

YUKON WORKERS' COMPENSATION HEALTH AND SAFETY BOARD

ANNUAL INFORMATION MEETING

HELD JUNE 24, 2009 AT 3:00 P.M.

At the Yukon Workers' Compensation Health and Safety Board Training Room

WHITEHORSE, YUKON

Verbatim Transcript

CRAIG TUTON

VICKI HANCOCK

GARY ANNAU

TAMARA GOEPEL

MICHELLE KOLLA

VALERIE ROYLE

CHAIR

ALTERNATE CHAIR

REPRESENTATIVE of EMPLOYERS

REPRESENTATIVE of EMPLOYERS

REPRESENTATIVE of WORKERS

PRESIDENT/C.E.O., Y.W.C.H.S.B.

REPORTER:

DOUG AYERS

**DOUG AYERS REPORTING
SERVICES**

1 (Meeting commenced at 3:05 p.m.)

2 **WELCOME AND INTRODUCTIONS**

3 MS HANCOCK: It is after 3:00, and the
4 meeting was to start at 3:00 o'clock, so...
5 welcome, everybody, and thank you for
6 attending the Annual Information Meeting about
7 our 2008 Annual report. There are copies of
8 the Annual report available to you, if you
9 don't already have a copy; and it's also
10 available on our website.

11 I just want to add here
12 that we really don't produce a lot of reports,
13 in order to save paper and save money and not
14 have a bunch of wastage, so you can find it on
15 the website.

16 The notes say I'm Craig
17 Tuton, but I'm not Craig Tuton. I am Vicki
18 Hancock, I'm the Alternate Chair. With us
19 today are Board members, Gary Annau, Michelle
20 Kolla and Tamara Goepfel.

21 Pauli Gabb is here; Pauli
22 is the Board's Manager. Val Royle is sitting
23 here, and she is our President and CEO.

24 I guess I can explain that
25 Michelle is a representative of workers; and
26 Gary and Tamara are representatives of
27 employers. Both Craig and I have neutral

1 positions on the Board. We don't make
2 decisions; it is the Board.

3 Pursuant to the *Act*, the
4 Minister tabled our 2008 Annual Report during
5 the spring sitting of the Legislature. Under
6 the new *Act*, we consulted with worker and
7 employer organizations to establish a
8 convenient date for our annual meeting, which
9 is today. It is an opportunity for you to
10 question the Board of Directors on any of your
11 concerns or any interest you may have.

12 Please speak clearly and
13 identify yourself when you ask questions or
14 make comments, as the meeting is being
15 recorded and the transcript will be posted on
16 our website. Doug Ayers is the court reporter
17 with us today.

18 I'd like to provide you
19 with some highlights of the Board's actions
20 and activities in 2008.

21 **MESSAGE FROM THE BOARD OF DIRECTORS**

22 The Board of Directors
23 continues to vigorously pursue the objectives
24 of reducing workplace injuries through
25 improved workplace safety, better Return-To-
26 Work outcomes and greater cost efficiencies,
27 while improving service.

1 In 2008, there were
2 improvements in Return-T0-Work outcomes,
3 including a reduction in time-loss payments
4 due to injuries and a faster adjudication
5 process. In fact, by the end of 2008, the
6 last time-loss payment was made within 90 days
7 in 86% of lost-time claims. These compare
8 with 65% in 2007.

9 There was no change in
10 assessment rates for 2008 to 2009. The Board
11 continues to maintain its conservative
12 approach to investments.

13 We did have a \$14 million
14 unrealized loss in investments, but the system
15 is still fully funded. This means YWCHSB can
16 provide full compensation benefits to all
17 injured workers currently on the system.

18 Are we making changes to
19 our investment portfolio? No! We will stay
20 the course. In the current economic slowdown,
21 WCB is still in the top quartile of investment
22 performance. This was confirmed at a recent
23 meeting with our investment managers and
24 investment performance consultants.

25 As I have mentioned before,
26 our investments are conservative and long
27 term. When the markets are good, our

1 investments show reasonable returns; but when
2 the markets are slow, our unrealized losses
3 are less than most other organizations in our
4 position.

