovation project?

Mr. Maharaj: So there were actually three phases to the project, the first phase being the construction—RFP for the construction management services, and the original estimate of \$7.5 million to \$8.5 million was based on essentially a high-level estimate from looking at similar projects. The revised estimate of \$15 million is based on actually doing a mock-up of taking a portion of the building, taking off the granite, looking underneath, seeing what really needs to be done. What was discovered was it was a much more complex project than originally thought.

The structure underneath was not as per the plans, and there were many of the activities not included in that—costed into that \$7.5 million. So

that's why you see the estimate go up from 7.5 to 15 million dollars. The entire north side of the building still needs to be completed, so the two sides of the buildings, the east and the west side, are complete, and the south side is still in process but will be completed by the end of this summer. So the remaining work that refer—that you're referring to is the entire north side of the building.

Mr. Schuler: Is the north side of the building as intricate as the south side of the building?

Mr. Maharaj: Absolutely, yes.

Mr. Schuler: So it should have taken more than two years to get to this point, yet somehow they're going to finish the other side of the building within about a year? Less than that.

Mr. Maharaj: Yes, my understanding is they are on schedule to finish in less than a year, so that is still a good date.

Mr. Schuler: Okay, so we accept February 2013 is still a good date. Is the \$15 million still a good number?

Mr. Maharaj: Yes, we are projecting that to be the—we're still on track for that.

* (18:50)

Mr. Schuler: And again, the reason why there was such a problem is the steel could not hold the limestone; is that what the problem was?

Mr. Maharaj: The building was constructed 50 years ago, and there was deterioration of the support system for the granite slabs that covered the exterior so, essentially, the—there were structural reasons for that—the building had to be repaired.

Mr. Schuler: And where was the asbestos moved to? Where has it been disposed of?

Mr. Maharaj: I don't have a location that it was moved to, but there is a company that follows protocols and there is standards in place and they, essentially, are hired to do that work.

Mr. Schuler: Moving on, when will the renovations at the Brandon facility be completed or—if they haven't already been?

Mr. Maharaj: The Brandon facility is up and running, and I'm proud to say that the building looks good and the offices are complete and in place.

Mr. Schuler: What was the total cost of the renovation of the Brandon office?

Mr. Maharaj: So start-up costs for the Brandon office, and this includes salary and benefits, is seven hundred—or sorry, 978—sorry, approximately \$1,978,000.

Mr. Schuler: And what is the total running costs of the Brandon office?

Mr. Maharaj: Once it's fully implemented, and that's two phases are complete, it will be \$1.7 million, offset by a savings from the Winnipeg office of \$1.3 million. So it's approximately \$400,000.

Mr. Schuler: Are we—is the corporation currently leasing the space, or does the corporation own it?

Mr. Maharaj: The space is leased.

Mr. Schuler: Is there any plan in the future to purchase the building?

Mr. Maharaj: There are no immediate plans, no.

Mr. Schuler: How many Brandon residents were hired at the job fair run in 2011?

Mr. Maharaj: There are 13.5 individuals in the office that are Brandon residents and were Brandon residents prior to being hired. I can't say, though, that it's linked directly to that fair, but they are Brandon residents.

Mr. Schuler: So how many new staff were hired for this facility?

Mr. Maharaj: The facility has currently 15.5 staff. Of that, 12 were transferred from Winnipeg—or were positions, sorry, transferred from Winnipeg. So, incrementally, it was, I believe, 3.5 new staff and new positions.

Mr. Schuler: Okay, I think we're confusing positions with staff. So 12 positions were moved from Winnipeg. What happened to those individuals who occupied them in Winnipeg?

Mr. Maharaj: Those were positions moved, so the individuals would have through attrition. It's not individuals that were moved; it was simply positions. And through attrition you would get the savings from those.

Mr. Schuler: So there wasn't an immediate savings; nobody lost their job? It was just a matter of attrition and then those savings were met?

Mr. Maharaj: Yes, that's true.

Mr. Schuler: What real estate properties does the WCB currently own in its portfolio?

Mr. Maharaj: We have a number of real estate holdings. We have two different structures to hold real estate, one that's a subsidiary of the Workers Compensation Board and a second is a pooled fund that is from investment managers or investment pension funds around the country. I don't have a list of the specific investment holdings, but I can get that for you.

Mr. Schuler: Is that not available online? It's—that would be public information, right?

Mr. Maharaj: I'm told—I don't believe it's available online, but we can provide that for you.

Mr. Schuler: But it is available to the public.

Mr. Maharaj: Yes, we would have that available for the public, I understand.

Mr. Schuler: Okay, so there's two categories: One is—No. 2 is pooled fund, and the first one is a subsidiary. Is it possible to get which properties are owned by the subsidiary? And then No. 2, the pooled fund: Is that just investments in various real estate companies, or is there actually real estate owned in the pooled fund?

Mr. Maharaj: Absolutely. We can provide you a list of all of those holdings and our percentage ownership in each holdings. It's a structured—the other half of the portfolio that you're referring to, it's a Pensionfund Realty Limited company owned by 26 of Canada's largest investment funds, and we can provide you a list of all of the holdings that we have an interest in.

Mr. Schuler: And the reason for the first one, the subsidiary: Is that money—revenue generating? The real estate that you have in the subsidiary is obviously real estate that makes money for the corporation, right?

Mr. Maharaj: Yes, I understand they do generate income.

Mr. Schuler: So, the whole point behind holding these properties and buying these properties is for investment purposes?

Mr. Maharaj: Yes, absolutely.

Mr. Schuler: And perhaps I missed it. That does happen once in a while around here. Not often. I take it you do a yearly assessment on what you've paid for it and what kind of return you're getting on each property. Is the corporation satisfied that they're getting a good return on their property?

Mr. Maharaj: We are, yes.

Mr. Schuler: Would the corporation like to share with the committee what kind of return are they getting on their purchase?

Again, whether they buy a piece of property, cash, because then you lose—you have to factor in opportunity cost, because you could have invested in something else. What kind of return, basically, are the shareholders getting on the purchase of property?

Mr. Maharaj: I can give you the overall five-year annualized return for our overall real estate holdings, and that is 11.39 per cent.

Mr. Schuler: Let's say it's just almost 12 per cent. Is that in real terms or is that also include reassessed values of the real estate? Like is that—for instance, let's take—you own a strip mall. There are 14 tenants in there and they're all paying rent. They—you then pay the costs of running the building, and then you have the profit and that would be at 12 per cent. That does not include the increased value of the property, or does it?

Mr. Maharaj: It does. It includes income and capital gains.

Mr. Schuler: So, of the 12 per cent, how much of that is a capital gains increase? And I take it that 12 per cent is for the last year.

* (19:00)

Mr. Maharaj: I don't have that type of detail here with me today, but I can get that to you. *[interjection]* Oh, it turns out somebody else does have that type of detail.

I just want to be absolutely sure we send you accurate numbers that reflect what—the 11.39 per cent that we just provided to you, so I think I'd be more comfortable providing that to you after.

Mr. Schuler: Because if that's over multiple years, how many years would that be over? Is that over the—is it—Mr. Maharaj indicates that's over five years.

