

8:30 a.m.

Wednesday, May 1, 1991

[Chairman: Mr. Paahak]

MR. CHAIRMAN: I understand the minister is in the building, but this might give us an opportunity to deal with the routine of the committee before I welcome the minister to the committee hearings. So if everybody would take their place, I'd like to call the meeting to order. The first item on the agenda is to approve the minutes of the April 24, 1991, meeting. Before I ask for a motion to do that, I might point out that we did have a situation arise last week in which one member of the committee wished to abstain.

Here's the minister now. Perhaps we shall wait, then, until . . . [some applause] Well, this is an auspicious way to start the morning, with a nice round of applause for the minister as he comes in with quite a number of officials from his department. Mr. Minister, before I formally welcome you, I'm going to just do a little bit of the routine of the committee, and then I'll turn to you as soon as possible.

I was just explaining to committee members that last day we had a situation arise that was new to me as committee Chair, where we had a request for a recorded vote, which is within the rules that govern the operation of this committee, but a member wished to abstain from the vote, which created a new situation for me. Technically, a member of a committee cannot abstain from a vote on an issue; that member has to be outside the Chamber. I did not give the member an opportunity to withdraw from the Chamber, which I will try to do in the future. So the minutes show the actual vote, and if you've read the minutes, there's a comment with respect to the member that did not vote. I told members of the committee that I'd get back and report to you on proper procedures today, which I think I have just done.

Having mentioned that, is there a motion to adopt the minutes as distributed? So moved by Mr. Lund. Agreed, then, that we adopt the minutes as distributed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: I'd like to welcome the Hon. Peter Trynchy, minister of Occupational Health and Safety, this morning and also welcome the Auditor General, Don Salmon, and his associate Andrew Wingate.

Mr. Trynchy, I'll turn to you and invite you to introduce your guests and make any opening remarks you'd care to make.

MR. TRYNCHY: Thank you very much, Mr. Chairman, and good morning, members of the committee. I'd like to introduce the people with me. I'll start on my right here: Dr. Hugh Walker, managing director of Occupational Health and Safety; Mrs. Linda Fields, director, operation support; John Johnston, co-ordinator, field operations. On this side we have Vern Millard, chairman of the Workers' Compensation Board; Ron Grainger, acting chief financial officer of the Workers' Compensation Board; and Doug Murray, with the Workers' Compensation Board in government relations. I think a lot of you have worked with Doug Murray.

Mr. Chairman and members, let me begin by outlining some of the things we see as a priority and where we're going in Occupational Health and Safety. I'd like to address my comments to Occupational Health and Safety. Although Occupational Health and Safety and workers' compensation are administered separately, they share a mutual concern with

reducing the number of serious and disabling work-related injuries and illnesses experienced by Albertans. Currently, the General Revenue Fund is reimbursed 50 percent of the amount expended by Occupational Health and Safety and by workers' compensation. The board provides 50 percent of their budget.

Workers' compensation provides data on lost time injury and illness claims to assist Occupational Health and Safety in targeting its prevention activities. Alberta Occupational Health and Safety and the WCB have been working together to encourage industries, employers to improve worksite health and safety conditions through the establishment of WCB-funded industry safety education associations and initiatives such as the window of opportunity program. Occupational Health and Safety and the Workers' Compensation Board are continuing to explore areas for potential partnership; for example, ergonomics, workplace and job design, education for employers that tackles the costly ongoing problem of repetitive strain injuries. Both organizations, Occupational Health and Safety and the WCB, have undergone some restructuring to improve efficiency and to focus their efforts on priority problems and client needs. In the long run, these changes will have a positive impact on workplace health and safety services to Albertans who are injured at work.

In September of 1988 Occupational Health and Safety moved from the Department of Community and Occupational Health to become a freestanding agency. I think this was a well-thought-out decision, and this will provide quicker and better service to employers and workers throughout Alberta. We have reorganized our field services, and we now have, I believe, 10 offices across the province. We now have six regions, which were created from the former two. Occupational hygiene and inspection branches were combined to form one-window access to health and safety services through six regional offices and four suboffices. I think if you check *Hansard* of Monday evening, I named the offices across the province.

Three head office divisions were created to provide administrative, technical, and information support and services to the region as well as to deliver some provincial programs; for example, a radiation equipment registry and inspection and the Occupational Health and Safety heritage grant program. A new division was created to assist employers to establish their own accredited and audited workplace health and safety programs.

In 1989-90 Occupational Health and Safety took an important step by embarking in a formal strategic planning process. The planning process helped Occupational Health and Safety identify significant changes in its operating environment, including new and expanding industries and changes in the workplace technologies and in the workforce. As part of the process, Occupational Health and Safety researched the occupational health and safety needs and concerns of Alberta employers and workers and their views on the role of the provincial government in workplace health and safety. A set of operating principles was developed to guide Occupational Health and Safety's long-range and day-to-day decision-making. This includes enforcement when workers are in danger but the use of information, incentives, technical assistance, and advice as alternatives to enforcement wherever possible. We try to provide as much information to the worker and to the employers as an alternative to enforcement, but rest assured that where enforcement is necessary, enforcement has been taken. This also includes the use of partnerships with organizations and employers who are leaders in their industry to help get this message across to more employers and workers. The tripartite forum for action, which was initiated in '89-90, is a good example of this partnership.

One of the most important guiding principles in getting results: the Occupational Health and Safety plan identifies six target areas for special attention. Over the next five-year period, 1990 to '95, we'll target residential construction, forestry, recycling and disposal, small business, new workers, and public awareness. Five-year goals have been developed for each target area to guide us and help determine which of these activities are on the right track. One of the more important directions for Occupational Health and Safety is encouraging industry, employers, and workers to become more aware and more informed of occupational health and safety programs and their solutions. Employers and workers must - and I say "must" - accept greater responsibility for worksite health and safety.

The occupational health and safety heritage grant program provides an important way to support this involvement, and you were all issued with a document of all the projects the heritage grant program has been committed to. It was a commitment of this government in 1981, and since then \$10 million has been set aside from the Alberta Heritage Savings Trust Fund to fund education research initiatives outside of government which would help to prevent work-related injuries and illnesses and to promote occupational health and safety.

8-40

The heritage grant program has identified several high priority problem areas and has funded projects which addressed these critical areas: one, fatal and serious injury accidents; two, occupational health and safety programs of small businesses; three, chemical and biological hazards; four, hazards in the oil and gas industry; and five, barriers to communicating occupational health and safety information to employers and workers, including those with English as a second language and poor reading skills. Grant-supported projects and their outcomes are tracked and reviewed on an ongoing basis. These projects have complemented the initiatives of Alberta Occupational Health and Safety; together they're having a significant impact on reducing injuries.

