



**Presentation to the Annual  
General Meeting**

**2005 / 2006**

**Presentation to the Annual General Meeting**  
For the Fiscal Year 2005 - 2006

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# Welcome from the Chief Appeals Commissioner



Welcome to the 4<sup>th</sup> Annual General Meeting of the Appeals Commission. The annual general meeting, as required by legislation, is an opportunity for me to report on the performance of the Commission.

The Appeals Commission hears appeals from the decisions made by the Decision Review Body of the Workers' Compensation Board. The Appeals Commission for Alberta Workers' Compensation, established in the Workers' Compensation Act in 1988, is a quasi-judicial body that is separate from and independent of the Workers' Compensation Board.

Although the Appeals Commission is a separate entity, this annual report is an excerpt from the Human Resources and Employment Ministry Annual Report 2005/2006. In addition to these excerpts, I will provide some additional operations information. Also, as required by legislation, I will report the information relating to the Appeals Commission from the most recent annual report of the Auditor General of Alberta.

# Excerpts from Human Resources and Employment Ministry Annual Report 2005/2006

For a complete copy of the 2005/06 Ministry Annual Report please contact:

The Department of Alberta Human Resources and Employment  
Organizational Planning and Effectiveness  
6<sup>th</sup> floor, 10808-99 Avenue

Tel. (780) 422-2857, toll-free by first dialing 310-0000

Electronic versions are available at

[www.hre.gov.ab.ca/annualreports](http://www.hre.gov.ab.ca/annualreports).

The Appeals Commission is a quasi-judicial body that is the final level of appeal from decisions of the Workers' Compensation Board. It operates at arm's length from the Workers' Compensation Board and the government.

## Summary of Key Activities

While continuing the key activity of hearing initial appeals, many with multiple issues of appeal, the Appeals Commission continued to receive applications for reconsideration, requests for extension to the one-year time limit, investigations under the Office of the Ombudsman and inquiries from the Office of the Information and Privacy Commissioner.

# Appeals Commission for Alberta Workers' Compensation

## **RESULTS ANALYSIS**

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- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion

## Integrated Results Analysis for Core Business:

# APPEAL SERVICE FROM WORKERS' COMPENSATION DECISIONS

*HEARING WORKER AND EMPLOYER APPEALS ARISING FROM WCB REVIEW BODY DECISIONS*

### Goal 10: Provide a timely appeal service

Section Reference: *See Results Analysis and Discussion – Goal 10 section*

PERFORMANCE MEASURES		Results	Target	Variance
10.a	Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized:			
	▪ Standard Appeals	216	190	(26)
	▪ Complex Appeals	278	242	(36)

### Goal 11: Provide fair decisions on appeals

Section Reference: *See Results Analysis and Discussion – Goal 11 section*

PERFORMANCE MEASURES		Results	Target	Variance
11.a	Percentage of the total number of Appeals Commission decisions issued that are either not challenged or not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.	98.3%	98%	0.3%

### Goal 12: Provide accessible and transparent appeal services

Section Reference: *See Results Analysis and Discussion – Goal 12 section*

Two performance measures, "Satisfaction with accessibility of information and services" and "Satisfaction with transparency of procedures and policies used", were to be added to Goal 12 once sufficient baseline data had been collected.

The 2006-2009 Ministry of Human Resources and Employment's Business Plan reflects the Appeals Commission's effort to consolidate and focus on its primary strategies and targeted performance to achieve its primary goal.

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, \$000's)	Planned Spending	8,237	<i>See Supplementary Ministry Information Section</i>
	Actual Spending	8,006	
	Variance	231	

### INTEGRATED RESULTS ANALYSIS

The fair and consistent application of legislation, policy and the principles of natural justice ensures administrative practices and decisions are upheld on review. The Commission continued to work toward maintaining the quality of its decisions and fairness of process. Performance measures targets set for timelines are often affected by factors that are beyond the control of the Appeals Commission – parties who are unprepared to proceed, adjournments requested by the parties, the complexity of the appeal issues, etc. The small budget surplus resulted from certain administrative positions not being fully occupied for the fiscal year.

