

1 (Meeting commenced at 3:00 p.m.)

2 **WELCOME AND INTRODUCTIONS**

3 MR. TUTON: Good afternoon, and thanks
4 for coming. I'd like to start by introducing
5 our board. Our board is made up of two
6 representatives of workers; two
7 representatives of employers; and a neutral
8 chair and neutral alternate chair. And, of
9 course, also we have the President and CEO.

10 Barb Evans and Michelle
11 Kolla are the workers reps; and Gary Annau and
12 Don Frizzell are the employer reps. And Vicki
13 Hancock is new to the board, and Vicki was
14 appointed as the alternate chair in August and
15 has been a welcome addition. And, of course,
16 our new president, who has been with us almost
17 - almost
18 one year, Valerie Royle, who I'm sure
19 everyone has had an opportunity to meet. I'm
20 sure I can pass on that the board is very
21 happy to have been able to work with her
22 collaboratively over the last year.

23 **OPENING REMARKS**

24 So, welcome to the 2006
25 meeting. As you know, we are legislated to
26 have our Annual Information Meeting within 90
27 days of releasing our audited financial

1 statements, to report back to workers and
2 employers on the administration of our
3 compensation system, and policies that we set
4 throughout the year.

5 We've worked very hard over
6 the last year to consult and communicate
7 openly with all of our stakeholders; in fact,
8 we're very proud of the process that we were
9 able to initiate in that regard.

10 What we did in the way of
11 administration and policy is, in 2005 -- it is
12 not going to be news to any of you, and that's
13 the way we believe it should be; that we
14 should be open and up front about everything
15 that we do corporately. So, really, the
16 Annual Information Meeting is an opportunity
17 to ask questions of the board of directors,
18 which, of course, is the governing body of the
19 Yukon Workers' Compensation Health and Safety
20 Board. But, I think today it might be
21 appropriate if I just address a couple of
22 questions that were raised, and allegations,
23 actually, that were made over the last couple
24 of days.

25 First, let me talk about
26 the 2007 rates. They're not ready for
27 release. Our board actuary is actually

1 working on those rates, and we expect him to
2 have those rates finalized in the very near
3 future. Exactly what date, I can't tell you.
4 Once we do, though, we'll be able to create
5 that board order that will enable us to make
6 them official.

7 What I can say, though, is,
8 for any of you that are concerned with
9 openness and transparency, this document was
10 released last year, for employers, and that
11 has all the rates. We made it very clear,
12 back then, that, if any of our employers were
13 concerned with budgeting issues around the
14 rates, to please review our "Premium Rates and
15 Industry Classifications", and your answers
16 will be here. So, there was nothing to be
17 hidden, from our perspective, on the rates.
18 It's all here in this booklet that was
19 released last year.

20 Secondly, in the spirit of
21 accountability, in keeping with the right to
22 know, let me just, sort of, outline for you
23 the process that led us to today. I feel bad
24 that I have to drag you through this because,
25 you know, all of those allegations that are
26 being made reflect negatively on this board
27 and this corporation, because it totally

1 distracts us from the job that we, as
2 corporate governors, have to do, which we
3 believe is a much more serious issue than the
4 frivolous issues that were in front of the
5 press this week.

6 June the 20th, the board
7 gave direction for the 2007 rates. So the
8 actuary went away and did all the appropriate
9 calculations, as directed, and they were
10 presented to the board at its August the 15th
11 meeting. We reviewed those rates and realized
12 that the rates didn't meet the requirements of
13 the board.

14 We then gave directions to
15 pursue a different option. An option was
16 presented at the time as percentages figures,
17 rather than specific rates. So our staff
18 posted on the website, along with that
19 announcement, the 2007 rates would be
20 released. In fact, those revised calculations
21 weren't completed in time for us to do that.
22 So, in remembering that, the staff removed the
23 notice about the rates.

24 So, at this point, we
25 haven't received the rates from our actuaries,
26 contradictory to some of the reports that are
27 out there, because he's performing the due

1 diligence that he's required, as an actuary,
2 to provide the accuracy of those figures that
3 we rely on in order to set the rates. Because
4 I can guarantee that there isn't an employer
5 out there that wants to be charged any more
6 than is necessary.

7 Except for last year, we
8 don't usually release these figures until
9 December. So this isn't something new. What
10 is new, is posturing by certain people who
11 intend to make positions from this board.

12 Thirdly, we have been
13 absolutely clear on what is going to happen to
14 the rates. And this started four years ago.
15 We said, again and again, that the subsidies
16 are coming off by the start of 2007. Well,
17 guess what, folks; 2006 is almost over.

18 We've directed our
19 assessment staff to advise people to use the
20 base rates as published in this 2006 rate
21 guide, so that they're able to go out there
22 and do their pre-budgeting to get ready for
23 2007. And those were as precise as we can
24 get, until we get those exact figures from the
25 actuary.

26 So, none of this is new,
27 and none of it has been kept secret, it's all

1 been very, very open and very transparent.
2 And, yes, folks, rates are going up, and
3 that's a fact of subsidies coming off. The
4 fact that these rates are going up doesn't
5 reflect on Government; but it reflects on all
6 of us, in keeping our workplaces safe and
7 getting injured workers back to work.