5 To provide additional
6 levels of protection to the Fund, our
7 investigator's actions have resulted in
8 further savings and cost recoveries. In 2008,
9 investigations resulted in savings of more
10 than \$2 million, with an additional \$64,000 in
11 overpayment recoveries.

12 The Board also continues
13 its review of industry rate groups, and has
14 been meeting with employers on this issue to
15 discuss options for 2010.

16 Through our Prevention
17 Fund, we continue to support our partners in
18 safety. The Yukon Federation of Labour had
19 127 participants in training, providing
20 education about the workers' compensation
21 system and Return-To-Work planning, which
22 assists injured workers to get back on the job
23 as safely and as quickly as possible.

24 We also supported the
25 Federation in its Day of Mourning activities,
26 which creates awareness about the financial
27 and human cost of workplace injuries and

1 deaths.

2 Funding is also provided to
3 Northern Safety Network Yukon, whose mandate
4 is to develop and deliver safety training to
5 Yukon businesses. More than 900 workers and
6 employers participated in their programs in
7 2008.

8
9 Ongoing Prevention Fund
10 projects include: Physio Plus; Yukon Mine
11 Training Association; Yukon Human Rights
12 Commission; Property Management Agency of
13 Yukon Government; the Whitehorse PARTY program
14 at the Whitehorse Hospital (Preventing Alcohol
15 and Risk-Related Trauma in Youth). All monies
16 from the Prevention Fund have been project
17 committed through to the end of the program in
18 2010.

19 The new *Workers'*
20 *Compensation Act* and a number of new policies
21 came into effect in 2008. The prime focus of
22 the *Act* and its policies is to ensure proper
23 Return-To-Work planning and programs are
24 developed to get injured workers back on the
25 job as safely and as quickly as possible.

26 Employers have a duty to
27 cooperate in providing suitable and available

1 employment to injured workers. Injured
2 workers have an obligation to mitigate their
3 injury. Upon request, health care providers
4 are now legislated to provide information
5 about the functional abilities of injured
6 workers. This information is used as a guide
7 to identify suitable duties for an injured
8 worker as part of their recovery process.

9 Another key policy change
10 includes a two-year time limit on appeals.

11 Now, I will turn this over
12 to Val, and she will give you the highlights
13 of our Financial statements, and a snapshot of
14 additional actions related to workplace
15 safety. And, as Val goes along, please feel
16 free to jump in with any questions you may
17 have, and remember to identify yourself for
18 Doug's benefit. Thank you.

19 **MESSAGE FROM THE PRESIDENT AND CEO**

20 MS ROYLE: Thank you, Vicki. So, you
21 have copies of the Financial statements, and I
22 will direct you first to the inside back
23 cover, which is the Year at a Glance, which is
24 probably the place you can find most of the
25 statistics that are very useful and the ones
26 that I'm going to talk about, and then we'll
27 get into a little bit more detail.

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Obviously, we are very happy that our injuries in 2008 were lower than in 2007, and that's the first time in many years, in six years to be exact.

As you can see on the chart, on the 2008 column, we had 2,000 reported injuries in 2008, which is a decline of 1% from 2007. In 2008, of those claims, 1480 were actual claims for compensation, which means there were medical costs associated or time lost. Of those, we accepted 1040; either paid the medical and/or the wage loss.

You can see our fatalities... we had one in 2008, and obviously that is one too many, so we'll continue to work on that.

So, when we look at why the injuries are down, particularly lost-time claims are down, there are a number of things. One, we have the CHOICES program, and we do continue to see employers who are signing up for CHOICES, providing incentives for safety and Return-To-Work programs in workplaces. We awarded over \$221,000 to employers, in 2008, under the CHOICES program, and we are hoping

1 to do more than that in 2009 for reinvestment
2 in safety.

3 Of the \$221,000 awarded,
4 \$138,000 was back to employers for costs
5 related to controlling workplace hazards; and
6 the remaining \$83,000 was taken in cash
7 rebates by employers.