And again, one of the reasons why we have legislative committees is accountability. You know, I think it's important, certainly, for those individuals who have a great stake in the corporation that behind us sit the 1.2 million Manitobans who want to make sure that this is done right, and I'm sure it is. And that's one of our jobs, right, to—and it's a painstaking process at times, but I think it's important.

So we want to be very clear that, No. 1, on the subsidiary it's a 12 per cent increase over five years, and how much of that is increase in real estate values and how much of that is from being good managers of property? Because if 11 per cent of that is the increase in value of property and the 0.39 per cent is the value of running the building, then basically the subsidiary is being run on property inflation.

And that, of course, would be something this committee should know, then, right? I mean, that would be of interest to this committee. We—I would suggest that there are enough voices out there indicating that we might be at the top of the bubble and, for instance, if that bubble were to decrease by 10 or 15 or even 20 per cent, how would that affect the 12 per cent increase of the subsidiary? I guess that would be of interest to the committee.

Mr. Maharaj: That actually is a five-year annualized return, so it would be 11.39 per cent per year. It's annualized over a five-year period, so.

Mr. Schuler: A little difficult to get at the same amount—exact same amount every year, so what is the true benefit to the corporation on a yearly basis?

Mr. Maharaj: So we can get you the information of the year-by-year real returns, but the way that it's recorded on an annualized basis is over five years, smoothing out the returns to an average, the average being 11.39 per cent. But certainly we can get you the exact year-over-year return for that five-year period that relates to the 11.39 average.

Mr. Schuler: For the pooled fund, I take it that's just a whole bunch of different organizations have money in there and someone buys real estate and manages it, and what is returned to the corporation from the pooled fund?

Mr. Maharaj: The 11.39 relates to both, both of—all real estate investments, so would include that as well.

Mr. Schuler: I guess my question would be to the chair of the board. Is the chair at all concerned that there are—there's a subsidiary and then a pooled fund and there's only one pooled number for it. Is that a concern, and perhaps even to the minister, is that a concern to the minister that there's not a further breakdown between the subsidiary and the pooled fund?

Mr. Werier: I understand there—we have breakdown of information between the two forms of investments. So we do get accurate reporting on it.

We also have an independent third-party manager who looks at all of our investments and assesses them and provides quarterly reports. So we get full detailed information as to the status of the investments.

And might I add that our real estate portfolio has been a great asset to ensuring that in very tough economic times we've been able to maintain returns which have been above a lot of other organizations. So it's been a real asset to us by having that diversification in our investment portfolio.

Mr. Schuler: Back to the subsidiary, who actually runs that? Is that run in-house? Is there a firm that's been commissioned to run the subsidiary?

Mr. Werier: We have a—someone who's not in-house, someone outside who manages that portfolio of investments.

Mr. Schuler: And who would that be?

Mr. Werier: Dan Burton and associates.

Mr. Schuler: And what is the total value of the real estate in the subsidiary?

Mr. Werier: We could provide you with that information, Mr. Schuler. I don't have that right in front of me.

Mr. Schuler: Okay, so we're looking at a, sort of a year-by-year breakdown of what the corporation is realizing from subsidiary and then the pooled fund, and also what is the value of the subsidiary and how much is invested in the subsidiary, and how much is invested in the pooled fund in real terms and then what the value is today. And that, I think, probably the public would be interested in seeing those kinds of numbers because, like Mr. Werier said, lately, certainly real estate has been a sound investment, and I think it'd serve the public interest that—if we could see those numbers, if that's—if that hasn't been committed to. I thought it had been perhaps.

Mr. Maharaj: We have all of that information and can provide you a breakdown exactly as you've asked.

Mr. Schuler: Does the Crown corporation own any surface-level parking lots in downtown Winnipeg?

Mr. Maharaj: Yes, we do. We own the lot directly behind the downtown Winnipeg head office building.

Mr. Schuler: And is that the only one?

Mr. Maharaj: Yes, it is.

Mr. Schuler: Is that lot included in the government's commitment to develop seven acres of downtown space?

Ms. Howard: Yes, it is.

Mr. Schuler: And where is that in the development process right now?

Ms. Howard: Well, I think discussions are ongoing with the owners of some of those lots.

Mr. Schuler: To the corporation, do they own the entire parking lot behind the Workers Compensation building? I take it that's between the building and the Convention Centre? So the corporation owns the entire piece, is that correct?

Mr. Maharaj: Yes, it's right to the—I'm not sure what the street is, but right to the street behind the Workers Compensation—York. So from Workers Compensation building right to York.

Mr. Schuler: So basically, the corporation owns the whole block.

Mr. Maharaj: Yes, I think that would be correct.

Mr. Schuler: And then to the minister, so the development process plan that—there's really then nobody else that would have to be involved in acquiring land for that; it's a complete parcel. Where is the provincial government on dealing with that parcel of land behind the Workers Compensation Board building?

Ms. Howard: Well, discussions are ongoing on the entire development plan, on the commitment. And I think, you know, we take a view of our election commitments as being very serious. We also take a view of them being for the entire term, which is four years. So we're continuing to work on meeting that commitment.

Mr. Schuler: So that could take another three years to realize.

* (19:10)

Ms. Howard: Well, we'll continue to work on it with the folks that own those properties. We want to make sure that that development is sound. I think, you know, if you look at some of the things that we have managed to accomplish working with our partners in downtown—I know today there was a significant announcement about further housing developments, both in the downtown also looking at Brandon, and so we'll continue to work on that. It's something that

we've done throughout our mandate, and we'll continue to look at it throughout the term.

Mr. Schuler: There's quite a bit of discussion about expanding of the Convention Centre. Has the Convention Centre at all approached the corporation in regards to using that property between them and the Workers Compensation Board office?

Mr. Maharaj: Not in the time that I've been CEO and president.

Mr. Schuler: Yes, to the minister. If in fact the Convention Centre was looking at that piece of property, would that then qualify as part of the seven acres of downtown redevelopment, or would that be something completely different?

Ms. Howard: I try not to answer questions that begin with the word "if" because I think it's a hypothetical that you're talking about, and, certainly, you know, we made a strong commitment to downtown development and we'll continue to meet that commitment as the term goes forward. But you're kind of sketching at a hypothetical scenario, and I don't have an answer for you on hypotheticals.

Mr. Schuler: Is the expansion of the Convention Centre part of the seven acres of development of downtown parking space?

Ms. Howard: I'm going to suggest that it was maybe not the right forum to ask that question. Probably it'd be better to ask that question, either in Estimates when we reconvene or in question period to the minister responsible.

Mr. Schuler: Well, I guess it's just of interest because that is a fairly substantial piece of land in downtown Winnipeg that the corporation holds, and I suspect the corporation will also be interested in getting a decent return on their money. So we'll leave that as it is, and appreciate certainly on that if we could get a proper breakdown of 'subciciary' and pooled fund and what kind of investment return. Again, I don't think that's something that the general public shouldn't be able to have access to [*inaudible*]

It probably is important, so—with leave of the committee, one of our colleagues, the Member for River Heights (Mr. Gerrard), would like to ask 10 minutes of questions. Would it be okay if we would just allow him till, say, 25 after to ask some questions and then we could get back to the line of question from the critic? Is that fine with the committee?