8 We started on a campaign,
9 well over a year ago, to address this very
10 fact. Quite frankly, the Yukon, in general,
11 does a terrible job at workplace safety. And
12 just as you people do, if you had a terrible
13 driving record, you can expect your insurance
14 rates to go up.

15 So, as Yukoners, expect the
16 Workers' Compensation rates will reflect the
17 safety records in the workplace. And this
18 shouldn't come as a surprise. We're injuring
19 the equivalent of our entire workforce every
20 13 years. Just imagine what would happen to
21 your car insurance if you let that happen in
22 the way you drive your automobile.

23 Fourth, and this is what I
24 see is the great and irresponsible tragedy of
25 trying to politicize these rates, it risks
26 shifting the focus of people, Yukoners, who
27 are suffering and dying because of our lack of

1 proper workplace safety, instead of getting
2 people to focus on that political game.
3 That's not our job as the governors here at
4 Workers' Compensation. Our job is very
5 simple.

6 Already, this year, we have
7 had more workers injured than in all of 2005,
8 and we haven't even reached the three-quarter
9 mark of the year yet. Three more Yukoners
10 were killed on the job last year. That's
11 three families, three sets of friends, who
12 have lost a loved one. To me, those are the
13 important things that should be considered
14 when we do our due diligence about how
15 Workers' Compensation should be.

16 We know that every
17 workplace injury is preventable; every one.
18 We know every single one is preventable. But,
19 as long as we think and act otherwise, some of
20 our loved ones and our co-workers are going to
21 get injured on the job or, in the worst case,
22 some are going to be killed. And that's a
23 shame. You know, it's not ethical; it doesn't
24 demonstrate the integrity that we wanted to
25 demonstrate, here, as a board.

26 But, you know what? I'm
27 going to highlight on some of the key actions

1 that the board has taken, to move us ahead on
2 some of these major issues that we face today.
3 After I do that, I'd be more than happy to
4 answer any questions that anybody has.

5 So, first, in 2005, the
6 board, for the first time, developed, on its
7 own, its strategic plan that leads us from
8 2006 to 2010. The plan expresses our vision
9 and our goals as the board, collectively.

10 So, by 2010, as we stated,
11 we envision a Yukon where our work-related
12 injuries and our illnesses are substantially
13 reduced; and where all employers have an
14 effective safety management program.

15 Our vision includes
16 partnerships, as we've clearly demonstrated
17 over the last twelve months, between the
18 board, our injured workers, our employers, our
19 workers, the healthcare community and
20 legislators, both territorial and First
21 Nations. We see a Yukon where all of our
22 partners are focused on wellness and safety
23 and health, because they are really an
24 essential part of our Yukon workplace culture.

25 Our strategic plan also
26 speaks very strongly about our values, which
27 are partnership, accountability and

1 compassion. Yes, compassion. We do have
2 compassion for all of our workers, both
3 injured and otherwise.

4 We then, in-house,
5 developed a results based management approach
6 to implement and hold ourselves accountable to
7 our strategic plan. Results based management
8 does not look at how busy we are or how hard
9 we are trying.

10 Another part of that
11 strategic plan has been renewing the
12 governance model for the board. Our
13 governance guide is on the website and we
14 encourage those of you that are interested in
15 governance models to look at ours, because we
16 think that -- collectively, we spent some very
17 long and arduous hours, putting together this
18 governance model, and we feel really happy
19 with the outcome of that model.

20 More than that, it speaks
21 to the fact that the board and its
22 stakeholders must be accountable to each
23 other, and we've stressed that time and time
24 again. Because, without those meaningful,
25 accountable partnerships, we can't expect our
26 system to be as effective and open as it is to
27 all of us. We need it to be that way.

1 So you can see, between the
2 strategic plan and our results based
3 management, and our renewed governance models,
4 that we are committed to working with you as
5 stakeholders and, more importantly, our
6 partners, to achieve all those differences
7 that we all, collectively -- when we sit
8 together as our Stakeholders Committee or as
9 our Prevention Committee, we all know that
10 those differences must be made in order to
11 make the system something that can benefit
12 each and every one of us.

13 You know, the board,
14 itself, can't keep workers safe. But, you
15 know what? We can help both the worker and
16 the employer keep themselves safe. We can't
17 heal an injured worker by ourselves, but we
18 can provide access to the services that are
19 required to make that possible. We can't undo
20 a worker's injury, once they become injured on
21 the job; but we can work with that worker, the
22 employer, and the healthcare professionals who
23 are an equally important notch, to make sure
24 that that worker can return to his pre-injury
25 quality of life, safely and quickly.

26 I have said many times,
27 workers do not want to get injured; and, more

1 importantly, they don't want to be injured and
2 remain injured for great lengths of time.
3 They want to return to that pre-injury
4 lifestyle that they and their families were
5 accustomed to... and must be able to.

6 Another matter that we
7 worked collectively on was the Workers'
8 Compensation Act Review. As many of you may
9 know, and for those of you that don't, we
10 worked together, with a document titled
11 "Moving Forward Together", with a Review
12 Panel, because we do need legislative changes
13 in order to achieve some of the goals we set
14 out for a good workers' compensation system.
15 For example, return to work legislation; the
16 time limit on appeals; mitigation of injury
17 clauses... because these will have a major
18 impact on our system.

