

**Report on the Discussions and  
Recommendations of the Working Group on  
Review and Updating of the Statement of  
Principals and Objectives – Governance and  
Accountability for the (Nova Scotia)  
Workplace Safety and Insurance System**

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## 1. Executive Summary

The Working Group to review and update the Statement of Principles and Objectives -Governance and Accountability (the “SP&O”) for the (Nova Scotia) Workplace Safety and Insurance System (“WSIS”) was established in June of 2009. This report summarizes the Working Group’s discussions and sets out its recommendations.

The core of the Working Group’s mandate was to make recommendations that would improve the functioning of the SP&O (and therefore of WSIS) particularly regarding stakeholder participation in governance and accountability. The key recommendations made by the Working Group in this regard relate to the role of the WSIS Coordinating Committee, the definition of WSIS, and the provisions of the SP&O concerning stakeholder consultation. Significant recommendations are also made with respect to the addition to the SP&O of a framework for ensuring the ongoing accountability of 3<sup>rd</sup> party organizations (those funded within WSIS to advance or accomplish defined objectives).

The Working Group also made recommendations concerning the ongoing review of the WSIS; governance continuity; the legislative agenda; reporting from the OHS Advisory Council; and on the WCB Board of Directors duties and appointment process. Finally, as mandated, the Working Group carried out a careful review of the terminology used in the SP&O and made many detailed recommendations as to how this terminology should be updated (or retained) to ensure the continuing accuracy and effectiveness of the SP&O.

On the role of the Coordinating Committee the Working Group was of the view that the mandate of the Committee to coordinate collaboration and integrated planning between the four WSIS agencies (and particularly between the OHS Division and the WCB) should be strengthened, primarily by being made more explicit in a number of respects. The Working Group recommends that the SP&O should

- specify that the Coordinating Committee should report on Coordinating Committee activities at the WSIS AGM;
- specify that the Coordinating Committee is responsible for overseeing the ongoing development of a legislative agenda;
- specify that the Coordinating Committee is responsible for ensuring alignment between plans of OHS for regulation and of the WCB for prevention;
- specify that the Coordinating Committee is responsible for the proper functioning of the WSIS stakeholder consultation process;
- specify that the Coordinating Committee is responsible for setting the agenda for the AGM and the annual fall stakeholders meeting;
- state that the Coordinating Committee is responsible for ensuring that organizations that are accountable within WSIS are discharging that accountability; and

- specify that the Coordinating Committee is responsible for ensuring that it is properly resourced to discharge its responsibilities.

On the definition of WSIS, the Working Group recommends that the SP&O should include a distinct definition of the WSIS and that this definition should accomplish two objectives. First, it should differentiate WSIS as a forum for accountability and stakeholder participation related to the concerns of WSIS (which is collaboration and integrated planning, as appropriate, between WSIS agencies) from the accountability and participation that unfolds within and is particular to WSIS agencies. Second, it should make clear that the WSIS includes the various committees created by the SP&O, the OHS Advisory Council and the various 3<sup>rd</sup> party organizations (such as injured workers associations or safety associations) that have been or that may be created and that are funded within WSIS to advance or accomplish defined objectives. In addition, a definition of the WSIS should make it clear that the Minister of Labour and Workforce Development is part of WSIS.

On the topic of 3<sup>rd</sup> party accountabilities, the Working Group recommends that a provision be added to the SP&O that sets out the general criteria that should be applied within WSIS and by WSIS agencies in deciding whether to fund, or to continue funding, 3<sup>rd</sup> party organizations to advance or accomplish defined objectives. The Working Group believes that the criteria should generally emphasize the importance of tangible outcomes, the avoidance of duplication (and the exploitation of synergies), the importance of ongoing accountability (including on financial matters) and the critical importance of transparency. The philosophy underlying these criteria should be that WSIS agencies (or organizations)<sup>1</sup> should be accountable for showing that they have funded or are continuing to fund 3<sup>rd</sup> party organizations because they are satisfied that the organizations are efficiently and effectively addressing important goals. The Working Group also recommends that the accountability of WSIS agencies (and of organizations) with respect to 3<sup>rd</sup> party organizations should be addressed at the AGM.