# Appeals Commission for Alberta Workers' Compensation

## Detailed Program Results Analysis and Discussion

### Goal 10: Provide a timely appeal service

**What it means** Appeals need to be decided within reasonable time limits giving consideration to the varying complexity of individual appeals.

**STRATEGY 10.1**  
Establish appeal-processing mechanisms based on different streams of appeals (i.e. standard appeals and complex appeals).

The Appeals Commission established criteria for dividing appeals into two categories: standard and complex. Standard appeals are those appeals with two or less straightforward issues that require normal preparation, decision-making and decision writing. Complex appeals are those appeals that have very difficult or multiple issues (usually three or more). Complex appeals may also encompass matters with complicated medical/adjudicative and unique legal arguments. Complex appeals require extensive preparation, study, decision-making and decision writing.

**STRATEGY 10.2**  
Ensure all parties understand their role and responsibilities in appeal processing and that their responsibilities are completed to ensure hearing readiness.

The Appeals Commission continued to work with the parties to an appeal to ensure hearing readiness and to minimize the number of requests for adjournment due to parties not being ready to proceed. The Appeals Commission website and the published guidelines and practices outline the appeals process and provide information on hearing readiness.

**PERFORMANCE MEASURE 10.a**  
Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized.

	2004/05	2005/06	Target
Average number of days			
▪ Standard Appeals	213	216	190
▪ Complex Appeals	234	278	242

**Source/Methodology:** The Appeals Commission Appeals Management System (AMS) tracks all data in a fiscal year relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

The average number of days figure is calculated by subtracting the average number of days that are not in the Commission's control from the average total days from 'appeal' to 'finalize' statuses. The statuses that are not in the Commission's control are intake pending, pending, administrative adjournment, adjourned sine-die and adjourned party.

The Appeals Commission Business Rules outline the process for changing the appeal stream from Standard to Complex after the intake stage.

# Appeals Commission Analysis and Discussion

## ANALYSIS OF PERFORMANCE MEASURE

Factors that are beyond the control of the Appeals Commission affect the time taken to process an appeal – parties who are unprepared to proceed, adjournments requested by the parties, the complexity of the appeal issues, etc. Adjournments result in wasted resources, substantial delays in the appeal being re-scheduled and significant delays for other appeals awaiting a hearing date. The practice for hearing appeals also has a significant impact on timelines. All hearings were conducted by two or three-member panels and over 80% of appeals were heard on an in-person basis.

During the 2005/2006 fiscal year, the Commission has established a number of practices which are intended to improve internal efficiencies. With the objective of eliminating unnecessary delays in processing an appeal, the Commission revised and re-issued the Practice Guidelines outlining the various steps and procedures used in filing and processing an appeal. For example, The Certificate of Readiness to Proceed form has been revised so that parties can formally certify that they are ready to proceed with the appeal, thus avoiding unnecessary adjournments. In each of the last three years the Commission has increased the overall number of hearings held, appeals finalized and decisions issued in each year.

## Goal 11:

### Provide fair decisions on appeals

#### What it means

Quality and consistency of decisions and fairness of processes are indicators of the effectiveness of the appeal system and are important, as the Appeals Commission is the final level of appeal. The fair and consistent application of legislation, policy and the principles of natural justice ensures administrative practices and decisions are upheld on review.

**STRATEGY 11.1**  
Continue to build and develop the competency base of the Appeals Commission through training and effective recruitment.

**PERFORMANCE MEASURE 11.a**  
Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.

The Appeals Commission recruited new appeals commissioners through advertising positions and completing a comprehensive interview process involving our stakeholders. Hearing Chairs and Commissioners were provided with comprehensive training in decision-making, decision-writing, interpreting statutes, evidence, hearing skills and administrative justice.

	2004/05	2005/06	Target
Percentage of decisions	99.5%	98.3%	98%

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions sent back by the Courts or the Ombudsman. AMS also generates a report that calculates the number of decisions the Appeals Commission reconsiders on its Own Motion. In 2002 the *Workers' Compensation Act* was amended to include a statutory right of appeal (s.13.4) on questions of law or jurisdiction.

## ANALYSIS OF PERFORMANCE MEASURE

Over 98% of Appeals Commission decisions were either not challenged or were upheld when reviewed by the Courts, the Ombudsman or reconsideration by the Commission itself. This performance measure reflects that the process was fair, thorough and produced decisions of the highest quality.