19 We also have for you,
20 today, our 2005 Annual Report, which includes
21 our audited financial statements for 2005.
22 It, too, is on our website. And most of the
23 information we have today was made public in
24 July, and I invite you to take time in your
25 evening reading to read it.

26 As our financial statements
27 will clearly show, the major factor affecting

1 our financial statements, back in 2005 and
2 again in this current year, is an increase in
3 our claims costs. The fact is that workplace
4 injuries have been costing us way too much.
5 We always seem to think of these costs in
6 financial terms, but one of the bigger factors
7 is in human terms. And in this day and age,
8 where the economy is going strong in the
9 Yukon, and we have a shortage of skilled
10 workers, every one of those workers that can
11 work, uninjured, means a lot.

12 Claims duration is the
13 leading cost issue in our claims. It has been
14 an issue for quite some time and, quite
15 frankly, it's getting worse. Claims duration
16 is the time that workers are off work. We
17 know that safe and early return to work
18 facilitates faster recoveries from those
19 injuries that they have. Studies have shown
20 that injured workers heal more quickly and
21 fully when they can return safely and quickly
22 to that pre-injury life.

23 Yukon injured workers
24 deserve the opportunity to heal from their
25 injuries as quickly and safely as possible, so
26 that they can return to their pre-injury
27 lives. I know I sound like I'm going on and

1 on about the return to work but, folks, it is
2 a very important cog in the wheel and, until
3 we can fix that, we're still going to have
4 issues.

5 So, internally, we're doing
6 what we can. We recognize, perhaps some would
7 say at a later date, but we recognized that we
8 had some shortfalls within our system that
9 weren't clearly dealing with that. And, quite
10 frankly, this board can accept responsibility,
11 because we did make some cuts. Because, at
12 one point, the employer group was saying "We
13 have to cut costs; we have to cut costs." We
14 did. But, you know, we cut costs in the wrong
15 places. We have found that you can't do that;
16 that injury is much too important.

17 So, we need that active
18 participation. We can expect disability
19 duration, obviously. Claims costs and
20 assessment costs, or assessment rates, are
21 going to continue to climb while that happens.
22 There isn't an employer or a worker out there
23 that wants that to happen.

24 I've said before that the
25 highest success is where everybody jointly
26 works together to get that injured worker, as
27 quickly and safely as possible, back to that

1 life. We all know, and we can all agree, that
2 these changes don't happen overnight, but we
3 definitely are committed to change. We, on
4 the board, are committed. We've shown that,
5 we've shown that clearly, over the years. And
6 we want it to benefit both our labour and our
7 employers.

8 Our partnerships with
9 labour and employers are stronger and more
10 meaningful than ever. I'm sure we can all
11 agree on that. And as more of our Yukon
12 workplaces get involved in this strategic
13 prevention campaign, we're going to see
14 momentum build there and, at the end of that,
15 we're going to see some results. And I mean
16 positive results.

17 The board, quite frankly,
18 has been attacking these known problems with
19 great vigour. We have identified the key
20 resources that we need to address these
21 issues. We have the plan, we have the
22 resources in place, and you can expect to see
23 the results in 2007.

24 We're making improvements
25 to the way that we do business. For example,
26 and we've been telling you and keeping you up
27 to date about our new claims management

1 system. We're getting excited; we're planning
2 on implementing those towards the mid of
3 December. I know I had originally told you
4 that I hoped to, on behalf of the board, have
5 that live and in the rundown mode in October,
6 but you know what it's like when you deal with
7 IT and systems; sometimes the optimum doesn't
8 happen. But we're happy, and we're going to
9 have that up and running by December, because
10 it's going to make a big difference in claims.
11 We're going to be able to have a better
12 tracking ability; we're going to be able to
13 identify problems quicker, so that we can deal
14 with them quicker, rather than letting them
15 mount up; we're going to have more
16 comprehensive and faster reporting times, both
17 internally and externally; and one of the good
18 things, it's going to streamline the payment
19 process to our injured workers.

20 We're going to gain timely
21 adjudication out of this, and implementation
22 plans, by our staff, will be put into place,
23 to provide our staff with the tools that they
24 need to adjudicate the claims on a much
25 timelier basis.

26 We've talked a little bit
27 about the Prevention Fund. It's proceeding on

1 schedule, with projects impacting all of our
2 strategic areas and our prevention strategy, a
3 strategy, incidentally, that was developed
4 jointly with the stakeholders on our
5 Prevention and Safety Advisory Group. We, as
6 a board, felt rather comfortable that we
7 didn't have to make those hard and tough
8 decisions because, collectively, the
9 Prevention Group, that started work about a
10 year and a half ago, and worked very, very
11 hard in getting that developed - you know,
12 they presented that to the board and we're
13 very happy and comfortable with the work that
14 that committee did.

15 One of our legislative
16 requirements and mandates is that of setting
17 policy. We've had a very progressive policy-
18 setting agenda.

19 We also talk about
20 partnerships and working relationships... we
21 struck a Policy Working Group, which is just
22 exactly that; it's made up of board members
23 and members of our stakeholders.

24 We have come out with
25 amendments to the Annuity Policy; a new policy
26 on investigations; amendments to the hearing
27 loss; and determining suitable employment and

1 earnings loss policy, which used to be called
2 "deeming". We expect those to be out for
3 public consultation real soon.