The Working Group believes that stakeholder participation in WSIS will be improved by its recommendations in each of the above areas because the effectiveness of stakeholder participation is a function of the overall effectiveness and completeness of the SP&O. On the topic of the provisions of the SP&O that deal specifically with stakeholder consultations, the recommendations of the Working Group include:

- that the SP&O should state that WSIS stakeholder consultation is supplemental and complimentary to stakeholder consultation processes in WSIS agencies;
- that the SP&O should specify that the primary functions of stakeholder consultation in WSIS is to allow stakeholders to

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<sup>1</sup> The reference here to “organizations” is to reflect the fact that 3<sup>rd</sup> parties may have their accountability to parts of WSIS that are not one of the four WSIS agencies but to (for example) the DLWD.

contribute to development of WSIS objectives, to hold WSIS agencies accountable for progress in achieving WSIS objectives through their collaborative efforts and to contribute to the development of the legislative agenda; and

- that the SP&O should specify that the AGM is primarily for reporting by WSIS agencies and that the annual fall stakeholders meeting is primarily about getting stakeholder input into the priorities for agency business plans, the legislative agenda and WSIS objectives.

## 2. Introduction

### 2.1 Background

The Workplace Safety and Insurance System (“WSIS”) consists of the organizations, stakeholders and processes that are responsible for or have an interest in workplace health and safety and insurance in Nova Scotia. It encompasses the responsibilities, activities and accountabilities of the independently governed Workers Compensation Board (WCB), the Occupational Health and Safety Division (OHS) of the Department of Labour and Workforce Development (DL&WD), the Workers Advisors Program (WAP) and the Workers’ Compensation Appeal Tribunal (WCAT).

In 2005 a “Statement of Principle and Objectives – Governance and Accountability for the Workplace Safety and Insurance System” was approved for adoption and implementation by the Minister of Environment and Labour, the Honourable Kerry Morash.<sup>2</sup> (the “SP&O”) The SP&O supplements but does not replace or alter the provisions on governance and accountability found in the *Occupational Health and Safety Act* and the *Workers’ Compensation Act*. Instead, it sets out a framework for governance and accountability that is intended to achieve coherence and alignment of effort across the agencies that make up WSIS in their achievement of common objectives.

In this regard, a key element of the SP&O is the establishment of the Coordinating Committee composed of the Chair of the WCB and the Deputy Minister of DL&WD. The general mandate of the Coordinating Committee can be said to be overseeing the operation and implementation of the SP&O, including the various provisions dealing with collaboration among WSIS agencies and the

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<sup>2</sup> The Statement of Principles and Objectives was developed through a WSIS stakeholder consultation process in 2004-2005 led by the then Chair of the Workers Compensation Board and the then Deputy Minister of Environment and Labour. It was approved for implementation by the Minister of Environment and Labour and was the basis of legislative amendments pertaining to the composition of the Workers Compensation Board that were made in 2005. It establishes or recognizes a number of committees and an overall process of consultation and accountability that has guided the governance of WSIS since 2005.

provisions dealing with the role of stakeholders in the governance of WSIS and its constituent agencies.

In March of 2009, the Coordinating Committee concluded that a review of the SP&O would be timely and appropriate. It did so after discussing the matter with the System Performance Advisory Committee (SPAC), one of the stakeholder bodies provided for in the SP&O. The Heads of Agencies Committee (consisting of the CEO of the WCB, the Executive Director of OHS, the Chief Workers' Advisor and the Chair of WCAT) also participated in the discussions.

The decision to carry out a review has been connected in correspondence and in discussions to concerns raised about events that transpired during or in relation to the WSIS stakeholders meeting that took place on November 26, 2008. However, it should be noted that a broader rationale has been provided for the review by the Coordinating Committee, which is simply that a review is appropriate, "given that the system has had five years to evolve" since Ministerial approval of the SP&O in 2005.