## Goal 12:

### Provide accessible and transparent appeal services

#### What it means

The rules, practices and procedures used in the appeal process by the Appeals Commission must be documented, clear and available for those who are or who may choose to participate in an appeal. The Appeals Commission works to improve understanding and readiness of the parties through education and the provision of information.

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**STRATEGY 12.1**  
Ensure accurate, informative and up to date information that is available and provided through various means including publications and the Appeals Commission Website.

The Appeals Commission website provided information on the hearing process, practice guidelines, and the various steps in processing an appeal. Copies of Appeals Commission Practice Guidelines were provided to all parties to each appeal. The Appeals Commission also published A Guide to the Appeals Commission, Code of Conduct, Rules and Procedures and reported to the Annual General Meeting.

**STRATEGY 12.2**  
Continue the publication of Appeals Commission decisions.

The Appeals Commission continued to publish all decisions on their website in compliance with the *Freedom of Information and Protection of Privacy Act*.

#### PERFORMANCE MEASURES

Two performance measures, "Satisfaction with accessibility of information and services" and "Satisfaction with transparency of procedures and policies used", were to be added to Goal 12 once sufficient baseline data had been collected.

The 2006-2009 Ministry of Human Resources and Employment's Business Plan reflects the Appeals Commission's effort to consolidate and focus on its primary strategies and targeted performance to achieve its primary goal.

# Financial Statements

## MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

### Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2006

	(in thousands)					
	2005-2006 Estimate	Adjustment ( <sup>00</sup> )	Authorized Supplementary ( <sup>01</sup> ) ( <sup>02</sup> )	2005-2006 Authorized Budget	2005-2006 Actual ( <sup>03</sup> )	Unexpended (Over Expended)
<b>Voted Expenses and Capital Investments:</b>						
<b>Program 1 - Ministry Support Services</b>						
1.0.1 Minister's Office	\$ 392			\$ 392	\$ 390	\$ 2
1.0.2 Deputy Minister's Office	519			519	516	3
1.0.3 Strategic Services	5,702			5,702	5,666	36
1.0.4 Delivery Services	2,617			2,617	2,917	(300)
1.0.5 Corporate Services Office	329			329	324	5
1.0.6 Information Technology Management						
Operating Expense	6,092			6,092	6,033	59
Capital Investment	578			578	506	72
1.0.7 Human Resource Services	5,213			5,213	5,164	49
1.0.8 Finance Services	4,731			4,731	4,417	314
1.0.9 Freedom of Information and Privacy	574			574	617	(43)
1.0.10 Communications	558			558	556	2
	<b>27,303</b>	<b>-</b>	<b>-</b>	<b>27,303</b>	<b>27,106</b>	<b>199</b>
<b>Program 2 - People Investments</b>						
2.1.1 Program Support						
Operating Expense	30,835		2,500	33,335	29,951	3,384
Capital Investment	1,035			1,035	962	73
2.2.1 Program Delivery	38,693			38,693	42,932	(4,239)
2.2.2 People Expected to Work	106,525			106,525	105,295	1,230
2.2.3 People Not Expected to Work	99,754		9,350	109,104	112,009	(2,905)
2.2.4 People Working - Supplement to Earnings	31,086			31,086	26,460	4,626
2.2.5 Widows' Pension	6,246			6,246	5,942	304
2.3.1 Program Delivery - Health Benefit	2,671			2,671	2,544	127
2.3.2 Alberta Child Health Benefit	23,720			23,720	24,226	(506)
2.3.3 Alberta Adult Health Benefit	8,869			8,869	7,195	1,674
2.3.4 People Expected to Work - Health Benefit	19,093			19,093	19,166	(73)
2.3.5 People Not Expected to Work - Health Benefit	33,980			33,980	38,939	(4,959)
2.3.6 People Working - Supplement to Earnings	4,705			4,705	4,145	560
2.4.1 Child Support Services	4,177			4,177	4,159	18
	<b>411,389</b>	<b>-</b>	<b>11,850</b>	<b>423,239</b>	<b>423,925</b>	<b>(686)</b>
<b>Program 3 - Skills Investments</b>						
3.1.1 Program Support						
Operating Expense	34,573		400	34,973	37,651	(2,678)
Capital Investment	1,985			1,985	1,825	160
3.2.1 Career Development Services						
Operating Expense	37,932			37,932	39,809	(1,877)
Capital Investment	-			-	142	(142)
3.2.2 Youth Connections	4,767			4,767	5,773	(1,006)
3.3.1 Living Allowance for Learners	79,929			79,929	80,054	(125)
3.4.1 Basic Skills and Academic Upgrading	35,577		(2,000)	33,577	30,302	3,275
3.5.1 Job Skills Training						
Operating Expense	62,736		(2,290)	60,446	55,196	5,250
Capital Investment	-			-	49	(49)
3.5.2 Self Employment Training	5,612			5,612	3,885	1,727
3.5.3 Disability Related Employment Supports	11,238			11,238	9,971	1,267
3.5.4 Summer Temporary Employment Program	8,195			8,195	7,211	984
3.5.5 Immigrant Support Services	4,574			4,574	5,097	(523)
3.6.1 Labour Market Partnerships	2,986			2,986	2,210	776
	<b>290,104</b>	<b>-</b>	<b>(3,890)</b>	<b>286,214</b>	<b>279,175</b>	<b>7,039</b>