4 Other policy work that
5 we're working on, which is coming forward..
6 suspension, reduction and termination;
7 coverage; pre-existing conditions; cumulative
8 trauma disorders; repetitive strain injury;
9 carpal tunnel; relocation; and even stress.

10 In 2005, our corporate
11 development staff worked with that Board
12 Policy Review Committee to develop five
13 policies, which were then approved by the
14 board of directors, and provided direction for
15 the consistent policy development.

16 So, let's just take a look
17 at our overall situation, so far, in 2006, if
18 I may. I realize we still have three months
19 to go before the year is over, and obviously
20 we don't have all the numbers to date. But,
21 already, I can tell you, in 2006, more people
22 have been injured in our workplaces than in
23 all of 2005. Not a very good statistic.
24 Three Yukoners died on the job, and that's
25 three times as many as last year. Our
26 duration of time loss claims is still far too
27 high.

1 I think it's important to
2 point out that, even through all of this,
3 we're still fully funded. So, as I've said
4 before, what "fully funded" means is, if we
5 were to close our doors tomorrow, we would
6 have enough to pay off all our existing claims
7 until the end of the future.

8 In order to protect the
9 viability of the fund, in order to bring our
10 assessment rates down, and in order to protect
11 our workers, we must be relentless in
12 preventing those workplace injuries, and in
13 improving our return to work. It's because of
14 this that the board has been so focused, over
15 the last year, on prevention. So, over the
16 next year, you're going to hear us talking a
17 great deal more about our return to work
18 program. But, as I said, no matter how hard
19 we work, and whatever changes we make, success
20 is only going to be made possible, or even
21 limited to, the degree in which employers and
22 workers take action to improve the safety, and
23 get injured workers back to work safely and
24 quickly.

25 That's why we continue to
26 run that highly visible social marketing
27 program, called "Think About It". Every month

1 a new message is posted; one that challenges
2 common attitudes about safety, and suggests
3 another way to look at it, or a better way to
4 look at it. That means that sometimes the
5 campaign disturbs some people's comfort zone,
6 but that's a good thing; because complacency
7 about safety is not a good thing.

8 We are very happy about our
9 partnership with the Yukon Construction Safety
10 Association, and we have extended that and
11 strengthened it through the development of the
12 new Northern Safety Network Yukon, which
13 services all industries, which includes the
14 Construction. And it's thanks to their
15 training programs, and the City of Whitehorse
16 contracting requirements, that now has, in the
17 Yukon, eight certified employers with COR
18 certification, which means that they've had
19 successful independent audits of their safety
20 program. I believe there are two more that
21 are very close to this achievement. So those
22 are good things.

23 These employers are leaders
24 in health and safety, and the board commends
25 their commitment to health and safety of the
26 workers that work for them. We have seen
27 success, and we expect to see more as we work

1 together with each and every one of you.

2 Let me just say for the
3 last time, workplace injuries are simply
4 costing too much in Yukon. It isn't about
5 dollars and cents, although the financial
6 impact is substantial. What we're talking
7 about here is the safety and health of our
8 workers.

9 So, there are many of you
10 out there who work very hard to be safe and
11 responsible. We want to encourage you, and
12 encourage others to be just like you; just
13 like your workmates that work beside you. Our
14 priority is with, you prevent those workplace
15 injuries and illnesses from happening, and our
16 job is to help work with you to turn the
17 situation around here in the Yukon. We know
18 we can do it, we know we will do it; but we
19 also know that we can't do it without your
20 help.

21 With that, I thank you for
22 being patient during my deliberation, I hope I
23 haven't bored you, but I do encourage... if you
24 do have questions...

25 **QUESTIONS AND ANSWERS**

26 MS BABCOCK: Craig, you talked about
27 claims costs, and you see them rising as well,

1 and that it's, in part, due to the number of
2 claims that are happening; i.e., the number of
3 accidents, as well as the duration of claims.
4 The Yukon Chamber is certainly 100% supportive
5 of the return to work program that we would
6 like to see implemented and, of course,
7 prevention is number one.

8 But what, in the short
9 term, do you have - what plans do you have, in
10 the short term, to address that? Because we
11 see return to work more long-term.

12 MR. TUTON: Return to work is long-
13 term. And as I indicated a little bit earlier
14 in my conversation, we have addressed, through
15 Val, to direct our attentions in the Claims
16 Department, so that we can, first of all, turn
17 around our claims, so that when a claims
18 application is made we can turn around that -
19 I mean, we're one of the highest in the
20 country at forty --

21 MS ROYLE: Oh, 45... I mean, don't quote
22 me on that.

23 MR. TUTON: We're one of the highest -

24 MS ROYLE: Yes.

25 MR. TUTON: -- in the country.

26 MS ROYLE: It takes a long time for us
27 to adjudicate claims.

1 MR. TUTON: So, you know, that is just
2 simply not acceptable. I mean we, as a board,
3 would like to see that happening in under 10
4 days. So we've got from 40-some days, to go
5 to under 10. And, you know, most boards
6 across the country are certainly lower than 20
7 days. So, if we could hit 20 days, you know,
8 we would save just a tremendous amount of
9 money in doing that.