8 Our Safety Management
9 Consultant has been out working with
10 employers, 47 particularly, that we have
11 targeted to work with, to assist them in
12 improving workplace safety. And we also have
13 four Safety Inspectors out in the field in
14 2008. They dealt with more than 400
15 inquiries; had 115 investigations, which
16 resulted in 369 orders; and then one
17 prosecution arose out of those investigations.

18 Last year, we were also
19 quite busy in the fall, on direction from the
20 Yukon Legislative Assembly. In partnership
21 with the Employment Standards Board, we had to
22 assess the situation regarding young workers
23 in the territory (children and young people).
24 We carried out consultations with parents,
25 employers, youth and labour, and we tabled
26 that report in 2009. So a lot of the activity
27 was in 2008, with the report in 2009.

1 In 2008, our Young Worker
2 Safety Coordinator presented a four-hour
3 safety program, called "Work Shouldn't Hurt",
4 to about 600 grade 10 students in all
5 communities in the territory. We are
6 continuing to work with the Department of
7 Education on developing similar safety course
8 material for other high school grades, as well
9 as K-7, to try to get into the full curriculum
10 at the school level.

11 Finally, we had a young
12 worker safety video contest, with four other
13 organizations who assisted us with that. That
14 started in 2008, it was completed in 2009. We
15 had a number of short videos on that, and if
16 you haven't seen them you should go to our
17 website and have a look, because they're some
18 really good work, both artistically and around
19 safety messaging, from the young people who
20 participated.

21 Out thanks go out to our
22 sponsors, Yukon Energy and Skookum Asphalt,
23 who sponsored prizes; the Dawson City
24 International Short Film Festival, because
25 they certainly provided for viewing, which was
26 a pretty nice addition to the cash prize
27 (these films were viewed at the Festival); and

1 Skills Canada Yukon... certainly had all their
2 Skills Clubs involved, and we were able to do
3 our presentation of prizes at their actual
4 Skills competition at Yukon College.

5 So, with our partners, we
6 were able to have a successful event.

7 Finally, when we look at
8 why would injuries be down... a lot more
9 awareness, but we also had the Return-To-Work
10 Consultant out there, who has been working,
11 helping employers develop Return-To-Work
12 programs for their companies. We had over 100
13 employers who were visited by the Consultant
14 in 2008.

15 Obviously, as Vicki said,
16 the new focus on Return-To-Work doesn't
17 necessarily prevent injuries, but it certainly
18 reduces the cost of our lost-time payments.

19 As noted, we always look at
20 how long a worker is on benefits before they
21 return to work as our "claim duration". In
22 2008, we saw a 31% improvement in claim
23 duration, as reflected by workers who are
24 receiving their last payment within less than
25 90 days. It is a significant savings to the
26 system. We saw a 20% decrease in lost-time
27 payments as a result of that, so we were very

1 pleased with the movement there.

2 There is still a lot more
3 to be done, but it's a good first step.

4 In the Year at a Glance,
5 you can see our assessment revenue down the
6 page. So we collected 23.9 million in
7 assessment revenue in 2008, which was up from
8 22.5.

9 You may recall, we also had
10 an information sharing agreement with Canada
11 Revenue Agency, which, basically, we exchanged
12 lists of registered employers, to see who was
13 registered with us but not CRA; who was
14 registered with CRA but not with us. We
15 collected about an additional \$35,000 in
16 assessment revenue premiums, but that should
17 be an annual increase as those employers are
18 ongoing and still will be paying assessments
19 for us from year to year.

20 I am now getting into some
21 of the financial statements within the Annual
22 Report. So, if we turn to page 25, our
23 Statement of Operations, we can see that
24 claims expenses were up slightly, between 2007
25 and 2008. That was about a \$375,000 increase
26 in claims payment. As I said before, while
27 durations is down and our lost-time payment

1 cost is down, what we saw in there was, A, our
2 workforce increased and we were covering more
3 workers; obviously, the wages increase every
4 year, as we see our minimum wage go up by the
5 CPI, so we also see our average benefit rate
6 go up; our medical costs... in fact, we saw
7 increasing costs of medical.