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## MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT SCHEDULE TO FINANCIAL STATEMENTS

Schedule 6  
(continued)

### Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget For the year ended March 31, 2006

	(in thousands)					
	2005-2006 Estimate	Adjustment (a)	Authorized Supplementary (b) (c)	2005-2006 Authorized Budget	2005-2006 Actual (d)	Unexpended (Over Expended)
<b>Program 4 - Workplace Investments</b>						
4.1.1 Program Support	1,429			1,429	1,668	(239)
4.2.1 Mediation	777			777	721	56
4.2.2 Labour Relations Policy and Facilitation	838			838	869	(31)
4.2.3 Professions and Occupations	631			631	649	(18)
4.3.1 Legislation, Policy and Technical Support	5,092			5,092	5,612	(520)
4.3.2 Partnerships	1,221			1,221	1,175	46
4.3.3 Regional Services	10,209			10,209	10,017	192
4.4.1 Legislation, Policy and Technical Support	667			667	856	(189)
4.4.2 Regional Services	4,830			4,830	4,973	(143)
	<b>25,694</b>	<b>-</b>	<b>-</b>	<b>25,694</b>	<b>26,540</b>	<b>(846)</b>
<b>Program 5 - Labour Relations and Adjudication</b>						
5.0.1 Labour Relations Board	2,861			2,861	2,980	(119)
	<b>2,861</b>	<b>-</b>	<b>-</b>	<b>2,861</b>	<b>2,980</b>	<b>(119)</b>
<b>Program 6 - Personnel Administration Office</b>						
6.1.1 Public Service Commissioner's Office	510			510	542	(32)
6.1.2 Corporate Human Resource Services	7,492			7,492	7,021	471
6.1.3 Information Management Services	1,949			1,949	2,258	(309)
6.2.1 Research and Development	2,950			2,950	2,792	158
	<b>12,901</b>	<b>-</b>	<b>-</b>	<b>12,901</b>	<b>12,613</b>	<b>288</b>
<b>Program 7 - Workers' Compensation Appeals</b>						
7.0.1 Appeals Commission for Alberta Workers' Compensation						
Operating Expense	8,237			8,237	8,006	231
Capital Investment	200			200	-	200
	<b>8,437</b>	<b>-</b>	<b>-</b>	<b>8,437</b>	<b>8,006</b>	<b>431</b>
Dedicated Revenue Shortfall (e)	-	(3,012)	-	(3,012)	-	(3,012)
<b>Total Voted Expenses and Capital Investments:</b>	<b>\$ 778,691</b>	<b>(3,012)</b>	<b>\$ 7,960</b>	<b>\$ 783,639</b>	<b>\$ 780,345</b>	<b>\$ 3,294</b>
Program Operating Expense	774,893	(3,012)	\$ 7,960	779,841	776,860	2,981
Program Capital Investment	3,798			3,798	3,485	313
	<b>\$ 778,691</b>	<b>(3,012)</b>	<b>\$ 7,960</b>	<b>\$ 783,639</b>	<b>\$ 780,345</b>	<b>\$ 3,294</b>
<b>Statutory Expenses:</b>						
Valuation Adjustments	2,659			2,659	2,761	(102)
<b>Total Statutory Expenses:</b>	<b>\$ 2,659</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 2,659</b>	<b>\$ 2,761</b>	<b>(102)</b>

<sup>(a)</sup> Adjustment relates to dedicated revenue shortfall (Schedule 2).