In the nine-year period from 1980 to '89 the provincial lost time claim rate has declined by 34 percent. Data for the year 1990 is not yet available. The 1989 provincial lost time claim rate was the lowest ever recorded since claim rate statistics have been kept in Alberta. Significant reductions in illness and injuries have been recorded in industries where occupational health and safety and the grant program have focused their efforts, notably the upstream oil and gas and the forest industries. The grant program was formerly evaluated in '86 and will be evaluated again in 1991. The annual reviews describing trends in lost time workers' compensation claims and activities of occupational health and safety in the grant program are available.

Mr. Chairman, we did circulate the annual reports of Occupational Health and Safety, the Millard report, and the report on all the projects that were funded, the status report of January 1990. I don't know if you have them with you, but should you require additional copies, we can have them for you.

Mr. Chairman, those briefly are my opening comments, and we're prepared now to take any questions the members may have.

MR. CHAIRMAN: On behalf of the committee, hon. minister, I'd like to thank you for your opening statement and providing some opportunity. All members of the committee so far have indicated they would welcome an opportunity to put questions to you.

Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. Yes, indeed, we do welcome the opportunity to ask questions. My first question: the Auditor General recommends on page 68 of this year's report that the WCB should "implement procedures to review the decisions of the Claims Services Review Committee and the Appeals Commission as a basis for policy formulation." What exactly are the mandates of these two bodies?

MR. TRYNCHY: I don't think I got your question, Mr. Member.

MR. PASZKOWSKI: I'll start again if that's okay.

MR. CHAIRMAN: I should just point out to the hon. minister that we try to keep questions to the public accounts for the year under review or to the Auditor General's comments and remarks, and I try to ask the members of the committee to give us a page reference in the document they're basing their question on.

MR. PASZKOWSKI: On page 68 in this year's report, Mr. Minister, the Auditor General recommends that the WCB should "implement procedures to review decisions of the Claims Services Review Committee and the Appeals Commission as a basis for policy formulation." What exactly are the mandates of these two committees?

MR. GRAINGER: The Claims Services Review Committee is authorized under section 40 of the Workers' Compensation Act to review the record of a claim on the written request of any person with a direct interest in a claim for compensation under the Act. The particulars to be reviewed have to be provided in writing.

The Appeals Commission is mandated under section 7 of the Workers' Compensation Act. It

has exclusive jurisdiction to examine, inquire into, hear and determine all matters and questions arising under this Act in respect to appeals of decisions of the Claims Service Review Committee or the Assessment Review Committee or any other matters assigned to it under the Act.

The decision of the Appeals Commission on the appeal . . . is final and conclusive and is not open to question or review in any court.

MR. TRYNCHY: What happens, Mr. Chairman and members, is that the Claims Services Review Committee at times doesn't have all the information from the worker in regards to medical and other things necessary. When it goes through the Claims Services Committee, they don't have all that information, so they don't give as good a ruling as they could if they had the information. Then the person goes to the Appeals Commission and provides additional information, additional medical reports and other things that relate to the injury. So that's why you have some, I believe - I just don't recall the percentage, but some of those recommendations are decisions by the review committee overturned by the Appeals Commission. Of course, it's because they're not working with the same amount of information as the Appeals Commission is.

MR. CHAIRMAN: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Chairman. How are the decisions of these two bodies currently reviewed?

MR. GRAINGER: How are they heard?

MR. PASZKOWSKI: Currently reviewed.

MR. GRAINGER: Currently reviewed. Oh, I'm sorry. There is a process for reviewing the appeal process. The value in analyzing these decisions is recognized. A process is in place whereby issues are identified and prioritized by staff representing the appeal bodies and the operating departments. The issues are addressed by a group of senior staff who evaluate and make recommendations to clarify, alter, or, if appropriate, initiate new policies. Internal audit also conducts reviews of appeal body decisions.

MR. PASZKOWSKI: My final: are steps being taken to use the analysis of these decisions to implement and amend WCB policy?

MR. GRAINGER: Yes.

MR. TRYNCHY: What we do, Mr. Chairman and members, is the Auditor General's report goes to the board of directors. They review recommendations, and they will then go over these recommendations and present to the minister, whoever that person may be, recommendations to change the Act if that's what's necessary. If that isn't necessary, then of course they'll direct the CEO and the executive of WCB to implement the changes to reflect what the Auditor General has recommended.

MR. CHAIRMAN: Thank you. Maybe I should just point out that I believe this is the first time the minister has been before the committee. Our practice here is to recognize a member, the member gets to put three questions to the minister, and then we move along.

Mr. Payne.

MR. PAYNE: Thank you, Mr. Chairman. I wonder if I could refer the minister and his associates here to page 3.58 of the big, fat blue book. The minister will note on 3.58 of the public accounts the data provided under vote 12, which is the Occupational Health and Safety Services vote. Okay so far?

I'm wondering if the minister or his senior officials can comment on what appears to be a disturbing trend. If you refer to column 2, the prior year liabilities - in other words, the deficit you drag with you into the reporting year - there's almost a third of a million dollars under salaries and wages; then in the year being reported, which is '89-90, there's almost a half million dollar overexpenditure on the supplies and services side. I'm just wondering if the minister can comment on these two really quite serious overexpenditures and possibly suggest what steps have been taken or staffing considerations have taken place to turn that trend around.

DR. WALKER: Let me begin with what the original budgetary figures were. We had an '88-89 budget of \$11,700,000 and in '88-89 we spent \$12,000,000, so that gave us the overexpenditure you've noted of \$325,000. We spent approximately \$230,000 on EDP equipment, I suppose in anticipation of the next year.

&50

One of our difficulties had been that we had been part of Community and Occupational Health and had been moved out to become an independent agency, so we had to make some estimates of where our expenditures would be as a freestanding

agency. We anticipated that we had a surplus going into the end of that year, so we bought some EDP equipment. It turned out that we were mistaken about that surplus because there were a number of late adjustments as a result of this spinning-off of the agency, so we had some bills to pay back to the earlier department of Community and Occupational Health that we hadn't anticipated. It's those sort of late bills that caused the deficit.

We have been working to reduce that deficit, and in terms of it being a trend, we're down, we hope, to almost zero this year in terms of paying it back.

MR. TRYNCHY: If I could just add to it, Mr. Chairman and members. When Occupational Health and Safety moved from community health, we knew there would be some figures that wouldn't match, because nobody could figure precisely what should go and what should stay and what dollars you'd need because the people moved and things moved too. The department knew that. The Treasury Board knew that, so they said, "Well, go ahead and finish up the year and we'll see where we're at." So that's how that came about.

MR. CHAIRMAN: Supplementary, Mr. Payne.

MR. PAYNE: Yeah. That's a very helpful comment.

I wonder, Mr. Chairman, by way of a sup, if I could shift gears totally and simply raise a question on the operating or program side as opposed to the financial data side.