10 So, that's our number one
11 thing; is to adjudicate those claims. Because
12 it does two things: first, it gets the
13 claimant on the system; but it allows us to be
14 able to rehabilitate that worker in a much
15 timelier fashion, to get that worker back and
16 ready to go out in the workplace. That's just
17 a huge savings. So that's the number one. I
18 don't know if you wanted to add anything...

19 MS ROYLE: Well, we have some specific
20 strategies, internally, to deal with that.
21 Our biggest barrier to achieving that goal is
22 reporting of injuries. We need every worker
23 and employer to report injuries, as soon as
24 they happen, to the Board. We can't start the
25 process until we know something's happened.
26 And we don't know something's happened for far
27 too long.

1 So, we've done a process
2 review, we're changing how we deal with mail,
3 how we deal with forms and all those little
4 logistic things that organizations like ours
5 should do. But the biggest piece, if we're
6 looking for something we can all do, is
7 reporting of injuries.

8 MS BABCOCK: Have you considered making
9 that process available through Internet, using
10 your website?

11 MS ROYLE: We are looking at
12 redesigning our website. What you will be
13 able to do is, you'll be able to fill out the
14 forms. It won't be truly electronic, but
15 you'll be able to complete the form and send
16 it in via that method. So that should happen
17 within the next - before the end of the year,
18 we're hoping. It really depends on the IT
19 security. The type of information that's on
20 those forms, as you can imagine, is often a
21 lot of personal information from the employer,
22 there might be payroll information that you
23 wouldn't necessarily want your competitor to
24 see. So we need to make sure that's
25 completely secure... but, absolutely, we're
26 looking at everything we can do to facilitate
27 that process.

1 MS BABCOCK: And is that part of your
2 claims management?

3 MR. TUTON: Yes, when the board
4 originally approved - when it switched from
5 the ABCS, to what it is known today, the board
6 realized that we had a number of areas within
7 our system that had to be updated, from the
8 perspective of IT. But we also recognized
9 that the very first step was claims, and
10 getting the claims management under control.
11 So now, in December, after we get that claims,
12 we'll be looking at our next set of
13 priorities. It always has been, but one of
14 the hindering factors, of course, is, because
15 we're a small jurisdiction, the actual cost of
16 getting that on-line - I mean, I looked at
17 B.C.'s and, you know, they - we talk in the
18 areas of two point something million; they
19 talk in the areas of 20 million. Now, I can
20 imagine me coming to an Information Meeting
21 saying, Guess what, folks, we're spending 20
22 million on an IT system. So, you know, we're
23 going to do it responsibly, and in the best
24 way to effect the needs of our small board.
25 So, yeah, it is something we're looking at.

26 MR. ROOTHMAN: I realize how important it
27 is for employees' and employers' peace of

1 mind, as to what benefits employees will
2 receive, but, when I look at page 13 of the
3 report, on a note here, "Maximum Weekly
4 Benefits", I see that the Yukon is at \$964 a
5 week, then the question comes up in my mind,
6 that's a fairly high amount, what incentive is
7 there for people to make an effort to return
8 to work if their benefits are fairly high?

9 MS ROYLE: There are two issues in
10 that table: one is, the maximum weekly
11 benefits are, first of all, determined by the
12 maximum compensable ceiling. So, workers in
13 the Yukon have higher earnings, so the board
14 sets the maximum. So an element of that is
15 around, our maximum, in 2006, is 69,500. The
16 others are way lower. So you're automatically
17 having a difference because of that.

18 And then the other piece is
19 a legislative benefit part.

20 MR. TUTON: Yeah, we don't have control
21 of that, that comes through legislation.

22 MR. ROOTHMAN: Yes. And ours, according
23 to the current legislation, is, I think, the
24 highest in Canada.

25 MR. TUTON: If we're not the highest,
26 we're certainly in the top three.

27 MR. ROOTHMAN: Yes.

1 MS EVANS: Isn't the formula for
2 setting the maximum in the Act, as well.

3 MR. TUTON: Yes, we don't have any
4 control of setting that formula; the formula
5 is in the Act, and so is the legislation. So
6 that's not a board function. So, I mean, I
7 hear your concern, and recognize it. And I
8 think, if I'm not mistaken, it was an issue,
9 at least at some point, for the Act Review
10 Panel. So, you know, I guess we could wait
11 and see what the Act Review Panel - and I'm
12 not pointing specifically at you, I'm just
13 trying to refresh my memory, but I believe it
14 was an item of the Act Review, so I expect
15 that will be addressed in their report.

16 MR. ZRAL: First thing I'd like to do
17 is thank the board for its continued funding
18 and other contributions to the Northern Safety
19 Network Yukon. I'm working with 23 clients at
20 the moment, and they are most grateful for the
21 effort that the board has made in that regard.
22 It's nice to see the board committed to making
23 that thing work, because it is working
24 reasonably.

25 I'm looking through your
26 annual report, and I'm seeing a lot of
27 financial stuff, and I'm seeing a lot of stuff

1 on claims, what it's costing us, but I'm not
2 seeing a whole lot of other prevention
3 activity stuff in there. I'm wondering, we
4 still have the Health and Safety unit here... I
5 would have liked to have seen some statistics
6 in there on the OH&S side. So, perhaps for
7 next year, if you could provide us with
8 something there, in the way of activities, and
9 the number of inspections done, investigations
10 conducted, prosecutions that were initiated,
11 penalties that were levied, it would be nice
12 to see that sort of thing in there.