<sup>(b)</sup> A Supplementary Estimate was approved to provide \$6,100 towards the estimated \$11,850 cost to the Department of a settlement of the Income Supports Class Action Lawsuit. The department will reallocate the remaining \$5,750 from lapses in the Skills Investments programs.

<sup>(c)</sup> Dedicated Revenues approved for the year ended March 31, 2006 are as follows:  
- Treasury Board Minute No. 37/2005, dated October 25, 2005, approves recovery of \$1,860 for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with Ministry of Agriculture and Agr-Food Canada.

<sup>(d)</sup> Includes achievement bonus of \$3,204.

## Future Challenges

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) has a continuing objective to reduce the time to process an appeal. The challenge is to achieve this within a system that has ever-increasing complexity of issues and processes while maintaining an uncompromised fairness of process and adherence to the principles of administrative justice.

Providing priority to initial appeals while addressing the workload of reconsideration requests, one-year appeal deadline extensions, appeals to the Court, Freedom of Information requests, Ombudsman inquiries, etc. is a continuing challenge.

Balancing the demands of all appeal-related activities with the demands to continue to enhance the competencies of the Appeals Commission through ongoing training and recruitment initiatives also presents an ongoing challenge.

Another continuing challenge is to find methods and resources to provide information to stakeholders -- allowing them to more effectively access and use the appeal system.

# Auditor General's Report

The 2005-2006 Annual Report of the Auditor General of Alberta did not include any exceptions or findings relating to the Appeals Commission.

A copy of the Annual Report of the Auditor General of Alberta 2005-2006 is available online at <http://www.oag.ab.ca/>.

# Additional Operating Information

## Appeals

Appeals Received	April 1/04 to March 31/05	April 1/05 to March 31/06	Variance
Total number of appeals received	1333	1218	-8.63%

Appeal Types		
Initial claims appeals	99.4%	99.0%
Initial assessment appeals	0.6%	1.0%

Appeals Finalized			
Total number of decisions issued	1087	1190	+9.48%
Other (withdrawn, dismissed, abandoned)	204	114	-44.12%
<b>Total number of appeals finalized</b>	<b>1291</b>	<b>1304</b>	<b>+1%</b>

Appeal Issues Received			
Initial appeals*	2636	2426	-7.97%

\*Note: Figure subject to change due to issues being added at finalization

Appeal Issues Finalized			
Upheld initial	1127	1250	
Overtaken initial	468	555	
Partially supported initial	92	107	
Other resolution (referred back to WCB)	343	364	
Other conclusions (withdrawn, dismissed, abandoned)	424	356	
<b>Total appeal issues finalized</b>	<b>2454</b>	<b>2632</b>	<b>+7.25%</b>

<b>Top 5 Issues of Appeal</b>	<b>April 1/04 to March 31/05</b>	<b>April 1/05 to March 31/06</b>
1. Additional entitlement	16%	1. Additional entitlement 15%
2. Temporary total disability	16%	2. Temporary total disability 15%
3. Responsibility level	8%	3. Responsibility level 11%
4. Temporary partial disability	8%	4. Medical aid responsibility 8%
5. Medical aid responsibility	7%	5. Acceptability of claim 8%
Other	39%	Other 35%