8 As you are probably aware,
9 a lot of our medical does happen outside the
10 territory. If we need something right away,
11 then we have airfare and specialist visits,
12 and so on, to deal with. And, also, Medevacs
13 are a significant cost to the system, that a
14 lot of other systems don't bear.

15 The big change in that one
16 was actually an actuarial adjustment on our
17 mortality tables, of over a million dollars.
18 If we hadn't had that adjustment, we would
19 actually see, in our financial statements, the
20 decreasing claims expenses.

21 Now, our operating deficit
22 was \$18.3 million, and that is a direct result
23 of our investment portfolio. We were
24 affected, obviously, by the downturn in the
25 markets in 2008, although not to the extent of
26 other similar organizations. As Vicki said,
27 we were in the top quartile in performance.

1 It is unrealized loss; we have not taken cash
2 out of our investments to run the operations
3 and, therefore, we are currently watching our
4 investments move up and down with the market,
5 as everyone is, but right now we are at least
6 back to where we were in 2008, which is fully
7 funded, with some 5% reserves that we have.

8 So our investment portfolio
9 posted a negative return of 10.7% last year,
10 which, compared to some of the other areas in
11 the market, is less bad than others.

12 We did have investment
13 income of \$5.3 million in dividend payments
14 and interest, but that was certainly offset by
15 the capital loss of almost \$20 million in the
16 stock market.

17 Our general administration
18 costs (I'm still on that same page, we look at
19 "Administration") increased by about \$400,000;
20 and last year we were actually fully staffed
21 for the first time in a long time. In prior
22 years, we hadn't been able to staff all our
23 positions, particularly in the area of
24 Occupational Health and Safety (we were
25 running with one or two safety officers), and
26 last year we were able to staff, fully, to
27 four. So, now we are fully staffed. We are

1 under the Collective Agreement for the Yukon
2 Government, so we do see those collective
3 agreement increases, as anybody else in
4 Government would see.

5 Our administration numbers,
6 however, are still below our budgeted amount.
7 It is that budgeted amount that determines
8 employer rates. That's how we set rates;
9 using the budget, not the actual, obviously,
10 because we have to set rates in advance every
11 year.

12 The Auditor General has
13 reviewed all our financial statements and all
14 of the accompanying notes, and has confirmed
15 that they are in accordance with our *Act* and
16 regulations, with the *Occupational Health and*
17 *Safety Act* and regulations, as well as the
18 *Financial Administration Act* and regulations.
19 We are in a position where the Auditor
20 General, herself, signs our financial
21 statements, so there is certainly an extra
22 level of rigour that goes into our review,
23 that we are quite pleased with and welcome
24 every year.

25 So those are some of the
26 highlights from the report. There is a lot of
27 reading in there, to go through. A lot of the

1 notes need to be read, because the financial
2 statements have the numbers, but the notes
3 really have a lot of the detail behind it.
4 So, as you're reading the financial
5 statements, please take the time to read... if
6 there's a note attached to it, it might say,
7 for example, on page 25, "Investments", see
8 note 14. Well, note 14 is going to provide
9 you with a lot more information, and may
10 answer some of your questions.

11 Otherwise, certainly, Vicki
12 and I will be happy to take your questions
13 now, if you have them; or, if you have time,
14 you want to read through the Annual Report,
15 later on you can e-mail Pauli or myself if you
16 have a question that you'd like to ask on the
17 Annual Report, or if there is anything else.

18 **QUESTIONS AND ANSWERS**

19 MS DEMIANENKO: A quick note on prevention.

20 First of all, I note, on page 39, under your
21 "13. Commitments", you have "Prevention Fund
22 Agreements". You mentioned earlier that the
23 Fund was committed to the end of 2010. And
24 then I see no future funding agreements here.
25 So, can we talk about that a little bit?

26 MS ROYLE: Well, the Prevention Fund
27 was set by the Board of Directors as a one-

1 time \$5 million fund, to stimulate prevention
2 activity. It was intended as seed money, for
3 projects which would start up with this money
4 and then spread. So that was a one-time fund,
5 which is why it was committed for five years,
6 to the end of 2010.