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

Hon. Jon Gerrard (River Heights): I want to thank my colleague the MLA for St. Paul.

Let me start by asking a question about the time-loss injury rate. You are now at 3.3. How does this compare with other provinces?

Mr. Maharaj: The time-loss injury rate still is high compared to other provinces. However, I mean, it is difficult sometimes to compare across provinces on that particular measure.

Mr. Gerrard: Do you have any particular explanation as to what may be high in Manitoba?

Mr. Maharaj: Well, some of the factors that can go into it is depending on the coverage that's provided in the different jurisdictions as far as comparability across jurisdictions. So, if you have higher risk industries covered in one jurisdiction but not in another, that will affect the rate. As well, some of the ways that the benefit structures exist in the different jurisdictions differ. For example, if there's waiting periods when they actually choose to start to count the claim, and things of that nature.

Mr. Gerrard: Okay. Thank you. Now, I—one of the problems that I have been running into, and I'll give you a hypothetical sort of example of an individual who had a work injury, who is on workers compensation, who is, because of his injury, he still has a disability. He would like to work but he's very restricted and he's been working hard to try and get a job. But he's quite restricted in what's actually suitable for him or possible for him to work.

And he's in a situation where, if he were, you know, working from—if instead of on workers compensation, if he were on social assistance because he's got a family, that he would actually get more income on social assistance. And he, you know, he's looking at the income from workers compensation and he's saying, well, you know, I can't live on this. But if he goes to social assistance, they say, well, you're on workers compensation; we won't do anything for you. And so he seems to be caught in the middle and whatever—I mean, he would like, as I said, to do everything he can to get work, but he's caught in this situation at the moment.

And maybe you can explain to me the sort of relationship between workers compensation and social assistance and whether in fact you talk back and forward.

Mr. Maharaj: You know, I'm informed we do try to consult and talk to the other agencies involved with a particular case and an individual. So certainly there is an attempt to try to understand how they fit in with their circumstances, whether it impacts just WCB or other programs.

One of the things, though, I would like to offer—of course, we can't comment on specific cases here. But Dave Scott, our vice-president in charge of claims, would be happy to, off-line, take the information and follow up to see if there's anything further to be done.

Mr. Chairperson: Dr. Gerrard. Kindly address to the Chair. Yes, Dr. Gerrard.

Mr. Gerrard: Yes. Thank you.

That's very helpful in terms of a specific instances, but in terms of the general issue, in terms of, you know, I guess the minister is actually responsible for both. And maybe the minister could also comment on this relationship between workers compensation and social assistance.

Ms. Howard: Yes. Actually the Minister of Entrepreneurship, Training and Trade (Mr. Bjornson) is now responsible for employment and income assistance.

But I think, you know, you raise an important question about support for injured workers, and I know that's something the board is always looking at. And we have been able to make some improvements to the way that injured workers are supporting. Another big part of the board's work that I'm sure they could talk to you more about is the efforts they make to help injured workers return to work as quickly as possible. Because, I think, one thing we've learned is the longer someone is off work, the harder it is for them ever to return to work. So I know speedy return to work has been a huge focus of the Workers Compensation Board's work over the last few years.

Mr. Gerrard: Sorry. Most people who are in this situation of having an injury would very much like to be back as fast as possible and, you know, not be on support programs. But when they're in or on support programs then, you know, it's important that they're working adequately to support people and that where there are more than one government program, that they're actually working together. Okay.

Anyway, that's my questions. I pass it back to the MLA for Springfield and thank you very much— or for St. Paul.

* (19:20)

Mr. Schuler: I'm so glad we decided to go global. I do want to just go back a little bit to this subsidiary. And I have a question: What are the management fees that the management company charges for managing the property?

Mr. Maharaj: It's 24 basis points for the entire portfolio—real estate portfolio.

Mr. Schuler: We have no idea what that means. Could you put that into terms that this committee could actually understand?

Mr. Maharaj: My apologies. It's 0.24 per cent of the real estate portfolio. Assets, correct?

Floor Comment: Yes.

Mr. Schuler: Could the CEO of the corporation restate that one more time?

Mr. Maharaj: So it is 0.24 per cent of the entire real estate asset portfolio.

Mr. Schuler: And that would be the value of the asset at what point in time during the year? Is that evaluated at the beginning or at the end? Is it 0.2 because—it would be 0.24 per cent at the end of the year would maybe be better than at the beginning. I mean, is it a set target or is it a moving target?

Mr. Maharaj: It's a monthly fee so it would be evaluated monthly.

Mr. Schuler: So 0.24 per cent monthly on the total asset value of that month?

Mr. Maharaj: The 0.24 per cent is for the entire year, but it's spread out over a 12-month period and it's done monthly. So it would be one-twelfth of 0.24 every month.

Mr. Schuler: Of the value of the assets at that month? And then it recalculated again, every month, at the end of the month? Is that correct?

Mr. Maharaj: Exactly, correct, yes.

Mr. Schuler: Has the corporation sold any property in 2011?

Mr. Maharaj: Yes, we've sold one property.

Mr. Schuler: Which property was that?

Mr. Maharaj: It's an industrial building in Ontario and it's—was held in our Morguard portfolio.

Mr. Schuler: So, if the corporation owns a billion dollars, then the management fee would be approximately \$240,000 for the year—*[interjection]* They divide it by 12.

Mr. Maharaj: Our portfolio, though, is not a billion dollars. That would be our entire asset base.

Mr. Schuler: So this individual only oversees the subsidiary, not the pooled fund?

Mr. Maharaj: This individual would oversee our real estate holdings in both—all real estate holdings, but our real estate holdings only comprise a portion of our assets. So our assets of approximately one billion would be 55 per cent equities, 45 per cent fixed income. And then, the portion of the 45 per cent would relate to real estate. This individual would oversee that portion and then would charge that 0.24 basis points on a monthly basis.

Mr. Schuler: I suspect if we can get the kind of information we requested, next year's committee would be a little bit easier asking questions because then we'd actually have real numbers in front of us.

So, moving on, how many health-care professionals has the Workers Compensation Board hired in 2010?

Mr. Maharaj: There was one health-care professional hired in 2010.

Mr. Schuler: Does the corporation expect this number to go up in 2011-2012?

Mr. Maharaj: There's no plans currently, but, again, it's an annual process where we would be looking at our needs and looking at the requirements of the organization through our budget process.

Mr. Schuler: So how many health care professionals are there right now?

Mr. Maharaj: There are 46.

Mr. Schuler: So that's still the same as it was in—June 6th, 2011?

Mr. Maharaj: It has not changed, no.

Mr. Schuler: Of those professionals, how many are physicians?

Mr. Maharaj: We believe it's 31.

Mr. Schuler: And like the CEO of the corporation I, too, have only been critic for about a short period of time, a little longer than three months, but not much longer than that.

Now, these physicians are hired and they work only for the Workers Compensation Board, or are they on contract and any work that they—the corporation has gets sent to them, or do they work exclusively for the Workers Compensation Board? Could he enlighten the committee?

Mr. Maharaj: It is a mixture of mainly on contract, but there are some that are exclusively work for Workers Compensation Board.

Mr. Schuler: And how many work exclusively just for the compensation board?