The Chairman and other Calgary members will be aware that a couple of years ago oil patch accidents and deaths were getting a lot of publicity, widespread concern in the community as well as across the industry itself. My vague recollection is that OH and S, or the predecessor department, and the industry had struck some kind of task force, and I simply don't recall in recent times, certainly in this year we're discussing, the '90-91 year, the same level or incidence of oil patch safety problems. I'm wondering, could the minister or perhaps Mr. Millard comment on the accuracy of my recollections and clarify to what extent the oil patch is still a difficult if not dangerous place to work?

MR. TRYNCHY: Well, let me start off with this. You're right, member, that the oil patch has been a high injury workplace, but the rates in the drilling sector have been reduced from 14.5 percent to 7.1 percent - still too high, but it's more than a 50 percent reduction. The servicing industry rate has gone down from 18.9 percent to 8.9 percent, so we've made some tremendous strides towards reduction. The upstream report, that I'll have Mr. Millard comment on, is working towards that, and we're getting very good co-operation from the oil patch themselves. In my meeting with them just recently they said they can reduce further the number of injuries in respect to their industry, and that's a good sign. We're working with the oil patch and the upstream people very, very closely.

Mr. Millard, would you like to add something to that?

MR. MILLARD: Both the drilling industry and the well servicing industry are participating in the window of opportunity program. Those programs are designed to reduce injuries even further. The plan is to reduce injuries over the next two years by 15 percent. This is a combined program between Occupational Health and Safety and the WCB.

The WCB, through its assessment system, has granted a reduction in the rates for both the drilling and the well servicing

employers that participate in the program, a reduction of 15 percent. It's conditional upon the companies and the industry actually achieving that 15 percent reduction. If they don't, the board will go back and collect the money. So there is no subsidization by any other industry in terms of that, but we believe that will be a further impetus to make a significant improvement in the reduction of injuries. Indeed, I think it's fair to say that with programs and incentives like that, the expectation is that we can make a substantial improvement in the injury rate in the province.

MR. TRYNCHY: Dr. Walker has numbers that I think are important.

MR. CHAIRMAN: Hon. minister, I'd just like to make one quick comment, if I may. I know Mr. Payne knows this, but for the benefit of other committee members, the gentleman who just spoke, Mr. Millard, was formerly that very highly respected chairman of the Energy Resources Conservation Board in the province of Alberta.

MR. TRYNCHY: Right. Should have mentioned that myself.

DR. WALKER: I have some numbers to support the trend you've observed. The number of fatalities that we investigated in the oil industry were 11 in 1988 and four in 1989 and seven in 1990, so there is some downward movement. In terms of lost time injuries, numbers of people injured for every 100 people working for a year, for well drilling it was 12 and a half in 1988 and seven for 1989. So by measures of both lost time claims and fatalities, there's been quite a substantial drop in the last couple of years.

MR. PAYNE: Mr. Chairman, if I may, could the data to which the minister and Dr. Walker referred to today be made available to myself and possibly other members of the committee?

MR. CHAIRMAN: I was going to ask if the minister could send it to the secretary of the committee, and then we'll make sure all members receive it.

MR. TRYNCHY: We will check *Hansard* when this is over. Whatever information we haven't provided this committee, we will provide to the secretary.

I might add that in 1990 we performed some 1,000-plus well site inspections, so we're moving into that field. We're concentrating more of our efforts in the high hazard industries: logging, oil patch, those kinds of things.

MR. PAYNE: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Lund.

MR. LUND: Thanks, Mr. Chairman, and good morning. On page 3.59 of the public accounts, line 12.0.6, we've got Field Operations, and I see that the expenditures there were some \$130,000 less than budget. How do we account for that?

DR. WALKER: The underexpenditure in field operations happened primarily as a result of vacant positions. Those vacant positions happened because we were reorganizing and creating some additional field offices. Until we had that nailed down, we had to find out who we could locate to those new offices and hire the new people. That didn't get finished until fairly late in

the '89-90 year. When we were finished, however, we'd hired five new officers in the Grande Prairie office, and that was the principal change. But since we didn't do it at the beginning of the year, that led to the surplus you've commented on.

MR. LUND: Well, does that mean, then, that really there were less inspections in the field through '89-90?

DR. WALKER: No. We had 16,000 contacts with worksites in the '89-90 year, and that was up from the number of worksite contacts we'd had in the previous year. We changed the mix of the types of contacts a bit, but our overall activity, we felt, was up.

MR. TRYNCHY: Just to add to that, the vacant positions we talked about were not field operations. They weren't inspectors in the field; they were internal office staff. So we've eliminated, I believe, five positions which we feel we didn't need in the offices. As far as reducing field inspections, we did not. We increased field inspections.

9:00

MR. LUND: A supplementary. I guess one of the things that's bothered me a lot, having worked - the number of complaints I get, of course, as an MLA is quite substantial. The minister has commented that you moved into things like the oil patch with increased inspections, and yet we know that hospitals, I believe, are number one as far as accidents, municipalities second. I'm wondering: how much increased effort are you targeting towards the hospitals and municipalities? If I might, just another little side of that: what type of injury is it that you're finding in, say, hospitals as the predominant injury?

DR. WALKER: The way we're approaching industries like hospitals and municipalities is not so much by increasing the number of individual worksite inspections but by trying to get the hospital association to recognize that injuries are a serious problem for them, and the injuries in hospitals are particularly back injuries.

On the municipalities side, there has been formed a county and municipal district safety association that draws most of them together, and that association is funded by the Workers' Compensation Board. The expectation is that that association will get that group of employers to focus on safety. So that's a different approach. It's not going after individual worksites but going after major employers and saying that we feel they have to do something about this.

MR. MILLARD: If I could just add to that comment by Dr. Walker, there are 15 of the major hospitals in the province participating in the window of opportunity program that I was referring to previously. They are participating on a basis similar to the drilling and the well servicing industry. In other words, their assessment rates are being reduced on the assumption and on the basis that they will reduce injuries over this next two-year period. Again, on the same qualification, if they don't, then they will have to pay back the money. I expect again that as in other industries where this program is taking place, this will have a significant impact on the number of injuries.

MR. TRYNCHY: Mr. Chairman, I think it's important that you have some numbers. You're right, Mr. Member, that hospitals are number one. There were 2,187 claims put in by hospitals. That's the largest number of claims of any industry. The total

cost of compensation was some \$3.9 million. Cities were number two. Sixteen cities put in 1,906 claims, and their costs were \$4 million-plus. The window of opportunity will work well with the hospitals, but the new association we have formed with the municipalities, cities, counties, and IDs, that they just accepted, will be funded by workers' compensation assessment, except that we just started this spring. We hope to provide education and information to the cities, counties, and IDs to reduce their injuries. So that's how we're working with them.