13 MR. TUTON: Yes. I mean, it would be a
14 more important issue, because, as you know,
15 the Occupational Health and Safety regulations
16 were approved, so they are going to be in
17 effect come January. We're going to have a
18 certain period, internally, where we're going
19 to have to educate Kurt's department on what
20 those changes mean, and it's going to be
21 awhile before we get to that, but I appreciate
22 your comments. I think it is important to
23 note that we, as a board, realize that, even
24 though we committed the dollars to prevention,
25 we also know that the payback is not going to
26 be immediate.

27 We have seen, actually, the

1 payback, just simply by the activities of that
2 relationship with the Construction Safety
3 Association. If you remember, it was the
4 board that won't - when it agreed to that role
5 being established, that we, in a very short
6 period of time, and I think it was - we looked
7 at the five years or four years, but...
8 expanded, so that we can include more
9 employers, and we're happy to say that that
10 commitment was met in a much quicker timeline,
11 so everybody benefits. I know the Chambers
12 have a relationship there, as well, and, you
13 know, the further we can spread it out,
14 without endangering its capability and
15 capacity to continue on with what it does
16 well, and that's the training in accordance.

17 And we take note about the
18 Occupational Health and Safety.

19 MR. DECHKOFF: You mentioned, earlier,
20 about the accountability, etc., of the board;
21 and the strategic plan that you people have
22 developed. I presume it would be something in
23 your works that, somewhere along the way, the
24 transparency of your accountability, as to the
25 goals, etc., will be brought forward. And I
26 think you mentioned that, internally, you've
27 already started to establish specific goals

1 and accountability frameworks for each of the
2 action plans.

3 Is it your intention to
4 make those known to the public so that we can,
5 as well, monitor -

6 MR. TUTON: You mean what we use
7 internally for a scorecard?

8 MR. DECHKOFF: Well, no. When you look at
9 your actual strategic plan, it's very warm and
10 fuzzy, versus specific and accountable. And
11 I'm presuming that you have set some specific
12 targets -

13 MR. TUTON: Yes.

14 MR. DECHKOFF: -- internally, to meet
15 these.

16 MR. TUTON: We call them our balanced
17 scorecard.

18 MR. DECHKOFF: Yes. Is that going to be
19 made -

20 MR. TUTON: I don't see any reason - I
21 wouldn't see why not.

22 MR. DECHKOFF: It would be beneficial to
23 have it included, so that, when you conduct
24 these annual meetings, you could compare
25 yourself against what your intentions were, to
26 see whether you've made your goals.

27 MR. TUTON: Good point. We've just

1 actually had our first - I think the first
2 opportunity, as a board, to go through our
3 first balanced scorecard, so I don't - I can't
4 answer for the board without talking, but I
5 wouldn't see any reason why we wouldn't.
6 Because it's in everybody's best interest to
7 be a part of that process.

8 MR. DECHKOFF: No, I understand the first
9 year it's difficult, you want to make sure you
10 set your lines in the sand -

11 MR. TUTON: Oh, we just did our first
12 one.

13 MR. DECHKOFF: -- but, going forward, it
14 would be beneficial just to understand -

15 MR. TUTON: Yes, I don't see any
16 problem, whatsoever. It would probably be at
17 a stakeholder meeting.

18 MR. ZRAL: A number of the clients
19 I've been working with, there are a number of
20 them who are now COR certified, have been
21 asking me where the board stands on incentives
22 for the people. Some of these programs have
23 cost the companies a lot of money to
24 implement, to get them up and running, and
25 they're seeing the benefits, of course, by not
26 having their people injured, but, at the same
27 time, they're wondering what financial payback

1 there might be, other than the nice warm and
2 fuzzy you get from not having people injured.

3 MR. TUTON: Well, if I could take
4 everybody back to last year's Annual
5 Information Meeting, one of the things we
6 committed to was to have, for lack of a better
7 word, an incentive program available by the
8 start of the 2007 year; and that's still our
9 goal. As a matter of fact, we're very, very
10 close. We're hoping that, when we have the
11 actuarial advice on our assessment rates, that
12 we will also be able to release our incentives
13 program, which is - what's the acronym?

14 MS ROYLE: CHOICES.

15 MR. TUTON: CHOICES - along with that.
16 Because, you're right; you have to provide
17 incentives. We've worked long and hard on
18 that, and our goal is to introduce those when
19 the actual rates come out. In fact, if we
20 have CHOICES ready to go prior to that, we
21 have no problem releasing CHOICES earlier.

22 MR. DECHKOFF: I just have one last
23 question. You mentioned, earlier, that the
24 injuries so far this year have already
25 exceeded the total for last year. Does that
26 mean that the claims costs have already
27 exceeded the total from last year?

1 MR. TUTON: No.

2 MS ROYLE: No, we're running ahead of
3 where we were this time last year, but that's
4 to be expected because we have more claims;
5 plus the average cost per claim has gone up
6 because the average wage rates for the workers
7 have gone up, so the minimum wage went up. So
8 we see that in our costs. We see annual
9 increases in our costs.

10 So, we're ahead of where we
11 were this time last year, but we haven't
12 exceeded the cost that we spent totally last
13 year.