Mr. Maharaj: Yes, we don't have that at our fingertips. We can get that to you. Our feeling is that it would not be many. You know, the majority would be not exclusive to the Workers Compensation Board, but we can get you the exact number.

Mr. Schuler: What is being done at the Workers Compensation Board to look into potential grievances or disagreements between a claimant and the doctor that the Workers Compensation Board uses to preside over their case?

Mr. Maharaj: There are protocols in place where if a doctor is going to be affecting the claim, they will have to either seek a second opinion or call the individual in to examine them directly.

As well, we have, of course, the ability for the individual to appeal any decisions that are made, and there's a—quite a—I would say a strong appeal process that an individual can follow where it can be reconsidered, either first internally and then ultimately to the Appeal Commission.

Mr. Schuler: And, I want to be very careful that we don't start advocating for individual cases because, knowing my phone records, we could be here way past midnight, and I think Mr. Werier is already looking at me over his glasses. So we don't to start arguing individual cases. I don't think that's what committee is here for.

* (19:30)

What we do want to do is discuss, more globally, on how the corporation and, certainly, how members of this committee *[inaudible]* corporation, and I'm sure in the three months that you've been there you've received many, through the Chair to the CEO,

many requests from individuals—individual MLAs advocating for members in their community. And it is one of the toughest parts of our job because—and we have to leave it in professional hands. I mean, that's the only way the system will work and yet we are bombarded with questions.

And the reason why I ask this question about, you know, the disagreement between a claimant and a doctor, and in an age of social media it is very easy for problems to be made known, often by many patients who have seen the same doctor, and there's really no way to control that. And I think, for most of us, we would much rather this be dealt with in-house than get carried away out in social media.

So again, the question is if someone has a specific grievance and they feel very aggrieved about a doctor, how can they notify or whistle-blow a Workers Compensation Board physician should they feel what is being done by the doctor's unprofessional? Like, how do they approach the corporation?

Ms. Howard: Well, certainly I think, as the president or the CEO has stated, there's an appeal commission that people can go through. There is also the Worker Advisor Office which is under the Department of Labour, which is set up to help people who are having difficulties with the Workers Compensation. I know many of the letters you're talking about also get copied to my office and we have folks that work with the Workers Compensation Board on those cases. I would say if it's directly related to a physician and someone feels the physician has done—had some wrongdoing or acted unprofessionally, I would say they could also go to the College of Physicians and Surgeons who has a complaint process about individual physicians as well. So I think all those avenues are open to people.

Mr. Schuler: And I thank the minister for her comments. To be very clear, as 57 MLAs, perhaps outside of the minister who's in charge of the corporation, we all get a lot of these requests and questions and we have to deal with them. I mean they're constituents. They come to us. They view us all as government and want to see us fix their problems.

I don't know if it's the chair or the CEO or even the minister. What is the best protocol to go through for an MLA, anybody really, from any side of the House? What is the best protocol to go through to bring a constituent case to the corporation? Is it best

to address it to the minister, to the CEO, to the chair? What is the best protocol?

Ms. Howard: I think for MLAs probably a good protocol to use, and others have developed some of their own relationships with people at the Workers Compensation Board and write directly to them and I wouldn't question that practice, but I think when I get those letters, we have staff that work directly with the board that are very experienced, that know how the system works, that work directly with those constituents.

I mean, oftentimes, as you know, a constituent will contact their MLA. They're also in contact with my office, they've also—so I think sometimes having those issues come through my office means that we can track and make sure that we're not telling someone to go to three different places, three different times. And we have folks that work in our office that work directly with those people. So that's an approach that we can take, and I know sometimes we all struggle with not being able to solve all of our constituents' problems, but I think we have a fairly good system where we can interact directly with the board and get them to answer people's questions.

Mr. Schuler: At the MPI, there is something called a worker—or, it's called the claimant advocate, I guess. In this case, it would be called the worker advocate. Is there such a position within the corporation?

Ms. Howard: The Worker Advisor Office is housed within Labour and that—their role is to advise people who are having difficulties with Workers Compensation work with the board on resolving those difficulties.

Mr. Schuler: So perhaps I should take a copy of *Hansard*, give that to Mr. Buddy on the front step, pass that on to him.

Moving right along. As this committee doesn't sit as often perhaps as some of us would like—it tends to be about once a year—there was a question that was raised in 2009 during committee in which Mr. Sexsmith stated that the Workers Compensation Board practised in placing diversity candidates into information technology positions. And it would be Wednesday, July 8th, 2009, he stated this is an organization that helps us to place diversity candidates, whether they be visible minorities or whatever, and we have hired a number of staff specially into our information technology area through referrals to this organization.

My question is: Through this practice of hiring into information technology, has the corporation reduced the need for outside information technology consultants?

Mr. Maharaj: We still—there's—it's a balance, really, and we still do determine to use, sometimes, augment our staff with external resources from outside with regards to IT simply because of the skill set that's required. At the same time, we have developed, internally, a very strong and capable IT department.

Mr. Schuler: Yes, well, Mr. Sexsmith said—very similar—that we occasionally hire consultants to support our internal work, but we—any of our other major projects we don't hire, sort of, of any of the big five or six firms to do it. We try to do most of the work ourselves with some of the support from the outside. So that would be consistent even today, because there has been, obviously, some hiring of individuals into the information technology side of the corporation.

Mr. Maharaj: Yes, absolutely, that's a fair statement, and it's still relevant today.

Mr. Schuler: In 2010, has the corporation upgraded or purchased any new electronic-based systems or entered into any large-sale contracts—large-scale contracts?

Mr. Maharaj: No, we have not.

Mr. Schuler: In a freedom of information request dated January 23rd, 2012, the question was: Please provide the number of allowed and rejected compensation claims at the Workers Compensation Board pre- or since 2009. Please provide the total value of compensation payments pre- or since 2009. In it, 2010 allowed claims, rejected claims and compensation payments, 30,971 claims were allowed and 6,489 claims were rejected.

What does it tell the Workers Compensation Board as an organization that over one in five Manitobans are submitting claims for benefits that will be rejected?

Mr. Maharaj: I'm not sure that I can draw a conclusion from that, but I think my only response is that we do run an inquiry model where we look at the evidence that's before any particular claim, and ensure that—just as the mandate—if the claim is to be paid, it will be paid, and if it's not to be paid, it won't. But it is based on the facts of the claim.

Mr. Schuler: Of these claims, is it because some of them, the form wasn't filled out appropriately? Is it they're turned back and asked for more information, or are these outright rejections—outright no?

Mr. Maharaj: Unfortunately, we don't have that information where we could, you know, easily tell you the reasoning behind why or what percentages of those claims were rejected for the different reasons. Again, it's really based on the evidence before the adjudicator, so.

Mr. Schuler: Is one in five a high number for a corporation like the Workers Compensation Board? Is that an industry norm?

* (19:40)

Mr. Maharaj: You know, we're not aware of any kind of comparable benchmark where we could tell you that's high or low. I think it really is just the nature of the inquiry model, where—to ensure that, you know, we have a strong quality assurance program in place. In 2010, 80 per cent of the files reviewed followed and met the quality assurance guidelines and standards. So, you know, we ensure that the due diligence on that is done, and, where appropriate, claims are paid. Where not appropriate, they are not.