MR. CHAIRMAN: Thank you.

Mr. Gibeault.

MR. GIBEAULT: Thank you, Mr. Chairman. If we could turn to page 67 of the Auditor General's report, near the bottom, referring to the appeal process, the Auditor General says:

The high rate of successful appeals is to some extent due to incomplete or misunderstood information in claims files, and ineffective communications between claimants and adjudicators.

The Auditor General makes that remark with respect to the year ended December 31, '89. We're now almost a year and a half from that period of time. I'd like to ask the minister and his associates: if we can measure between 1989 and 1990, has there been a significant decrease in the number of appeals by claimants that might reflect some improvement in the process? Maybe I'll just ask that first question first. In other words, has there been any reduction in the claim appeals from '89-90?

MR. TRYNCHY: Yes. We are working very hard to train our Claims Services Review Committee people to do a better job and not make their decisions until they have all the information they can get before them. That way they will have fewer appeals going to the Appeals Commission. We're doing that. I don't know if we have numbers. Maybe Doug or Ron could help us with numbers. But that's what's happening. We put more emphasis now on training our first Claims Services Review Committee members to get a better feel and understand and ask more questions of the injured worker so that when they make a decision, it doesn't have to go to the Appeals Commission. We're finding fewer and fewer claims going to the Appeals Commission. The Appeals Commission is now down from 18 to 24 months for hearings to within three or four months.

MR. MILLARD: That's correct. That's the speed with which the appeals are heard.

In terms of the number of appeals in 1989, there were more than in 1988. But I think one has to put the appeals in perspective. If my memory is correct, the appeals in 1989 were something in the order of 600 or 700, but we have to recognize that there were 45,000 lost time claims in 1989. Now, they get to the Appeals Commission normally several years after the time of the accident. That 45,000 has prevailed over roughly the last 10 years. So we're talking about a very, very small percentage of the total.

I think the fact that the Appeals Commission ends up changing some of the decisions made by the Claims Services Review Committee simply points to the independence of the Appeals Commission. Of course, one has to also recognize that the changes are frequently relatively minor in terms of the overall decision made by the Claim Services Review Committee. I think it's also important to recognize that the members of the Claims Services Review Committee are well trained, well experienced, and take their responsibilities very seriously. The decisions they make are well documented, but frequently they do

not involve actually having the person appear. The process is to increase the number of people that actually do appear before the Claims Services Review Committee rather than it being a documentary type of appeal.

The overall appeal process within the organization, I think, is a very fair one and does provide the opportunity for an injured worker dissatisfied with the answers that have come out of the adjudicated system to take their case to, first of all, the Claims Services Review Committee and then, if they don't get what they are hoping to receive at that point, on to the Appeals Commission.

MR. TRYNCHY: I might add, Mr. Chairman, that my information is that we had very few people injured in the last two years going to the Appeals Commission. These are all old claims. As the injured worker provides new evidence, then they can go back through the appeal process again. When they come to my office and say, "We have new evidence," then I suggest to them that they should go through the appeal process again. They can go through it again providing they have new evidence. That's why we probably have more appeals.

MR. GIBEAULT: So I gather that the minister and the board accept the criticism, if you like, or recommendation of the Auditor General. I understood Mr. Millard to say that there were more appeals in '89 than in '88, but he didn't comment - I don't know if you don't know - on what the number of appeals and the number of successful appeals were in 1990. In other words, I gather this recommendation from the Auditor General is based on the situation in 1989. What I'm wondering is: has there been any improvement in 1990, over a year later?

MR. MILLARD: Mr. Murray will respond to your question, Mr. Gibeault.

9:10

MR. CHAIRMAN: Technically, we're outside the year under review, but . . .

MR. TRYNCHY: As long as we have it, we'll provide it.

MR. CHAIRMAN: If I can interpret the question a little bit, as I understand it, the question is tied to the Auditor's recommendation, and you're looking for evidence to see if the recommendation has been . . .

MR. GIBEAULT: Yeah. If there's any sort of measurable improvement in the situation.

MR. CHAIRMAN: We may have to wait for the 1990-91 report.

MR. TRYNCHY: I think if you look at page 67, the Auditor General states in his comments:

The high rate of successful appeals is to some extent due to incomplete or misunderstood information in claims files, and ineffective communications between claimants and adjudicators. That's just what I said a few minutes ago, that that is happening. If we have all that information or new evidence comes forward, then of course they can appeal again. I don't think that's a criticism; at least, I hope it's not. It's something we want to work to eliminate.

Do you have the numbers, Doug?

MR. MURRAY: In 1990 the number of new appeals submitted was 627 as opposed to 613 in 1989. A significant point with respect to 1990: the average time between appeal receipt and decision was reduced to 90 to 120 days, reflecting the improvement in that particular process. I don't have the ratio of successful appeals to unsuccessful appeals; however, I believe recently 46 percent was quoted in the media as representing the number of appeals in which some change was made in the entitlement to the worker following review by the Appeals Commission.

MR. CHAIRMAN: Thank you very much for that information. A final supplementary, hon. member.

MR. GIBEAULT: Yes, Mr. Chairman. I wonder, then, if the minister or the board has considered or would be prepared to consider setting some sort of target of performance in terms of looking at a year from now a reduction of appeals, which hopefully would imply a greater degree of satisfaction by workers with their adjudicators in the first place. Either a reduction in the number of appeals and/or, if there are fewer appeals, a lower success rate may also imply that things are dealt with more correctly and properly at the first level of the adjudicator. You said any target. Would you be prepared to look at a performance target of saying that the board would like to see 10 percent fewer appeals or something measurable and concrete so that in a year from now we can see if there has been any measurable improvement in the appeals system?

MR. CHAIRMAN: We're getting into dangerous ground here. We're getting into policy type questions that perhaps are better debated in the Assembly itself. But normally in these situations I leave it up to the minister's discretion.

MR. TRYNCHY: Well, let me answer it this way, Mr. Chairman, because I don't mind the question and, like you say, it can be debated. We'd like to have a zero figure. I mean, if you want to target something, you want to target to zero. I'd like to see adjudicators work with injured workers and have them both satisfied: the adjudicator has done a good job and the worker is satisfied. But that's not the case. That's why they go to the Appeals Commission. The adjudicator takes the information that's provided to him or her from medical reports, from everything they have available to them, and makes a decision. The injured worker feels the award is not sufficient, so there's another step.

If we can do something better, I'm sure we will, but there's no guarantee that we could go down to zero or put a 10 percent target. I would hope we do better than 10 percent, but I don't know if that's possible. So to say: do we have a target? Yes, it's to reduce it to zero, but whether we can do that or not is questionable.