14 MR. DECHKOFF: So, do you see the claims
15 costs being greater than last year, as a
16 total?

17 MS ROYLE: It depends on what happens
18 the last quarter. I would think they probably
19 will be, but....

20 MR. TUTON: I don't think we're
21 expecting a substantial increase. I think the
22 increase - Jim, if I can just draw on your
23 memory, I think the increase we had, from '04
24 to '05 -

25 MR. STEVENS: Two million.

26 MR. TUTON: Yeah - would be greater
27 than what we expect between '05 and '06. But

1 we don't know for sure, I hate to commit.

2 MR. DECHKOFF: No, just that your comment
3 was duration's up, the average claim cost is
4 up, the number of injuries is up, and those
5 are all the drivers of the expense.

6 MR. TUTON: All the drivers, yes.

7 MR. DECHKOFF: Which means expenses must
8 also be up over last year.

9 MR. TUTON: Yes, but the other part
10 that's up, too, is the participation in our
11 Prevention Fund. We don't expect to see
12 results immediately from that, but the
13 reaction we got from the employer group, and
14 the labour groups, in the involvement in that
15 prevention program, certainly makes the board
16 feel at least comfortable in the fact that it
17 didn't go unnoticed. There's a big deal of
18 interest. So, you know, that's good news.

19 When you talk about
20 collective liability to a small employer, he
21 doesn't understand that collective liability
22 is a fact of living here in the Yukon. We
23 don't have that many employers, and we can't
24 segregate or separate, so everybody,
25 collectively, has to be responsible for that
26 benefit/liability.

27 The board really feels

1 comfortable in the involvement that we've had.
2 I can't say enough... the participation from our
3 stakeholders. And that is healthcare, from
4 the employer community, from the worker and
5 labour community. It's been fantastic.
6 Because we were able to, collectively as a
7 group, get over the "representatives of and
8 for", and just work together collectively.
9 Because we all have the same goal. We want
10 the system to work as it was intended; simply,
11 to deal with the injured workers, and to make
12 them healthy and quicker back to their pre-
13 injury life. And that's really what we want
14 to accomplish.

15 So, hats off, hands out, to
16 those people that worked through - because we
17 had many, many - we started having meetings
18 with the big table, and then we got down to
19 the working groups and, you know, I can't say
20 enough about our stakeholders and the
21 involvement they had in the process. And you
22 know what? The board... it makes their job so
23 much easier.

24 Any other questions?

25 MR. ZRAL: One last one. I just have
26 to slide back into the safety side of things
27 again. We have new regulations that are

1 coming into effect shortly, so requests, I
2 guess, from client groups, on the regulations,
3 and questions they have, and I wonder who
4 would mount some type of big information
5 campaign in the newspaper, shortly. I have
6 people asking what's going to happen with the
7 first aid regulations; we don't see them in a
8 draft print. What happens to the occupational
9 health regs, radiation (inaudible). We want
10 to know where they're going to fit into the
11 new book. And then, of course, from there, we
12 wonder what will happen to the ones we spoke
13 of.

14 MR. TUTON: Well, Kurt Dieckmann, who
15 is our Director of Occupational Health and
16 Safety, is here, so I can put him on the hot
17 seat right now.

18 MR. DIECKMANN: Well, essentially, what we
19 have to do now, Richard, is, the next phase of
20 the regulation review will be to look at the
21 ones that we haven't touched yet, do rewrites
22 on those regulations, go to consultation with
23 our stakeholders, go through the whole process
24 of redrafting regulations, bringing them up to
25 date, and then, once we go through that whole
26 process, we will make them look the same as
27 the ones we've got. So, we've currently got

1 17 sections in the new regulations, so we'll
2 start with section 18, and go through to
3 whatever it is we need.

4 Now, that being said, we
5 will have some discussion with our
6 stakeholders at the Prevention Safety Advisory
7 Group, and with some of our other
8 stakeholders, to get a feel of what they would
9 like tackled first. I mean, I've got some
10 ideas on what I think we need to tackle first,
11 but we also want to know if our stakeholders -
12 I know, in the past, there's been - the first
13 aid was tried once before, and that was a
14 contentious item. So we'll have to look and
15 get some consensus, and see - you know, build
16 some momentum, see which ones we do first.

17 We're not going to do the
18 entire package all at once; that's just too
19 much to bite off. We'll do it in chunks.
20 And, as Craig said earlier, we're a small
21 board, we can't afford what it would cost to
22 do the whole works; it's a little bit more
23 than we want to bite off right now.

24 MR. TUTON: And, you know, Richard, it
25 doesn't do us any good to go out and enforce
26 these regulations if our employer base out
27 there don't understand what they are. So the

1 biggest challenge for Kurt and his unit,
2 obviously, is to educate, first of all, the
3 Department in what the changes are, and the
4 people, the inspectors; but, secondly, and
5 most important, is our employers and the
6 workers out there who have to abide by the
7 regulations.

8 So, it's a challenge. I
9 mean, Kurt knows he has a challenge, but he's
10 been up to those before.

11 MR. DIECKMANN: What we want to do is, we
12 want to focus more, this next year, on getting
13 a clear understanding of the regulation
14 package that we just passed, getting that
15 implemented, before we start doing a lot of
16 consultation on new regulations again, because
17 it's just going to confuse things... people
18 wondering, you know, which is which and where
19 it's coming from. So, we are going to work
20 through that process, and we're going to go
21 through until we've got the entire package
22 done.