Mr. Schuler: It seems to me that 6,489 Manitobans being denied a claim seems to be high. Is the corporation doing anything to educate Manitoba workers and their employers, from the start, to know the difference in what they should be filing in a claim for, and what may ultimately be rejected? Is there a process in place? Is there an education process in place to tell people for what reasons they might be rejected, or is it just one of those hit and miss? You apply: if you get it, good for you; if you don't, too bad.

Mr. Maharaj: Certainly from the time that an individual enters a claim, there is a number of communications with them as to what may cause their claim to be denied, what are some of the key factors. And there's communications right to the very end, where if it is denied, that's spelt out for them as to why, and their options, should they wish to appeal.

Mr. Schuler: June 6, 2011, at committee Mrs. Taillieu asked: What is the policy at the present time in regard to narcotics? Mr. Sexsmith said: Well, the board hasn't approved the policy yet; they're working on it.

My question is: Has the Workers Compensation Board approved a narcotics policy?

Mr. Maharaj: Yes. An opioid policy was approved by the board.

Mr. Schuler: Is that policy available to the committee? Is that a public document?

Mr. Maharaj: Yes. In fact, that policy is up on our website.

Mr. Schuler: Thank you very much.

Mr. Schuler: In both the annual report and the last committee, the Workers Compensation Board promoted and spoke very highly of their 7.1 out of 10 employer and 7.8 out of 10 employee satisfaction surveys.

In late 2011, the Canadian Federation of Independent Business combined a feedback survey from its members with a comparative analysis of data on Workers Compensation boards in 10 provinces. Manitoba ranked second-last, above two others tied for the poorest performance. Manitoba was ranked low in classification and assessment, which I touched on earlier in regards to rejected claimants' coverage and customer service. The vice-president of CFIB Prairie, Marilyn Braun-Pollon, stated that benefit payment programs provide the disincentive for Manitoban workers to go back to work—her comments.

There is a lot of criticism in this study of the current Manitoba Workers Compensation Board. Where does the board stand on its precise—on the precise criticisms and, after the study, what is being done to work on improving in those areas?

And there was a Martin Cash article of February–December 14th, 2011, and it said Manitoba is tied for third worst in a comparative study of workers compensation boards across the country, and I suspect the CEO has seen that article. How do you respond to this?

Mr. Maharaj: Yes, I am aware of the research project. In fact, one of the things that we did do in response to that is we did meet with the CFIB and had a discussion with them as to how we could move forward, and what type of partnerships could be found to address any of their issues.

Generally, with that report, many of the areas that WCB was scored poorly on were, in fact, areas relating to our benefit coverage. So, when you look at the fact that we have excellent benefit programs

that have no waiting period, entitlements of 90 per cent; for some reason that was seen as a negative, rather than a positive. No waiting time; no waiting period. Again, seen as a negative. So these are legislated benefits that we are actually quite proud of in this province.

As well, we were scored fairly well on our financial stewardship. That being the case, we have the second lowest rates in the country.

So we did, actually, at the end of the day, with the CFIB talk about some partnerships we could form in the way of training for their membership, and it seems like we'll be moving positively in partnership with them on that.

Mr. Schuler: And the employer and employee satisfaction surveys, when was that taken? When were those surveys sent out?

Mr. Maharaj: So the employer survey was December 2011, and the last worker satisfaction survey, which is quarterly, was done last month.

Mr. Schuler: And in the employer survey, how were those sent out? Just every business that is a client of the Workers Compensation Board?

Mr. Maharaj: So it is a telephone survey, and they are given the option to answer either via telephone or online.

Mr. Schuler: What was the return rate—the response rate?

Mr. Maharaj: We just continuously go through the pool until we get the appropriate return, which is 400 employers.

Mr. Schuler: So that would be 400 out of how many?

Mr. Maharaj: Out of 10,000.

Mr. Schuler: If I could have the committee look at the five-year plan 2011-2015, page 11.

In 2011-2015 five-year plan, why is the operating surplus in 2010—and this would obviously be in millions—\$88 million, but in 2011 it drops down to \$13 million, and then only slightly more in 2012. Why such disparity?

Mr. Maharaj: So the reason for the discrepancy is because of the change in accounting standards. We did go to an IFRS accounting standard and that did impact that. That's the difference that you're seeing between those two years.

Mr. Schuler: English, please.

Mr. Maharaj: Yes, I may have difficulty explaining this in English because it's accounting terminology, but there was a requirement to move to international—now I'm going to try to remember this—international financial reporting standards. And this is, again, it is international. It's a requirement of all WCBs as well as other organizations.

As part of that it reflects where you report your comprehensive gains and losses. So, whereas previously you may not have reported on things such as liability changes and liabilities for employee benefits, they now would be drawn into your bottom line. So, ultimately, it's restated based on the new accounting standards, and that's what's resulted in that large shift.

Mr. Schuler: Yes, and I appreciate that. Twenty years of being in business and I still felt the best place to get a good night's sleep was when I went to my accountant's office. So no offence to any CGAs in the room.

In the same document, same page, what is being done to make the shift from 1.61 in 2010, that's projected average assessment rate, to 2.150 in 2011 for the projected average assessment rate in reality?

Mr. Maharaj: I'm sorry, I'm not following you. It's—the projected average assessment rate goes from 1.61 in 2010 to 1.50, but I'm not sure. I may be looking at the wrong one.

Mr. Schuler: When do we see the accurate average assessment rate, because right now it's just projected, right? Or I guess I should ask for 2010: What was the average assessment rate rather than the projected—ask the question the other way around.

Mr. Maharaj: I'm told that it's about a penny off of the 161—so 1.61. So it was fairly accurate.

Mr. Schuler: Why the drop in 2011 down to 1.5?

Mr. Maharaj: Well, this is something that I think WCB can be very proud of, and that's being able to hold down and actually see a decrease in the rate based on some of the prevention initiatives, safety initiatives, some of the public awareness that's being done. And that really directly impacts the bottom line.

In fact, if you look at across the country, our duration has been on a decline which impacts, of course, many things, one of them being the fact that we can keep those rates down and bring them down.

Mr. Schuler: I take it we'll see the actual—or perhaps the corporation can tell us: What was the actual assessment rate for 2011?

Mr. Maharaj: It is 1.50—oh, I'm sorry, it was 1.51. That is one penny off.

Mr. Schuler: So I take it the 1.50 is the target because that's why it's the same all the way through; it's the target.

Mr. Maharaj: Yes, certainly it's a projection based on—further out you go based on all of the other numbers within the statements. So I guess you might call it a target.

Mr. Schuler: If we could go to the funding ratio, in 2008 the funding ratio was 130 per cent which then dropped in 2009 to 106 per cent. Currently, as of 2010, it's 122.8 per cent.

Why is it projected to take another eight-plus years to return to the 130 per cent ratio?

Mr. Maharaj: Well, I think this is the nature of projecting in investments on a most realistic basis as far as looking historically as where we've been and projecting out in the future where we would expect to go, that combined with our, obviously, claims costs and looking at our prevention initiatives and bringing down our costs where we can.

So I would say that it's a realistic projection and one that's done based on the history of the organization.