MR. CHAIRMAN: Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. To the minister. It's on the same issue, on page 67. You've discussed it quite thoroughly. You said you'd like to get the number down to zero, but in fact can the claimant appeal even if he hasn't got grounds other than that he's not satisfied?

MR. TRYNCHY: Well, the Appeals Commission will hear appeals from a claimant if they have new evidence. In some cases I think we've allowed the Appeals Commission to hear

cases that might not have had the evidence they should have had, but we're very flexible. I want to have Mr. Millard talk to it. We don't want to turn anybody away, and we haven't turned anybody away for saying, "Well, look, you can't do that because of this." We've been very flexible. If an injured worker comes forward and says "I have new evidence" or wants to be heard again, we've had people go through the Appeals Commission twice and sometimes three times. We're that flexible.

Mr. Millard.

MR. MILLARD: I agree with what you were saying.

MR. SEVERTSON: So for the initial appeal, then, they can appeal just because they're dissatisfied and with no other - other than dissatisfaction with the claim.

MR. TRYNCHY: The first one they can appeal on the basis that they're not satisfied. Then they present their case again, and should the injury become worse and they have new evidence, the following year they can appeal again.

MR. SEVERTSON: Thank you. That's enough, Mr. Chairman.

MR. CHAIRMAN: Mr. Sigurdson.

MR. SIGURDSON: Me? The names are so alike that every once in a while I can't differentiate between the two. Thank you, Mr. Chairman.

Mr. Minister, if you'd please turn in the public accounts book to reference 7.30, I'd like to take a look at the Schedule of Administrative and General Expenses for the Year Ended December 31, 1989. It's close to the back. Got it?

MR. TRYNCHY: Go ahead.

MR. SIGURDSON: On schedule 2 I've got three areas of concern, and I'll deal with them one at a time.

In Memberships, Publications, Courses and Seminars we have a \$487,000 increase. I'm just wondering if anybody opposite could elaborate on where we had a need for almost a half million dollar increase in memberships, publications, courses and seminars.

MR. MILLARD: Perhaps I could make a general comment; then Mr. Grainger can be more specific. One of the problems the board had from past experience was a staff that really had not been kept up to date in terms of modern systems, modern methods, training, et cetera. The board of directors made a very conscious decision, and has continued it over the last couple of years, that there needed to be a significant upgrading of the board staff, in particular at the supervisory level. That, I believe, represents a major reason for the rather substantial increase, I would agree, in terms of this area.

Mr. Grainger, could you comment further?

MR. GRAINGER: I think you've covered it. The increase primarily was in courses and seminars, but certainly we saw a growth in all parts of that particular category.

MR. TRYNCHY: Mr. Chairman, when I took the portfolio two years ago, one of my first instructions to the board was to become more knowledgeable in handling the cases that come forward so we don't have so many appeals. I asked for everybody to get to know their positions better, get to know their jobs

better, and give a better decision when they meet with the injured workers. So it's not something that just happened. We asked for it to happen, and we wanted to provide the service. We make no apologies for spending the dollars to train our people better to handle the cases that come before them.

MR. SIGURDSON: As a supplementary, we'll just move up the list, then, to Staff Recruitment and Relocation. Again, I'm not looking for any apologies, but I wouldn't mind having an explanation of why we have well over a three-quarter million dollar increase in staff recruitment and relocation in the department.

MR. MILLARD: Again, during this period there was a major addition made to WCB staff in order to provide the services that were not being provided adequately before. That meant recruiting costs and just the costs of bringing people into the organization.

9:20

Maybe I could make a general comment about administrative costs. To put this in proper context, administrative costs increased from about \$45 million in 1988 to something around \$65 million in 1989 and about \$90 million in 1990. So there has been a doubling of administrative costs during this two-year period, which obviously is a very substantial increase. The whole intent was to make an investment in terms of people, systems, and equipment to permit the board to provide good service, quality service, to injured workers and employers, the two main stakeholders in the organization. What you see before you in 1989 is more or less the halfway point to this final number for 1990. Our plan is to reduce those costs as we go beyond 1990. Looking at administrative costs on a constant dollar basis, you will see that our five-year strategy is to bring them down over that period of time in order to provide more efficient service, but by then we will be equipped to provide the quality service we believe the two stakeholders deserve.

MR. SIGURDSON: I appreciate that response. You've got an increase in seminars for the people that are employed at the board. You've brought more people into the board, and therefore you've got another substantial increase in funding. Yet if we can go up another couple of areas in that same column, we have a substantial increase, an almost 400 percent increase, in Professional Fees over that same time period. We've got a \$2,676,000 increase in Professional Fees. I'm wondering if you'd care to elaborate on the increase in Professional Fees in light of all of the other services that have been increased as well. Some of them seem to be in-house. Where's the Professional Fees allocation going?

MR. MILLARD: The major increase in Professional Fees is due to consulting, acquiring the services of experts outside the organization to put into place systems in order to provide the services I was talking about before. Mr. Grainger can perhaps elaborate.

MR. GRAINGER: Certainly in large part that's what it is: consulting fees where we have brought in expertise from outside to build systems, to assist us in many regards, in management consulting fees and so forth, with the expectation - and we are certainly realizing that now - that we would have that skill transferred, that we have brought these individuals in, learned

what we can from them, utilized their services, their skills, and built on it so we start receiving those productivity gains and the efficiency improvements ourselves.

MS CALAHASEN: In public accounts - this big book - vote 13 on page 3.58, there's a decrease in the estimates for the WCB from \$15,879,370 in '88-89 to \$13.8 million in 1989-90. Can the minister explain how this budget reduction was achieved?

MR. TRYNCHY: This is the funding that goes to WCB?

MS CALAHASEN: Yes. Vote 13.

MR. TRYNCHY: Right. What we've done, Mr. Chairman and members: we're the only province in Canada that provides funds to WCB from general revenue. When I took on the portfolio, we made a decision to have the Workers' Compensation Board fully funded by the employers, so we moved to reduce the funds from general revenue into compensation to zero over a five-year period. These funds were put in by government to take care of the pre-1974 pension increases. So this year we'll have \$13.9 million, and I believe we have those figures. Here we are. I'll just give you an example of where we're at on this. In '91-92 we will provide \$10.9 million; in '92-93, \$8.2 million; in '93-94, \$5.5 million; in '94-95, \$2.75 million; and then the 1974 pension increases will be wholly funded by the board. That's a decision we made two years ago. So the provincial government will not be funding WCB after 1995; it will be totally funded by its own funds through employer assessments.

MS CALAHASEN: Basically, then, everything that's going to be happening from now on for the next five years will be reduction all the way?

MR. TRYNCHY: Yes.

MS CALAHASEN: Interesting. One question, a last supplementary, Mr. Chairman. How will this reduction then affect the services provided by the board, or will it?