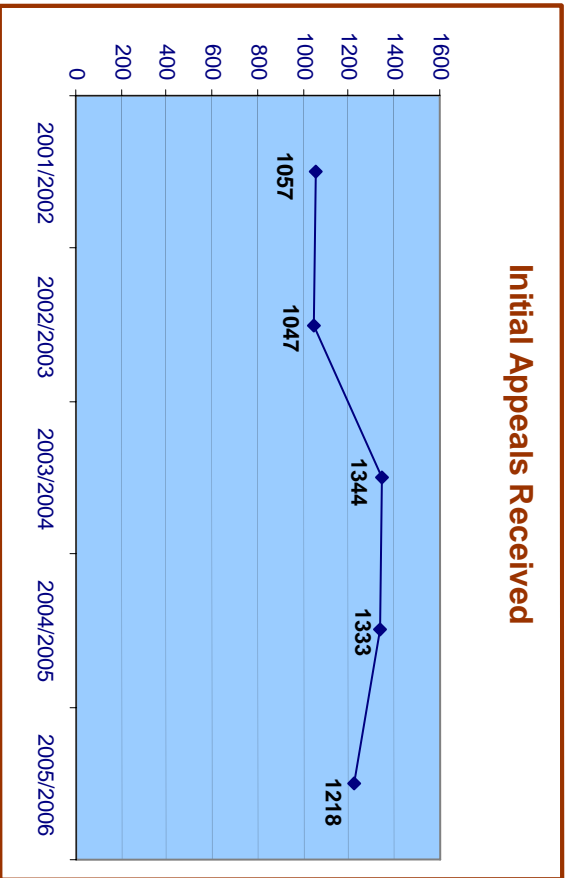
## Initial Appeal Hearing Activities

<b>Total Hearings Conducted</b>	<b>April 1/04 to March 31/05</b>	<b>April 1/05 to March 31/06</b>	<b>Variance</b>
In-Person	853	905	+6%
Documentary	126	134	+6%
Teleconference	132	136	+3%
<b>Total hearings conducted on initial appeals</b>	<b>1111</b>	<b>1175</b>	<b>+6%</b>

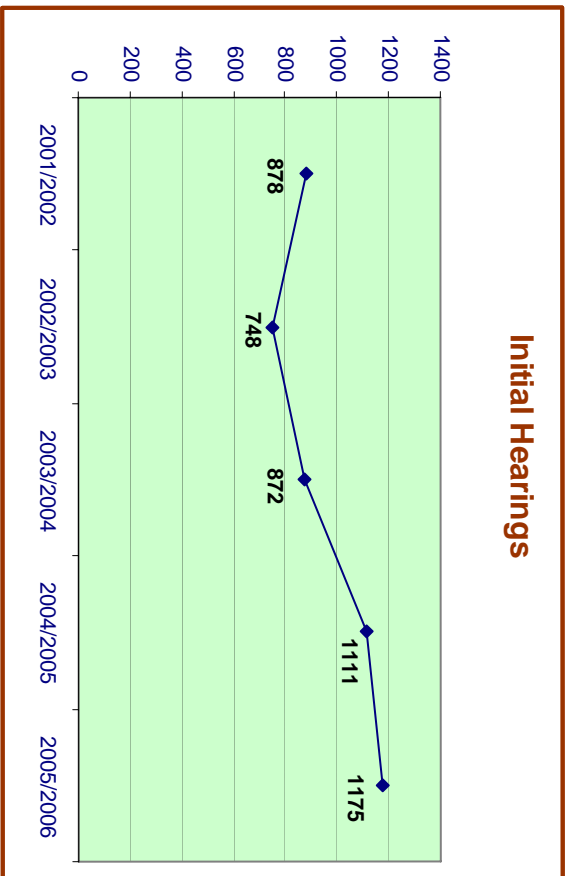
<b>Representation at Hearing</b>		
Represented	80%	88%
Unrepresented	20%	12%