Mr. Schuler: Since the drop in 2008, what has been done to ensure that a decrease like that can be better met?

Mr. Maharaj: Well, certainly, with regards to investment, it's a conservatively managed portfolio, one that's diversified to hopefully be able to withstand a 2008 type of year, should that happen, as well, of course, as you mentioned, that the reserves themselves are intended to withstand that type of drop. So the fact that we are sitting at approximately 121 per cent in a funded ratio is intended to buffer for any such years.

Mr. Schuler: Moving down to the revenue line, from 2010 to 2011, there's a projected \$21-million loss in revenue. Why is that?

Mr. Maharaj: The most significant impact would be the drop in the rate. The rate falls from 1.61 to 1.50. So that would follow through in the formula and impact the revenue.

Mr. Schuler: If we drop down to claim costs incurred, however, there is a 21 per cent increase in claim costs incurred from 2010 to 2011. Why would that be?

Mr. Maharaj: So my understanding is that in 2010 that was seen as an extreme year—I should say an extremely good year—as far as the claim costs are incurred. However, on a projecting forward basis we use the more realistic approach rather than taking that year, which is an anomaly in 2010. Incorporating that going forward, the numbers that you see, the \$231 million, relate to what would be a more smooth projection out because it is a five-year plan.

Mr. Schuler: Yes, I thank you for that answer. And I'm just checking the numbers. The 2010 projection, in 2009 was 241 and ended up 182. Is there something that's changed that has dropped the claim costs incurred?

Mr. Maharaj: Well, again, that year I think we're quite proud of, in the way that it turned out. The duration was quite low, claim costs came in quite low, and it was managed quite well. However, it's not something we would anticipate or expect to occur again, so we don't incorporate that into the budget and the projections going forward. It really was an anomaly, so.

Mr. Schuler: Except that in 2011, from the initial five-year plan of 2009 to 2013, in that statement its claims are projected as being \$20 million more than in your current five-year plan, and if you go to 2012, you're almost looking at \$25 million more than—I'm just doing a really quick calculation. Same thing for 2013: in your old five-year plan, it was \$271 million in costs incurred, and that's dropped down to now 242, again, just shy of \$30 million. Why the lower projection on costs incurred? Is that any correlation to the number of individuals that have been rejected or, like, how did you come about with a lesser number all of a sudden?

Mr. Chairperson: Before I ask Mr. Maharaj or this side to answer, we are coming close to 8 o'clock. What's the will of the committee? To continue or to rise? Do we have a time limit that is proposed?

* (20:00)

Ms. Howard: Yes, I would suggest we reassess at 9, but if we're done sooner I won't object to adjourning at that point.

Mr. Chairperson: Is there will to committee to adopt after 9? *[Agreed]*

Mr. Maharaj: So, really, what accounts for the shift between the two five-year plans is just updated and new information. So we do look at, in our projections, what has changed: inflation, health-care costs. When we look at the average wage loss, it's—certainly all of that is incorporated in and new projections are made. So you will see shifting around and that's updated every year in order to account for those changes.

Mr. Schuler: I guess the concern for the committee is that the average rate assessment is moved down to 1.5 and, you know, that's a good thing—and that's a \$20-million loss to the corporation. Interestingly enough, the projected costs go down correspondingly, and certainly we'll look at the numbers from 2011 with great interest when they come out and certainly 2012. And I understand it's a wish to have assessment move down to 1.5, and we think that's a good thing.

But as long as the claim costs incurred, projections aren't being cut just to satisfy a number at the bottom. Because if the claim costs incurred for 2011 would have stayed at their current amount I think there would have been a net loss of operating surplus. So I think that what the committee is trying to say is that, how tight are you running this on overly optimistic—or is it overly optimistic claim costs incurred?

Mr. Maharaj: Well, the claim cost actually drive the average rate. So the average rate is actually formula driven based on what the actual claim costs are, and that's probably the relationship that you're referring to.

Mr. Schuler: Okay, and we'll watch that number carefully to make sure, again, it—a lot of individuals depend on this corporation, want to make sure that those numbers aren't too tight, just concern there—concern of the committee.

Again, investment income, Workers Compensation Board seems to have had slight inconsistent investment income over the years and I guess that would have something to do with the shape of the world economy—and I have lost myself in a train of thought here.

In the investment income from 2010 to 2011 there's a \$20 million drop. Is that based on something specifically or why is there such a substantial drop?

Mr. Maharaj: Again this relates to the change to IFRS accounting standards.

Mr. Schuler: Perhaps we could encourage through you, the CEO, to run with that thought.

Mr. Maharaj: Again, it's just as I said before, the accounting standards having changed, you have to report losses. So the unrealized gains and losses are now moved up into the investment income and that's what results in the change.

Mr. Schuler: That was a little disjointed. I'm going to ask, if—through you, if the CEO could lay that on us one more time, the reason why there's a \$20 million—\$20 million less—actually, it's \$19,000,987 less in—than 2010, is because what losses are moved from where to eat that investment income?

We need a CGA at the table.

Mr. Maharaj: So previously there were two different areas where investment is—income is reported. There is investment income and there's unrealized gains and losses, but with the shift to the IFRS standards, that is now rolled together and reported in one line. So that's one component to the change that you're seeing there. The second is that in the 2010 the actual return was 9 per cent, and in 2011 we're budgeting 6 per cent. So that is the second component of that difference between those two numbers.

Mr. Schuler: The actual return of what is 9 per cent?

Mr. Maharaj: The portfolio investments in 2010 had a return of 9 per cent investment return.

Mr. Schuler: Is that from the real estate fund? Is that the—because I thought the fund had a 11.39 per cent return.

Mr. Maharaj: That's all investments. So we have equities, we have fixed investment, we have bonds, we have real estate. So all investments combined together have a return of 9 per cent.

Mr. Schuler: So, on the investment side, the real estate seemed to have done pretty well. It was on the bond and whatever else you hold that didn't do as well. To bring 11.39 per cent down to 9 per cent, that means you had to have done significantly worse on the other side than on the real estate side. Is that fair to say?

Mr. Maharaj: Yes, the returns absolutely vary by asset class. So the real estate asset class did do well, but the real estate only represents 12.5 per cent of the

total portfolio. So out of the total holdings, real estate represents 12.5 per cent.

Mr. Ralph Eichler (Lakeside): Yes, just—still staying in the investment side of things, on the Canadian equities we had—you had invested \$170 million, and outside of Canada there was \$263 million. How do you determine how much money to invest in Canada and outside of Canada, and is there a board policy that determines that?

Mr. Maharaj: Yes, we do have a statement of investment policies and it does actually provide for our asset mix. So there are restrictions for each different asset class and mix, and we have to remain within policy for each of those.

Mr. Eichler: Just so I'm clear then, that's set by board policy for the investments, or is that determined in-house?

Mr. Maharaj: No, that is set by the Investment and Finance Committee, which is a sub-committee of the board.

Mr. Eichler: Out of the \$263 million that was invested in 2010, do we have any updates with the global effects of where that might be, or where it's projected to be for 2011 and 2012?

Mr. Maharaj: So we'll have to take a look to see if we can get that information for you and provide it and get it back to you if possible.

* (20:10)

Mr. Schuler: If you would send that to myself, I'll make sure I share it with all my colleagues. Fair enough.