MR. TRYNCHY: It should have no affect whatsoever. The Workers' Compensation Board will adjust their assessments to meet the dollars they need. The funding from government has no connection whatsoever with how the compensation board reacts to injured workers or their payments. Not at all.

MS CALAHASEN: Thank you.

MR. CHAIRMAN: Mr. Jonson.

MR. JONSON: Mr. Chairman, I guess to some degree the area I was going to tackle has been covered, because it was with respect to the increase in administrative costs. But it's been indicated that, yes, we've had the increase from \$41 million - this is referring to 7.30 of the public accounts book - to \$62 million, and then in the answer there was reference to it going to \$90 million. It seems to me it would be relevant to ask: where is this going to stop? Certainly that kind of incremental increase can't keep going on. Have you now reached a plateau?

MR. MILLARD: Yes, sir.

MR. TRYNCHY: Go ahead.

MR. MILLARD: That's what I saying before. Over this two-year period we made the investment in staff and in equipment and systems, facilities, and the five-year plan for the future is to achieve a reduction in costs so that over the next period of time we will actually be reducing staff and reducing costs in general in the administrative area.

MR. TRYNCHY: Mr. Chairman, those members that were at the compensation information meeting on April 22 probably got some pretty good information. What we want to do is: we've reached a plateau, as the member asked, and from there on we'll work down. Our compensation assessment average rate in the province is around \$1.98, and in five years time we hope to bring that down to \$1.74. So that will mean a reduction of cost to the compensation employers and also a reduction in staff, and the imaging machine we have in place now will get rid of all the filing and will also reduce staffing within WCB.

MR. JONSON: Just one other question about one particular item I'm curious about. It's still 4 and a half million dollars. There's a very significant increase from '88 to '89 in Depreciation and Amortization. What is that?

MR. GRAINGER: That is primarily, as we were mentioning earlier, an investment in systems. What we do is consider that an asset that has an expected life, so we spread it out over a number of years, and it comes back in the form of Depreciation and Amortization. So that certainly is a significant item. Other items are equipment and facilities, which we have done to improve the work environment.

MR. JONSON: I know what depreciation and amortization is. I just wondered what it was on. I assume it's equipment. Okay.

MR. CHAIRMAN: Mr. Clegg.

MR. CLEGG: Thank you, Mr. Chairman. The Workers' Compensation Board balance sheet on page 7.24 shows an \$83 million increase in liability claims. Could the minister explain why the claim amount increased so dramatically last year?

MR. TRYNCHY: What page are you on?

MR. CLEGG: It's 7.24.

2:30

MR. GRAINGER: If you're referencing the increase in our liability for claims, certainly we have seen a growth there, and that's a reflection of rising costs associated with those particular claims and an expectation of what those future costs will be. We have a corporate objective that shows over the longer term a reduction in costs, and we have every reason to believe we will receive that. In anticipating it at year-end 1989, we saw through our accident experience a need to set aside further funds, and that's what we did through that liability.

MR. CHAIRMAN: Supplementary, Mr. Clegg?

MR. CLEGG: Thank you, Mr. Chairman. The increased claims must be passed on to the employers, of course. Can the minister comment as to what kind of effect this increase has had on the employers?

MR. TRYNCHY: Go ahead, Ron.

MR. GRAINGER: We have an indication in our assessment rates, and it would be passed on to our employers. As we were mentioning earlier, we're self-funding, so that's one of the means by which we do it, through our assessment rates, and it would be passed on. The expected increase is in the neighbourhood of 4 to 5 percent.

MR. CLEGG: Thank you, Mr. Chairman. My final supplementary is kind of a general question. Maybe it's in there, and maybe it's not; I don't know. Some of these books are pretty thick for a farm boy to understand.

When I go through my constituency, many people say to me that if you're a hockey player, you always get injured in the fall, and if you're a ball player, you get injured in the spring. Have you got any statistics to show if there's any difference in the claims for full-time employees and part-time employees? Have you got those figures available to me?

MR. MILLARD: I don't think we have data in terms of part-time and full-time. I could be wrong about that and will check to determine whether we have. I have looked at data that shows the number of claims by month over the year, and there really isn't a great deal of difference. There is some variation but no particular pattern.

The implication from what you're suggesting, of course, is that there is perhaps some abuse of the system, and this is a question that comes up when the board meets with employers or when we meet with labour groups and so on. I suggest that it's probably impossible to run a system like the board has with 900,000 workers and 60,000 employers and to not have some abuse by one or the other. When we meet with employers, the employers talk about workers that tend to abuse the system, and when we meet with workers and labour groups, they of course talk about employers that abuse the system. There's probably some abuse to some degree at either end of the spectrum. We try very hard to eliminate that abuse, and we simply say to people: "If you see the system being abused, let us know. We can't maintain that kind of surveillance for 900,000 workers or 60,000 employers, but if you let us know, we'll certainly investigate it."

MR. CHAIRMAN: Mr. Bruseker.

MR. BRUSEKER: Thank you, Mr. Chairman. I wonder if you might have a look at page 7.25 in the large book, the Workers' Compensation Board Statement of Operations and Fund Balance. There's a line there under Expenditure. It's entitled "Claim costs (Note 10)." Just comparing the two figures, the 1988 total compared to the 1989 total, there is an increase of over \$5 million in claim costs, and my question relates to that line. Does that increase in figure reflect an increase in the number of claims or rather an increase in the cost per claim?

MR. MILLARD: Basically, it's an increase in the cost per claim. If you happen to have the annual report of the board, there is a number in there - and we can get this for you later - that shows that the average cost per claim in 1988 was, I think, \$8,100. The average cost in 1989 was \$8,800. So there is that increase that has taken place through to 1989.

MR. TRYNCHY: It's because of higher salaries.

MR. MILLARD: Well, in part it's because of that, but it probably also relates to the fact that the costs per se were greater. There were probably somewhat more complete services

in 1989 than in 1988. This is an index, though, that we look at very carefully.

MR. BRUSEKER: My supplementary to that. A little further down there's a line that says "provision for future claim costs." I know that it is a goal of, I think, everyone and especially the Workers' Compensation Board to reduce the number of injuries, yet the provision for future claim costs shows again an increase of about 6 and a half million dollars. I'm wondering why that figure is showing such a marked increase from one year to the next.

MR. MILLARD: It's very much a related matter to what we were talking about before, because what the board does in terms of its financial system is to estimate the future costs of claims of injuries that have already taken place. The cost per claim goes up; that means that it increases not only on a current basis but also on the future basis for those injuries that have taken place. Now, if we can be successful in reducing the total number of injuries, then even though the cost per injury has gone up, the total cost will come down. That's the reason why we are placing major emphasis on reducing injuries. Our long-term five-year plan is to reduce the total number of injuries in the province by 15 percent by the year 1994. If we can succeed in that, we will avoid about 6,000 injuries a year.