23 MS ROYLE: And then we can start
24 again.

25 MR. DIECKMANN: Then we'll start again,
26 yes.

27 MR. ZRAL: I guess the biggie that I'm

1 getting is, will our 18, 19, 20, 21, all mesh
2 with parts 1 through 17?

3 MR. DIECKMANN: It will. That is the
4 intent.

5 MR. ZRAL: Little things like the
6 variance provision that's in there, will that
7 apply to the first aid regulations and -

8 MR. DIECKMANN: Variances are already in
9 the first aid regulations, people can apply,
10 they always have been able to.

11 MR. TUTON: I think, without getting
12 deep into the generalities of each individual
13 issue, I think it's pretty clear that we have
14 a plan and we'll be moving forward with it.
15 Any other questions?

16 MS BABCOCK: Craig, can I just go back
17 to the 2007 rates?

18 MR. TUTON: Yes.

19 MS BABCOCK: We know the subsidies are
20 finished as of December, 2006, so, obviously,
21 there will be an increase to employers in
22 their WCB bill. But, given the increase in
23 your cost to administrate the claims, can we
24 make an assumption that there will be another
25 cost, over and above the reduction of the
26 subsidies?

27 MR. TUTON: No, I think we're strictly

1 dealing with the subsidy reduction. We're not
2 taking into account anything other than that,
3 at this particular point. For 2007 is what
4 your question was?

5 MS BABCOCK: Yes.

6 MR. TUTON: No, we're strictly dealing
7 with the reduction of subsidies.

8 MR. DECHKOFF: How do you handle the
9 funding policy, then, if you're not doing what
10 you just said?

11 MR. TUTON: How do you mean?

12 MR. DECHKOFF: Well, the funding policy
13 mentioned that if there's a shortfall in any
14 of the reserves, then there would be a portion
15 tacked on to the assessments, spread across
16 the system. And I think that kind of matches
17 up to what Sandy was mentioning.

18 MR. TUTON: Well, I think I said it
19 clearly, we haven't got all those evaluations
20 back from the actuary. So, once we do -

21 MR. DECHKOFF: But you will be complying
22 with your funding policy?

23 MR. TUTON: Oh, yeah.

24 MR. DECHKOFF: Which means rates will go
25 up, above and beyond the -

26 MR. TUTON: Well, if, in fact, that's
27 what it says.

1 MS ROYLE: If employers have
2 questions, Sandy, what we've been directing
3 them to is the unsubsidized rates in this
4 book, until the rates are released. And our
5 staff have been doing that for the past couple
6 months, to say to employers, "Go look here.
7 If you need to budget today, use these
8 numbers." They're not finalized, but they'll
9 be fairly close. So, if your constituency
10 members have questions, until the rates are
11 released, this is the document to point them
12 to.

13 MR. TUTON: Any other questions?

14 MS BABCOCK: One more. You've said that
15 the rate of injuries has increased
16 significantly in 2006, as opposed to 2005.
17 Have you looked, yet, at trends or patterns of
18 the types of injuries that are happening, and
19 what sectors they're happening in, and how you
20 can link that to the prevention?

21 MR. TUTON: Well, I think the first and
22 most important factor is, one of the reasons,
23 obviously, is more people are working, so
24 there are more people on the assessable
25 payroll. So that has an immediate effect.
26 When you get more people out there working,
27 you're bound to have more injuries. So that's

1 the number one. But the other side of the
2 equation is, we're getting more assessment, so
3 we're getting more money in as well.

4 And, hopefully, you people
5 in the employer world will be able to do your
6 magic to make sure that our investments next
7 year will be on the positive side, not on the
8 negative side. It would be really nice to go
9 back to the - what was it, the early '90s,
10 when we were making real good? Everybody's
11 investments were looking great. But over the
12 last few years, they haven't been looking very
13 good. When you think about it, when you have
14 \$130 million to invest, you'd like to get a
15 little bit more for your money, but that's not
16 the way it works all the time.

17 MS ROYLE: We do use trend analysis,
18 though, to determine where we're going to
19 focus our efforts. One of the reasons we are
20 investing in a new claims system, though, is
21 because it takes too long for us to - we're
22 always behind. We're always playing catch up.
23 We're always out trying to fight the fire
24 after the place has burned down. And the new
25 claims system will enable us to get better
26 reporting, faster. So we do use the trends;
27 we're limited by our data right now.

1 Sometimes we're a couple of months behind.
2 We've tried, we've received
3 -- anecdotally, our adjudicators will say,
4 Hey, we just had a big flurry of activity in
5 placer mining, for example. Then we'll
6 target... but, until we use that system, we're
7 not able to do it as quickly as we would like
8 to do in our prevention plan.

9 MR. TUTON: Anything else? Thanks,
10 everybody. The final message is, let's keep
11 up the hard work together, to achieve the
12 results we're all looking for. So, thank you
13 very much.

14 (Meeting adjourned at 4:00 p.m.)

15 This is to certify that the foregoing is
16 a true and faithful transcript of the
17 contents of the record prepared in the
18 above named proceeding.

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Doug Ayers, Court Reporter