On page 28, under health-care benefits, why is there a \$20.2-million increase in health-care benefits from 2009 to 2010?

Mr. Maharaj: So this relates to the future costs of benefits. And this is done by an actuarial evaluation of what the expectations are around—and there's an entire complex model that the actuary will run to determine what the future costs are for healthcare related to benefits. And then we have a liability that's booked—associated with that.

Mr. Schuler: Page 34 of the 2010 annual report. Why is there such an increase in cash assets, thousands, from \$4,000—\$401,000 in 2009 to—that would be \$8,491,000 in 2010? Savings from the MLAs' pay.

Mr. Maharaj: There was more cash on hand because program costs were down and because of the effect of the 9 per cent in December of 2009—sorry, the 9 per cent return. Oh, sorry.

Sorry. I have to correct that. It's 9 per cent decrease in time-loss injury rate.

Mr. Schuler: And that's your final answer? Okay, that's good.

Page 34. What financial events occurred that allowed you to increase your accident fund reserve by nearly \$65 million?

Mr. Maharaj: Sorry. That's in relation to our unrealized investment return. So it's investment income. So, investments.

Mr. Schuler: Is there a cap on that fund or is it just allowed to rise continuously and go wherever, or is there a cap on that?

Mr. Maharaj: Well, the fund is targeted towards the OSFI reserves, so whatever surplus is year-by-year accumulated goes towards that reserve. When that reserve is met, then I assume the board would review that further as to, at that point in time, what should be done. But annually the budget does determine what would ultimately go towards that reserve.

Mr. Schuler: Page 35, 2009 investment income loss of \$6 million and in 2010 a increase of \$57 million. Why would that be?

Mr. Maharaj: So again, this goes back to IFRS accounting standards. Previously, the investment was—income was recorded in one line, and then unrealized returns were recorded in a separate line. Now they've been rolled together and that's why you're seeing that difference because it's reported in two places in 2009, but in 2010 it's rolled into one.

Mr. Schuler: Thank you. Page 37, and again, this might be an accounting issue. In 2010, cash flow has increased in thousands from \$401,000 to \$8,491,000. Why such a substantial increase?

Mr. Maharaj: Again, same answer. More cash on hand because program costs were less than anticipated.

Mr. Schuler: Over \$8 million saved in program costs?

Mr. Maharaj: Again, the cash flow is kept in order to pay the claims. So it's really just a cash flow issue, and if we have a circumstance where we projected to

have more costs and costs came in less, there's more cash on hand.

Mr. Schuler: Does the Workers Compensation Board have a credit rating?

Mr. Maharaj: I'm not aware that we're credit—we have a credit rating.

Mr. Schuler: There's no bond rating for the Workers Compensation Board?

Mr. Maharaj: No, none that I'm aware of.

Mr. Schuler: Who produces the advertising for the Workers Compensation Board campaigns?

Mr. Maharaj: Our agency of record is ChangeMakers.

Mr. Schuler: I just want to make sure I understand the CEO clearly. Could he please repeat his answer?

Mr. Maharaj: Sorry. We have a full-service communication agency which includes producing the advertisements. The agency of record is ChangeMakers.

Mr. Schuler: When's the last time that this was contracted out? Or is it just ChangeMakers is it and that's who gets the contracts?

Mr. Maharaj: No, this was provided through or—contracted out through a competitive process. The last RFP was in 2011 and ChangeMakers was the successful vendor.

Mr. Schuler: What is the amount spent on media regarding workplace safety awareness in Manitoba in 2010?

Mr. Maharaj: So for 2010, the total communications, advertising and marketing was \$1.576 million. So approximately \$1.6 million.

Mr. Schuler: And all of the media side of it was run through ChangeMakers.

Mr. Maharaj: Yes, we use ChangeMakers as our primary design and media and communication agency.

Mr. Schuler: And there's a little brochure called a safety and health resource; I don't know if the CEO or the chair have it handy. Inside, it lists some facts. One of them is that 50 per cent of all Manitobans between the ages of 15 and 25 are being injured at the workplace; 70 per cent never receiving safety twenty—safety training; 40 per cent are not aware of their legal rights relating to workplace safety; and on

average one young Manitoban is being injured every hour.

My question to the Workers Compensation Board: Is there a problem with awareness in younger Manitobans, and how is it being dealt with?

* (20:20)

Mr. Maharaj: So, that is one of the target groups of our advertising. We target within every year youths and run programs and awareness ads and campaigns that are specifically for youth, including some new social marketing techniques that youth are involved with. We also have SAFE Workers of Tomorrow, which targets high schools and youth within those high schools.

Mr. Schuler: Well, and being the parent of three children myself, obviously this is a concern. We don't want our young people getting out—going out there and getting hurt, certainly not at these rates.

Could the CEO be a little bit more specific? What exactly are they doing, for instance, with social media? Like, how are they dealing with these issues?

Mr. Maharaj: So we use Facebook, as an example, which is something that, obviously, the youth of today are very aware of and involved with. We do, through the Internet, webisodes with Q & A's. We provide incentives for individuals to go through those programs and those webisodes. So we're using whatever is utilized out there today by the youth in order to get that message through.

Mr. Schuler: That's interesting. The Workers Compensation Board, how many friends do they have on Facebook?

Mr. Maharaj: I don't know offhand how many, and I don't know that we—that that's the way that we run our Facebook, but we do utilize it though.

Mr. Schuler: Is the Workers Compensation Board tweeting?

Mr. Maharaj: We don't tweet. No.

Mr. Schuler: Then could it be a fair comment that your social media campaign is in its infancy stage?

Mr. Maharaj: Absolutely. I know that social media is something that we want to look at, we want to do more of, but it is something that is in its infancy and new and needs to be developed further.

Mr. Schuler: Could our—CEO, through you, Mr. Chair—could the CEO tell us when was this brochure produced?

Mr. Maharaj: We're uncertain. We're not sure if that was produced by us or through SAFE Workers of Tomorrow.

Mr. Schuler: It—and it probably was produced by SAFE Workers of Tomorrow, but it certainly and prominently displays the logo of the Workers Compensation Board right on the front. So I guess there's a—there would have been some partnership involved.

I guess what I'm trying to get at is with a statistic that says 70 per cent of young workers never receive safety training related to the work that they do and at least one young worker's injured every hour, certainly my copy doesn't look like the newest copy. In fact, this is—they even have a sticker over the address. I take it this has been printed for some time and, you know, perhaps to the corporation, you know, if you're going to be using social media, probably sooner the better if one young person's being injured every hour and this has been out for some time.

You know, I think we should all be taking this very serious and like maybe I speak more from an invested interest than others. I would encourage the corporation to take it a little bit more serious, seeing as this brochure, I take it, has been out for a while, and that would be the comment from the committee to the corporation. I don't know if they want to comment on that. If not, I wouldn't mind moving on.

Ms. Howard: Yes, I mean I—just have something for the—for Mr. Schuler to be aware of, and I think he'll be interested in. We ran last year, for the first time, a competition for high schools to submit ideas for how to do workplace safety, education in innovative ways, and for the youth in those high schools to submit projects. And I had opportunity to go and see one of those projects that was developed at Tec Voc school. That was this board game, quite sophisticated, well-designed board game through a lot of their programs that they have there and played it with them and lost, but, you know, it's another story.