MR. TRYNCHY: Also, what you should take into consideration in that bracket is when we increase the pensions. You know, every time you increase the pensions, there's more cost for those injuries that you're addressing. So that's in there too.

MR. BRUSEKER: Okay.

My final question deals just with the figure right at the very bottom of that column. It shows an operating surplus of \$62 million that year, yet the fund balance, as I read it, is a deficit of \$304 million. I'm wondering about that \$304 million figure. To whom is that owed, and what's the plan to eventually get that in a more positive state?

MR. MILLARD: What that really means is that the board does not have available to it at this time sufficient funds to cover the estimated future costs of the injuries that have already occurred as to the end of 1989, and the deficiency is \$304 million. That occurred because the board was not applying assessment rates that covered the full cost of injuries. For example, in 1987 the average assessment rate was \$1.56 per hundred dollars of assessable payroll, whereas the required rate was \$1.73. That gap between the required rate to cover the full cost of injuries and the actual rate extended from about 1982 on to, well, 1989. In 1990 the average assessment rate was virtually identical to the required rate. In the meantime there has been that gap, and that has resulted in the shortfall in terms of the unfunded liability of about \$300 million.

9-40

MR. TRYNCHY: I'd add, Mr. Chairman, that the board will be looking at that, and by the year 2005 that should be down to zero. So they'll raise their assessment to cover their unfunded liability on a yearly basis to reduce it to zero. That means that at the year-end of 2005, if there were no more accidents, the fund would be able to cover every accident that took place before that.

MR. CHAIRMAN:—Mrs. Osterman.

MRS. OSTERMAN: Thank you, Mr. Chairman, and good morning all. Some of my questions have been answered already, but I guess I wanted to get a sense, in terms of now that your reorganization is virtually complete and you feel you have your systems in place and so on, how we are, in a relative sense, comparing to other boards across Canada in administrative costs. Basically, I was looking at your administrative costs and wondering how that compares. I know that it's maybe difficult to say what kind of services, and maybe I'm asking you to compare apples to oranges, but is that a fair question: how we're faring relative to the rest of the country?

MR. TRYNCHY: Well, I'll start, and I'll say what we're doing is trying to give the best service in Canada, which we are, and that will cost us a little more. In regard to the average assessment we are about the middle of the pack in Canada. Ontario's at \$3.18; we're \$1.97; B.C.'s ahead of us: things like that. It's hard to put a price tag on what we're doing because we want to be more efficient, do a better job for the injured workers. I don't think there's any province in Canada that's moved as far ahead as we have. Most of the provinces now are coming to Alberta to take a look at our imaging and seeing what we've done so they can do the same thing. Administrative costs in some provinces are higher than in ours, and I don't know why, but ours are higher than most because of what we're doing.

Vern, is that . . .

MR. MILLARD: Yes. I don't think we can really measure the effectiveness by the ratio of the administrative cost to total expenditures, because if we're successful in reducing injuries, which will reduce costs, that really means that our administrative costs become a larger and larger percentage, but the total cost becomes less, and of course the assessment rate becomes less. So the real test, I think, is in the assessment rate. As Mr. Trynchy indicated, our five-year plan is to bring that assessment rate from its current roughly \$2 per hundred dollars of assessment down to \$1.75. Now, to achieve that, we have got to reduce injuries substantially, the 15 percent that I referred to previously. We've got to also reduce the average number of compensation days per claim by a similar percentage, and we believe we can do that by being more efficient through the new equipment, the new processes, the new systems, and of course we've got to reduce our administrative costs to a degree. Those plans are all in place, and we're checking them quarterly to make sure that we are on track.

MRS. OSTERMAN: I appreciate that, Mr. Chairman.

That leads me into my next question, and it's been partially answered. In the minister's opening remarks he mentioned the contribution from the General Revenue Fund. I was a little bit confused about that, and I noted that there was the having to make up for the liability previously when the pensions had gone up. I think that was my understanding. You're explaining that your desire and your goal to reduce injuries, I gather, is going to make up for what will be increased pensions and so on in the future. I mean, let's face it: we will have people on pensions. Obviously, from time to time they have to be increased. Your sense is that you're going to be able to decrease the number of injuries and therefore the number of pensionable people, and that will make up the difference. It's an admirable goal to talk about reducing the premiums, or whatever we're talking about there, to the industry. Obviously, that's a key point in our competitiveness. I mean, we want our workers to be working. They're not going to be working if there aren't jobs out there.

There won't be jobs out there unless we're competitive. It's all tied together. I guess I'm saying to myself that I'd be interested to see your projections about what that 15 percent drop in claims will mean in the future. Obviously, you've done a run on all of those projections, because that's a very significant decrease of premiums that you are projecting in the future while at the same time trying to provide better services, and the pension amount will increase.

MR. MILLARD: I was referring previously to the plan to reduce the assessment rate from the current \$2 to \$1.75. That reduction will take place if we can do three things: the first one is reduce injuries by 15 percent, the second is reduce the average number of compensation days by 15 percent, and the third is to reduce our administrative costs by 3 percent per year over this period of time. That's our plan. Assuming we can perform in terms of that plan, the assessment rate will come down that way. It's just a straight calculation. The test is whether or not, of course, we can be successful, particularly in those first two endeavours: reducing the injury rate by 15 percent and reducing the average number of compensation days by 15 percent. They're tremendously challenging targets, but we believe we can do it.

MRS. OSTERMAN: I appreciate that.
Thank you, Mr. Chairman.

MR. TRYNCHY: There is a challenge. If I could just add, the challenge for us is in one area, and that's to reduce injuries by 15 percent. If that happens, the other two are automatic. To reduce the compensable days is something we can do now with our new imaging mechanism, because in the past, as I mentioned on Monday night, a file had to go through five different steps. Well, if five different people want the file for an injured worker, it takes a month or a month and a half to make the circuit, so the person could be back to work before we - well, as a matter of fact, we've had people go back to work before we've even finalized their claim. That's the kind of things we want to get rid of. Those two things can happen. The number one challenge is to reduce injuries by 15 percent over the next five years. I think we can do it if we work at it.

Dr. Walker had some figures here.

DR. WALKER: I think just to close on the idea of reducing claims, there's really been quite a big change over the last 10 years. Things were 50 percent worse 10 years ago than they are now. The lost-time claim rate is now about five people injured for every hundred person-years, and 10 years ago it was almost eight. So there's been a big drop, and we're confident that that drop can continue.

MR. CHAIRMAN: We still have a number of people who would like to get in.

Ms Laing.

MS M. LAING: I'd like to follow up on the question that was asked earlier. I wonder if you do a comparison between the rate of injury between fully qualified journeymen tradespeople and apprentices and if a similar kind of analysis would apply to full-time as opposed to part-time workers in terms of training.