# Initial Appeals – 5 Year Statistical Comparison

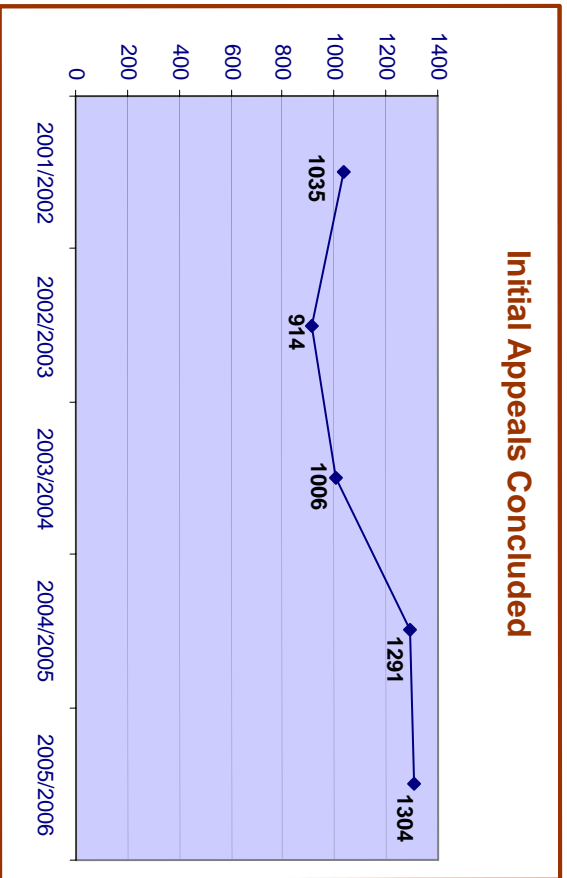
Initial Appeals Received



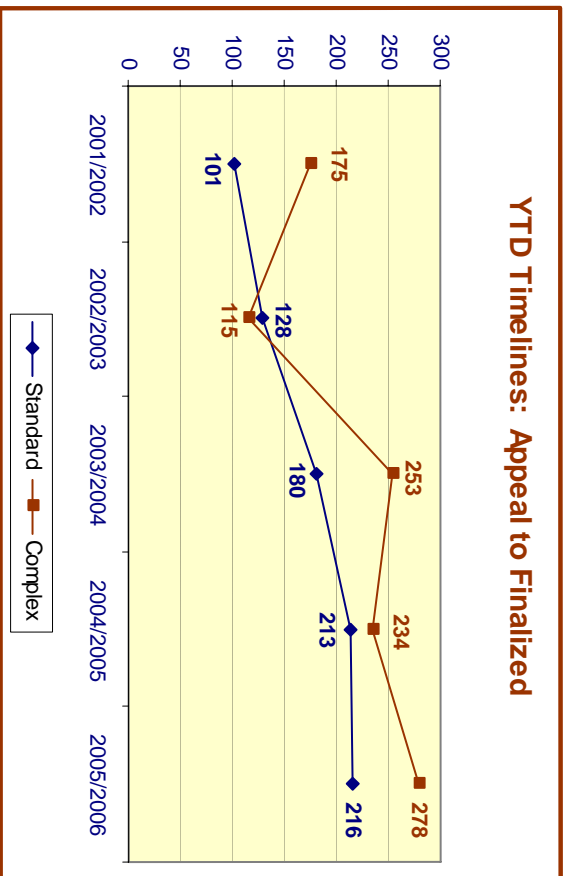
Initial Hearings



Initial Appeals Concluded



YTD Timelines: Appeal to Finalized



## Reconsiderations

Reconsideration Requests	April 1/04 to March 31/05	April 1/05 to March 31/06	Variance
Reconsideration applications received	97	108	+11%

Types of Reconsideration Requests	April 1/04 to March 31/05	April 1/05 to March 31/06
Reconsideration claims related	95%	99%
Reconsideration assessment related	5%	1%

Outcome of Reconsideration Applications - Decisions Issued	April 1/04 to March 31/05	April 1/05 to March 31/06	Variance
Reconsideration requests granted	8	15	
Reconsideration requests denied	74	74	
Other conclusions (withdrawn, dismissed, abandoned)	25	19	
<b>Total reconsideration applications finalized</b>	<b>107</b>	<b>108</b>	<b>+.9%</b>

Reconsideration on Own Motion	April 1/04 to March 31/05	April 1/05 to March 31/06
Granted	5	3
Denied	1	1
<b>Total reconsiderations on own motion</b>	<b>6</b>	<b>4</b>

Outcome of Appeals Being Reheard (Issues in decision)	April 1/04 to March 31/05	April 1/05 to March 31/06
Percentage of decisions where we reached the same decision as the original Appeals Commission decision	27%	46%
Percentage of decisions where we reached a different decision than the original Appeals Commission decision	43%	18%
Percentage of decisions where we reached a modified or alternate resolution to the original Appeals Commission decision	30%	36%
<b>Total issues</b>	<b>37</b>	<b>22</b>
<b>Total applications</b>	<b>17</b>	<b>15</b>