## *2.2 The 2009 SP&O Working Group*

The Coordinating Committee established the SP&O Working Group (the "Working Group") to assist with the review of the SP&O. The membership of the Working Group includes some of the stakeholders who were involved with the drafting of the SP&O in 2004-2005 and two members of the WCB Board of Directors. A further consideration was to ensure that the Working Group was broadly representative of stakeholders with a balance between employer and worker representatives.

The following individuals agreed to serve on the Working Group:

- Rick Clarke (N.S. Federation of Labour)
- June Labrador (Mainland Injured Workers Association)
- Betty Jean Sutherland (Member of the WCB Board of Directors and of Canadian Union of Public Employees)
- Carol McCulloch (Member of the WCB Board of Directors and of the Nova Scotia Construction Association)
- Robert Patzelt (Canadian Manufacturers and Exporters)
- Leanne Hachey (Canadian Federation of Independent Business)

William Lahey facilitated Working Group discussions and was responsible for writing this report to the Coordinating Committee based on these discussions.

The Working Group was supported by Rachel Henderson (of DLWD) and by Jeff Kelly (of the WCB).

## *2.3 Mandate and Process of the Working Group*

The Terms of Reference for the Working Group are attached to this report as Appendix “A”. They stress that the mandate of the Working Group is to make recommendations to the Coordinating Committee as part of a broader process, “to update and refresh the WSIS Statement of Principles and Objectives”. Specifically, the terms of reference describes the “Scope of Review” to be carried out by the Working Group as having three parts:

1. A high-level review of the current SP&O to ensure it accurately reflects the way the system has evolved – the Working Group can suggest changes to update and clarify broad structures, processes, responsibilities and accountabilities of participants in the WSIS;
2. Review of the terminology and definitions outlined in the SP&O to ensure it is accurate and up to date;
3. A detailed review followed by recommendations concerning the appropriateness of the Stakeholder Consultation sections of the document, given that the system now has multiple years of consultation experience and stakeholder feedback to consider.

Respectively, these parts of the Scope of Review assigned to the Working Group are referenced in this report as the “High Level Review”, the “Terminology and Definitions Review” and the “Detailed Review”.

Consistent with the emphasis on updating and refreshing, the Working Group was asked to complete its work quickly in two half-day sessions scheduled in close proximity to each other. This was to ensure completion of the SP&O review process on a timetable that would allow the Coordinating Committee to report on the process and the outcomes at the WSIS stakeholders meeting that will take place in the fall of 2009. The aggressive scheduling did not prevent the Working Group from discussing any of the issues that members of the Working Group were able to identify as requiring discussion as part of the review process. It did however mean that the Working Group did not have the time to discuss the specific amendments that should be made to the SP&O in order to implement Working Group conclusions or recommendations. Instead, the recommendations of the Working Group are in most cases limited to outlining the general nature, thrust or objectives of the changes it believes should be made in or to the SP&O.

A summary of the recommendations made by the Working Group can be found in Appendix “B”.

#### *2.4 The “Bucket List”*

Early in its process, the Working Group recognized that the process of identifying issues in need of discussion relative to the SP&O would lead to the identification of broader or ancillary issues that go to the functioning of other aspects of WSIS

or to the relationship between WSIS and other processes of governance and accountability, such as the cabinet or legislative process. The Working Group recognized that it did not have the mandate or the time to discuss these issues. At the same time, it recognized that these issues (or at least some of them) could be related to the continuing effectiveness of the SP&O, even after it is appropriately updated and refreshed in accordance with recommendations on matters within the mandate of the Working Group. Thus the Working Group concluded that these issues should be documented in a “bucket list” that would serve only to identify matters that may require consideration in another forum.

This “Bucket List” is attached to this report as Appendix “C”.