7 If the Board chooses to do
8 something other than that in the future, that
9 will be different, but that was certainly made
10 very clear when the fund was announced, that
11 it was \$5 million, it was a one-time, it was
12 seed money, and it would end at the end of
13 2010. So, unless there's a different
14 decision, Terry, between now and then, that's
15 where we are.

16 MS DEMIANENKO: And another point on page
17 25, "Prevention", it says "(note 16)". I
18 noticed here that prevention, and I'm not sure
19 what this includes, exactly, but it has
20 dropped significantly from '07 to '08, and
21 again in the back, to the Contribution
22 Agreements funded through the Prevention Fund
23 and funded through the Stabilization Reserve.
24 So, again, quite a drop in both of those
25 areas, could we explain that a little bit?

26 MS ROYLE: Well, if we look at the
27 Contribution Agreements funded through the

1 Stabilization Reserve, they've actually
2 increased from \$272,000 to \$280,000.

3 Funded through the
4 Prevention Fund, certainly, we only have what
5 people apply for through the Prevention Fund;
6 we don't go out and solicit. We started to do
7 that but, with the Fund, we were out talking
8 with the people, trying to get an interest in
9 the Fund. So those are what we've estimated
10 as the cost.

11 Obviously, in the early
12 days of the Fund, there was a lot more money
13 spent, early on, and now it's kind of tapered
14 down, about \$675,000 a year, and we're
15 expecting that in 2009 and 2010 as well; the
16 \$675,000 level for that.

17 When you look at our
18 expenses, on the Occupational Health and
19 Safety, we're about bang on to where we were
20 last year, with respect to our administrative
21 spending in Occupational Health and Safety.
22 So we certainly are very, very committed to
23 it, and pleased that we're fully staffed,
24 finally.

25 MS DEMIANENKO: The staffing of
26 Occupational Health and Safety, is that
27 reflected under the Occupational Health and

1 Safety line, or is it the general
2 administration line?

3 MS ROYLE: That's under the
4 Occupational Health and Safety line.

5 MS DEMIANENKO: Okay, so there is quite a
6 significant rise in general administration, of
7 500,000, here as well.

8 MS ROYLE: Yeah, and that's due to the
9 Collective Agreement increases, and the fact
10 that we were fully staffed. If you saw our
11 2007 budget numbers, we would see that there
12 were several positions that were not fully
13 staffed. The Internal Auditor, for example;
14 we didn't have our investigator until half way
15 through the year.

16 So, OH&S was definitely an
17 area where we needed to be staffed, but we had
18 a number of other positions that we were
19 having trouble staffing up, and so we saw
20 those. But the majority of that is our
21 Collective Agreement increases for our staff.

22 MS DEMIANENKO: Another thing on the back
23 page, the Year at a Glance, I'm just wondering
24 why we're saying - you've mentioned
25 "injuries", but the line item says
26 "incidents". Is there a differentiation that
27 you have, between "injuries" and "incidents"?

1 MS ROYLE: No. And if I did that, I
2 apologize, because we count the incidents, or
3 anything that's reported to us, that something
4 happened in the workplace. So, everybody who
5 files with us is an incident. It becomes a
6 claim if there are costs associated for
7 reimbursement.

8 So, some people might
9 report something that isn't going to the
10 doctor, they didn't lose any time, but they
11 just put in a report that an incident happened
12 at the workplace, and they may have been hurt
13 or may not, and that gets counted as an
14 incident. A claim is where there are costs
15 associated with it.

16 So, if I used "injuries", I
17 shouldn't have done that; it's "incidents".

18 Some incidents aren't
19 actually injuries. There are a few, there,
20 that were - you know, someone reported that
21 there was an unsafe condition. Not very many
22 of them, Terry, but sometimes they get
23 reported through there and they shouldn't.
24 But the majority of those would be injuries.
25 They're not all work-related, they don't all
26 result in claims, and they don't have money
27 spent on them.