MR. TRYNCHY: I don't think we have that. That's difficult unless you had the claimant come in. You'd have to ask the question: are you a qualified plumber or are you an apprentice?

I don't know if we have that information. But it's a question in *Hansard*. If we do, we'll respond back to you.

MS M. LAING: Thank you very much.

I'm also wondering: on page 7.30 under General near the bottom of the page, \$870,000 is being provided for doubtful assessments. What does that mean?

MR. GRAINGER: That is the provision for assessment accounts or amounts owing from employers that we may not be able to collect.

MR. TRYNCHY: Accounts receivable.

MS M. LAING: Okay. Thank you.

I'm wondering if you could provide us with a breakdown of the memberships that are purchased by the board. It's also on page 7.30, under Administrative. I expect that that would have to come later.

MR. TRYNCHY: Memberships, publications, courses and seminars?

MS M. LAING: Yes. A breakdown of the memberships.

MR. TRYNCHY: Sure; I guess we can, yeah.

MR. MILLARD: We can provide that.

MS M. LAING: Thank you.

That was so quick. Do I get another one?

MR. CHAIRMAN: Sure. Quickly.

MR. TRYNCHY: Another supplementary? Go ahead.

MR. CHAIRMAN: Do you have another supplementary?

MS M. LAING: No, it's okay.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. Very quickly. I was just looking at the Notes to the Financial Statements on page 7.27. Most of my questions have been asked, but just out of interest's sake, I was wondering. It says under note 2(e) there, Translation of Foreign Currency, that "assets held and liabilities payable in foreign currency are translated into Canadian dollars." What assets would we hold and liabilities would we be obligated to pay that would have a foreign currency associated with them?

9:59

MR. GRAINGER: That refers to our investments. We have certain investments that we hold in U.S. funds.

MRS. BLACK: Such as?

MR. GRAINGER: We have a portion of our equities that are in the U.S. That would be primarily what it would be: equities.

MRS. BLACK: What would be the liabilities?

MR. GRAINGER: The liabilities - and it would be a very small amount - would be if we have an amount payable for an equity that we haven't yet paid or something.

MRS. BLACK: Okay. Thank you very much.

MR. CHAIRMAN: Okay.
Mr. Thurber.

MR. THURBER: Thank you, Mr. Chairman. I'd like to go back, if I could, Mr. Minister, to page 7.25 in the public accounts. I think you addressed some of my question before, but I'm not totally clear on it. You have an unfunded liability there which appears to be decreasing. Is my understanding correct that at the same time that you're moving public funds out of general revenue, that you're taking that away from the board, you're increasing the premiums in order to make this up? There's the two things happening at the same time. Is that correct?

MR. TRYNCHY: Yes, Mr. Chairman, that's exactly right. We're reducing the government funding to compensation, and at the same time we increased the assessment by a cent or two to cover our unfunded liability. Though our funds from general revenue are decreasing, our unfunded liability is also decreasing, and we do that through assessment.

MR. THURBER: Are there any other steps that you can see coming forward in the foreseeable future that might add to that so that you eventually get rid of all of that unfunded liability and it becomes a viable operation on its own?

MR. TRYNCHY: Yes. By the year 2005 the unfunded liability should be eliminated. I don't know if you were here a while ago when I mentioned that.

MR. MILLARD: I think we should point out that because the WCB is taking over responsibility from the government with respect to what has been vote 13, the increases in pensions for prior to 1973 claims, in 1990 that will represent an addition to the unfunded liability of - what is it, Ron? - \$163 million.

MR. GRAINGER: A hundred and sixty-five million net at the payment stream. It was a \$206 million liability, but when you deduct the future payments that we'll be receiving through the province, the net is about \$165 million.

MR. MILLARD: So that means that the unfunded liability, when we look at the results in 1990, will be significantly higher than they are in 1989 as a result of the transfer of the responsibility from the government to the WCB.

MR. THURBER: Okay.
Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Shrake.

MR. SHRAKE: Thank you, Mr. Chairman. On page 3.58, on your vote 12, you had \$24,000 budgeted for grants. Could you tell me about these grants? What are the guidelines for these grants?

MR. TRYNCHY: We show \$24,000 for grants. That was for safety courses in Alberta colleges and universities, such as Mount Royal College in Calgary and the University of Lethbridge. We provide scholarships in those two facilities.

MR. SHRAKE: Well, thank you. You've only spent \$450 of your \$24,000. You know, you've got left over \$23,550; could you

use any of this money for, say, job retraining or put it towards that type of a use?

MR. TRYNCHY: We can't move it to job training because that's a different department. The reason for only \$450 of the amount being allocated was that we were able to use the heritage grant program. The heritage grant program took over some of those programs for us. So we've made those through our heritage grant program.

MR. SHRAKE: Does that mean that this program will cease to exist then? You won't be budgeting for this anymore?

MR. TRYNCHY: Yes, it'll continue to exist to allow the minister and the department to direct funds to special cases or projects that we can't anticipate. We'll continue with it.

MR. CHAIRMAN: We'll see if we can get a couple of quick questions in here, maybe one each from Mr. Lund and Mr. Gibeault.

MR. LUND: Thank you, Mr. Chairman. Going to that same vote, vote 12, I notice in Supplies and Services there you overexpended by almost half a million dollars. How did that occur? Why the half million?

DR. WALKER: Some of the costs had to do with establishing new regional offices in Grande Prairie and Red Deer and Lethbridge. Some had to do with having to relocate staff to those offices. We spent about \$115,000 on relocation that year. I think those are really the two big items in that overexpenditure.

MR. CHAIRMAN: A quick question.

MR. GIBEAULT: Yes, Mr. Chairman. In his opening remarks the minister referred to a concern about dealing with workers whose first language is not English, and I'm wondering if he or his associates from the board can tell us what materials now are currently available in languages other than English relating to occupational health and safety or workers' compensation.

DR. WALKER: In occupational health and safety I don't believe we yet have any pamphlets available in a language other than English, but we're looking at developing them.

MR. CHAIRMAN: Well, on behalf of the committee members I'd like to thank the minister for his appearance here this morning and his associates and for the comprehensiveness of their answers and the detail they provided to committee members. I'm sure we're all appreciative of that.

One announcement: our next meeting is Wednesday, May 8, from 9 to 10 o'clock in the morning this time. We're not starting at 8:30 because there's an important cabinet meeting that morning apparently. The Minister of the Environment can't be here until 9 o'clock. So a week from today we'll have the pleasure of having the Minister of the Environment before us.

MR. MOORE: I move that we adjourn.

MR. CHAIRMAN: You move that we adjourn. Are you agreed?

HON. MEMBERS: Agreed.

[The committee adjourned at 9:57 a.m.]