But we will use the Day of Mourning—*[interjection]* Yes. We will use, I believe, the Day of Mourning and some of the activities around there to highlight some of those projects. I think we have a lot to learn from youth about the best way to get messages to youth. And certainly this program where we awarded high schools a grant of \$2,000 based on their ideas for projects or projects they had done and tried to spread it out all over the province, and it

gives that incentive for us to get better ideas, but also for us to get those messages into high schools.

I think the SAFE Workers of Tomorrow program has probably been one of the more successful ways where it's youth educating youth on safe work, on things like the right to refuse and all of that. But we need to use all methodologies to get that message out.

Mr. Schuler: I, to the Workers Compensation Board, does the board advertise with the Winnipeg Blue Bombers?

Mr. Maharaj: Yes, we do advertise at the home games with the Winnipeg Blue Bombers.

Mr. Schuler: How much does the corporation advertise with the Bombers?

Mr. Maharaj: Just for—you mean the costs related to it or?

Mr. Schuler: In 2010 or in 2011, how much was spent on advertising with the Winnipeg Blue Bombers?

Mr. Maharaj: It's approximately \$20,000.

Mr. Schuler: Is the corporation planning on spending the same amount when the Bombers move to the new Investors field?

Mr. Maharaj: We're not absolutely certain, but likely. Likely we would. Yes.

Mr. Schuler: Does the corporation advertise with the Winnipeg Jets, and if so, how much do they spend on advertising with the Jets, say, for instance, in 2010?

Mr. Maharaj: So I can tell you for this year that we do advertise with the Winnipeg Jets and this year it was \$40,000.

Mr. Schuler: Mr. Chairperson, how much funding/donations/contributions has the Workers Compensation Board given to the Canadian Human Rights Museum in 2010?

Mr. Maharaj: There was, I believe, in 2008, a \$500,000 contribution made to the Human Rights museum, and that was over a period—to be paid over a period of five years, \$100,000 per year.

Mr. Schuler: And that was in 2008, which leaves one more year for the corporation to pay. I take it, by 2013 they'll have paid out?

Mr. Maharaj: Actually, we have made our last payment; the final payment was made in February of 2012.

Mr. Schuler: And is there any other funding contribution, donation going to be made to the Human Rights Museum in the next years? Is there any discussion on any further funding?

* (20:30)

Mr. Maharaj: There is no additional funding planned. No.

Mr. Schuler: What about the MTS Centre? It's not the Jets, the MTS Centre. Is there any funding donations, contributions to the MTS Centre? 2010 or 2011?

Mr. Maharaj: No, there is not.

Mr. Schuler: The Investors Group field, and I think we were very clear, our last question was about the Bombers in 2010. The answer was \$20,000 was spent advertising with the Bombers. Is there any money going from the Workers Compensation Board in the form of funding, donations, contributions to the Investors Group field?

Mr. Maharaj: No, I don't know of any.

Mr. Schuler: Is the Workers Compensation Board a season ticket holder of the Winnipeg Jets?

Mr. Maharaj: No, we are not.

Mr. Schuler: So, with the advertising that's done by the Workers Compensation Board with the Winnipeg Jets, they do not get any tickets for that?

Mr. Maharaj: No, we have—we—as a corporation, we get no tickets.

Mr. Schuler: Is the Workers Compensation Board a season ticket holder with the Winnipeg Blue Bombers?

Mr. Maharaj: Again, no, we are not.

Mr. Schuler: So, with the money that's been given in advertising dollars to the Winnipeg Blue Bombers, there are no tickets, season tickets, or any tickets given?

Mr. Maharaj: No we do not receive any season tickets or tickets in general.

Mr. Schuler: Does the Workers Compensation Board or any member of the board own tickets to the Winnipeg Jets or the Bombers that have been

purchased through Workers Compensation Board funds?

Mr. Maharaj: No, there have been no purchases through the Workers Compensation Board funds for board members or other members.

Mr. Schuler: Has any office or department within the Workers Compensation Board purchased or been given tickets to the Winnipeg Jets or the Bombers, which was purchased by funds of the Workers Compensation Board?

Mr. Maharaj: We have not received—I'm sorry, could you repeat that question again?

Mr. Schuler: Has any office or department within the Workers Compensation Board purchased or been given tickets to the Winnipeg Jets or Bombers that were purchased by funds from the Workers Compensation Board?

Mr. Maharaj: No, there were none that were purchased with funds from the Workers Compensation Board.

Mr. Chairperson: Mr. Schuler, kindly address here.

Mr. Schuler: Just too fast.

Mr. Chairperson: Thank you.

Mr. Schuler: On top of the \$500,000 that's now been paid out to the Human Rights Museum, was there any other money that was given to the Human Rights Museum through another organization like the United Way?

Mr. Maharaj: We do participate in the United Way campaign, and the Workers Compensation Board matches its employees' contributions to the United Way. I can't say whether or not if an individual directs their money or their donations to the Human Rights. I don't even know if that's possible, but if that happens, that would certainly be the only circumstance, but we have not directed any.

Mr. Schuler: One of my colleagues has a couple of questions that he would like to ask. I wouldn't mind deferring to him.

Mr. Chairperson: Thank you.

Mr. Stuart Briese (Agassiz): And just out of curiosity, because you talk about the programs you're doing on worker safety, I know Keystone Agricultural Producers are quite involved in farm safety programs, and I wondered if they partner with

you to any extent or if there's any—how these things fall together.

Mr. Maharaj: Yes, so certainly, you are correct that they are one of our partners. They did receive a research, workplace, and innovation program grant and that was for their farm safety program, and that's the Keystone Agricultural Producers.

Mr. Briese: Yes, the—I don't know just how to phrase it, but on farm safety, farmers, in most cases—I am a farmer, I probably should know this—farmers, they're not really eligible. Like farm workers, I guess, can be on workers comp, but farm family members I don't expect can be, but I'm not just sure about that.

Could you expand on that?

Mr. Maharaj: I understand that they're not a mandatory industry, but they would have available to them optional coverage if they so wish.

Mr. Briese: Just one more, and that's: What was the dollar amount that you partnered with Keystone Agricultural Producers?

Floor Comment: It was \$188,000.

Mr. Briese: Thank you, Mr. Chair.

Mr. Chairperson: Thank you. Any more questions?

There are no more questions.

Annual Report of the Workers Compensation Board for the year ending December 31, 2009—pass.

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

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

Shall the Annual Report of the Appeal Commission and Medical Review Panel for the year ending December 31, 2000, pass?

Some Honourable Members: No.

Mr. Chairperson: The report is not passed.

The Workers Compensation Board 2009-2013 Five Year Plan—pass.

The Workers Compensation Board 2010-2014
Five Year Plan—pass.

Shall The Workers Compensation Board 2011-
2015 Five Year Plan pass?

Some Honourable Members: No.

Mr. Chairperson: The report is not passed. If the report is not passed, I request that you kindly leave the copies for the future meetings on the board.

The hour being 8:35, is that the will of the committee to rise? *[Agreed]*

COMMITTEE ROSE AT: 8:38 p.m.

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