### 3. Discussion and Recommendations

#### 3.1 High Level Review – Issue Identification

The Working Group members began their deliberations by reflecting on their collective views on what has and has not worked well under and with the SP&O since 2005. From this, the Working Group agreed that the issues that required discussion and consideration were as follows:

1. Ongoing mechanism for review of WSIS;
2. Role, function and effectiveness of the Coordinating Committee;
3. Definition of WSIS – who it includes and why;
4. 3<sup>rd</sup> party accountabilities (in respect of 3<sup>rd</sup> party organizations such as stakeholder counselor organizations; safety associations, injured workers associations, etc.);
5. Governance continuity;
6. Accountability for the legislative agenda;
7. Reporting from the OHS Advisory Council;
8. WCB Board of Directors – duties and appointment process;
9. Consultation vs. accountability
10. Responsibility for and function of the AGM and the fall stakeholder meeting;
11. Relationship between WSIS processes and other processes (ie., those of the four, agencies, of 3<sup>rd</sup> parties, of the OHS Advisory Council, etc.); and
12. Role, accountability, structure and name of the System Performance Advisory Committee.<sup>3</sup>

It will be apparent that this list of issues cuts across the three parts of the Working Group’s mandate. A number of the items on this list relate to the detailed review that the Working Group was asked to apply to the “Stakeholder Consultation” sections of the SP&O. This is particularly true of items 9, 10 and 11 and accordingly, these items are discussed in the section of this report that is headed “Detailed Review”.

It is however important to recognize that most of the issues listed above were identified as needing discussion because of the significance that they carry for the overall effectiveness of the SP&O in ensuring that the WSIS moves toward accomplishment of its objectives through appropriate consultation with and accountability to stakeholders. This is unsurprising given that the SP&O as a whole is concerned with outlining a stakeholder model of governance and accountability. In consequence, overlaps between the first and third parts of the mandate of the Working Group were unavoidable. This meant that the Working Group ended up giving the same level of attention to many of the matters that fall

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<sup>3</sup> Below, the Working Group recommends that the name of this committee be changed to the Stakeholders Liaison Committee and that it be mandated to provide input to the Coordinating Committee on the agenda for the WSIS AGM and for the annual fall stakeholders meeting.

under the first part of its mandate (where review was supposed to be “high level”) as it has to matters under the third part of its mandate (where review was supposed to be “detailed”). The reason is that much of the discussions that took place under both parts of the mandate related closely to, or had implications for, stakeholder participation in governance and accountability.

### *3.2 High Level Review – Discussion & Recommendations*

#### Ongoing mechanism for review of WSIS

##### Background

Regular reviews of the WSIS would serve the following purposes: to ensure that WSIS remains on course in achieving or making acceptable progress towards achieving established objectives; to ensure that the WSIS as a whole and its component parts are sufficiently accountable on a continuing and consistent basis for achieving objectives; and to ensure that the SP&O remains up to date with continuing evolution of WSIS and with changing circumstances, challenges and opportunities.

In all of these respects, the underlying rationale for a periodic review mechanism would be to ensure as much as possible that issues get addressed proactively as part of the continuing development of WSIS before they become destabilizing to the system or to relationships with the system.

##### Recommendations

The Working Group proposes that a provision should be added to the SP&O providing for periodic reviews of the WSIS (including the SP&O) according to a fixed schedule. The provision should also outline the mechanism for the conduct of these periodic reviews and this mechanism should, like the current review, be consistent with the role that the SP&O generally assigns to stakeholders in the governance of WSIS.

#### Role, Function and Effectiveness of the Coordinating Committee

##### Background

The SP&O is designed to accomplish, to the extent appropriate, integrated planning and operations among the four agencies that make up WSIS. Other jurisdictions have sought to achieve this objective through the mechanism of consolidating some or all of the functions that are in Nova Scotia allocated to four agencies to a single organization. Under the SP&O, Nova Scotia has committed to an approach that seeks to accomplish the objective of integration through a process of accountable collaboration among organizations, each of which is legislatively distinct and subject to its own framework of governance,

management and accountability. In other words, the approach of the SP&O is to focus on achieving alignment and common objectives while respecting and indeed protecting organizational distinctness.

Each of these two approaches has its strengths and weaknesses. It was not part of the mandate of the Working Group to delve into these strengths and weaknesses. At the same time however, the Working Group was of the view that a review of the SP&O must take account of the reality that the collaborative approach to integration results in a complex multi-layered system of governance and accountability.