1 assistance, but usually we look at cost
2 history, the number of injuries, and the type
3 of industry.

4 We've also started looking,
5 now, at new employers. So, anyone who is
6 coming in new, we tend to have either a Safety
7 Officer or our Safety Consultant go out and
8 meet with them and see if they're set up
9 properly and so on. We're seeing this year,
10 in fact, a lot more contractors coming in from
11 Outside, and starting up, getting some of the
12 work that's going on.

13 So... cost, but number of
14 injuries, type of injuries....

15 MS DEMIANENKO: And, again, CHOICES
16 program, how many employers were receiving
17 your rebate or service back from CHOICES?

18 MS ROYLE: We paid out, I know,
19 \$221,000 in CHOICES rebates, and - I have the
20 number, it's three hundred and sixty-
21 something, but I don't want to quote it
22 because it might be 364 or 365, I think it's
23 369 but I want to make sure of the number.
24 I'll get it for you.

25 MS DEMIANENKO: Another item I see is the
26 commitments on point 13, page 39... "computer
27 software", for the next three years, I see

1 quite a bit of money dedicated to your
2 software improvement. Realizing that you've
3 done a big revamp of your system, I'm
4 wondering if employers can expect to receive
5 up-to-date, kind of current, data about what's
6 happening, based on this new system.

7 MS ROYLE: Well, what we have, we did
8 a new claims system. What the software design
9 in here is for, is an OH&S system. We don't
10 have an OH&S computer system, it's all done
11 manually right now, on Excel spreadsheets. So
12 we are building an OH&S system that will talk
13 to the claims system. And then our assessment
14 system is quite archaic, and that's being
15 updated as well.

16 So the future development
17 is in the area of OH&S and assessments.

18 We'll also keep the claims
19 system updated, obviously. And we are working
20 on a data warehouse, which we'll be able to
21 get the data out a lot quicker, to employers,
22 in a more beneficial way.

23 So, we've really struggled
24 with our data warehouse, and getting that good
25 information out of that system so that we can
26 readily give it to employers. I know we're
27 working with some folks in your organization,

1 to figure out an easier way to get it faster
2 to you guys.

3 So the anticipation is that
4 we'll be able to provide better information,
5 faster. We are able to get more reports out
6 of this system than we had out of the old
7 system, but certainly not to the extent that
8 we were hoping to be at right now, but we're
9 still plucking away at our data warehouse,
10 trying to get better reporting.

11 Yes, it would be great to
12 be able to have it on line, and people could
13 download and so on, but we're just not there
14 yet. But the focus of the software
15 commitments is definitely in OH&S and
16 assessments, and all these three systems will
17 then talk to each other, to get more robust
18 information.

19 MS HANCOCK: Other questions?

20 MR. KENT: Val, I have a number of
21 questions that members of the KPMA Board have
22 put forward, but I could just e-mail them to
23 you, and copy -

24 MS ROYLE: You can. I mean, you can
25 either do it here, or -

26 MR. KENT: I don't have them with me,
27 there are quite a few of them, so I think it's

1 just easier for me to -

2 MS ROYLE: Absolutely, you can e-mail
3 them to either me, directly, or through Pauli,
4 if you have particular questions.

5 MR. KENT: Okay.

6 MS HANCOCK: I see you're still flipping
7 through... any more question?

8 MR. KENT: No.

9 MS HANCOCK: No more questions, Terry?
10 If not, I guess we'll wrap it up. Thank you
11 ever so much for coming. If you find a
12 question, when you've had an opportunity to
13 really go through the report, just e-mail
14 either Pauli or Val and we'll get the answers
15 out to you.

16 Doug will do a transcript
17 and it will be on our website within about 30
18 days, so you can pull it off there.

19 MS ROYLE: All right, thank you.

20 MS HANCOCK: Thank you.

21 (Meeting adjourned at 3:30 p.m.)

22 This is to certify that the foregoing is
23 a true and faithful transcript of the
24 contents of the record prepared in the
25 above named proceeding.

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28 _____
 Doug Ayers, Court Reporter