The experience of Working Group members over the past five years has confirmed that this complexity is one of the most significant challenges facing WSIS. This does not lead to the conclusion that the collaborative approach should be abandoned or to the conclusion that it cannot be successful. Instead, it leads to the conclusion that the WSIS as currently structured may need a more developed coordinating mechanism than is currently provided for in the SP&O. It may also require increased attention to the operation of the coordinating mechanism in the future administration and operation of the SP&O.

Specifically, the Working Group concluded that greater coordination between WSIS agencies (and particularly between OHS and WCB) and between processes specific to particular agencies and those belonging to WSIS as a whole would be advantageous in the following areas: aligning and clarifying the relationship between consultation processes; achieving greater understanding of accountability for and more progress on the legislative agenda for WSIS; improved alignment between the distinct accountabilities of the WCB for prevention and of OHS for regulatory development and enforcement; improved coordination in the dialogue between the OHS Advisory Council and the WCB on prevention and the dialogue between the Council and OHS on regulation and enforcement; and improved overall progress against WSIS objectives, including enhanced awareness of progress through the making of stronger links between agency priorities, activities and outcomes and those of WSIS.

The job of coordination is given by the SP&O to the Coordinating Committee. Compared to possible alternatives, this coordination mechanism is simple and has the potential for quick and vigorous decision-making. In contrast, the alternatives might increase the complexity of the system without necessarily improving coordination. In addition, the Coordinating Committee as currently constituted is well suited to the task of ensuring integrated advice to the Minister regarding her distinct but highly interrelated responsibilities under the *Occupational Health and Safety Act* and the *Workers' Compensation Act*. This is critically important.

Yet the Working Group concluded that the functionality and effectiveness of the Coordinating Committee can be enhanced if the role of the Committee is

specified in greater detail and expanded in a number of ways in the SP&O. The Working Group believed that the SP&O could be enhanced in these ways without taking the Committee beyond the role of coordination and into the role of directing or managing individual agencies contrary to the legislative and functional distinctiveness of those agencies.

## Recommendations

First, the SP&O should specify that the Coordinating Committee will separately report on its activities at the AGM. Currently, the effect of the work of the Coordinating Committee might be said to be embedded in the reporting that is currently provided by OHS, WCB, WAP and WCAT. But the Working Group believes that the work of coordination is sufficiently critical to the overall progress of WSIS as to warrant distinct attention in the AGM.

Second, the SP&O should make it clear that the Coordinating Committee is responsible for ensuring that a legislative agenda that is inclusive of matters requiring attention under the *Workers' Compensation Act* and of those requiring attention under the *Occupational Health and Safety Act* is developed and brought forward to the Minister for consideration, after appropriate consultation with stakeholders.<sup>4</sup> The SP&O should indicate that this accountability is one of those on which the Coordinating Committee is expected to report at the AGM.

Third, the SP&O should specify that the Coordinating Committee is responsible for ensuring alignment between the plans and activities of the WCB in prevention and the plans and activities of OHS on regulation development and enforcement. This is because each of these responsibilities can only be optimally effective if it is developed and executed to work with the other. Part of the role of the Coordinating Committee in this regard should be to ensure that the WCB and OHS respond in an integrated way to the advice provided to the Minister on regulatory development and enforcement and to the WCB on prevention.

Fourth, the SP&O should make specific what is already implicit, that the Coordinating Committee is accountable for the WSIS process of consultations with stakeholders. In doing so, it should clarify that the WSIS process for consultations with stakeholders is distinct from consultation processes that are specific to OHS, WCB, WAP and WCAT and their distinct legislative mandates.

Fifth, the SP&O should specify that the Coordinating Committee is responsible for setting the agenda for the AGM and for the annual fall meeting with WSIS stakeholders. It should specify that the agenda for the AGM should be concerned with a reporting to stakeholders from WSIS agencies (and the Coordinating Committee) about their activities and results against WSIS objectives. In contrast, the SP&O should specify that the agenda for the annual fall meeting

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<sup>4</sup> This recommendation should be read in conjunction with the discussion and recommendations found below under the heading "Legislative Agenda".

should primarily deal with receiving input from stakeholders on matters that are under consideration for incorporation in the business plans of one or more of the agencies. Ideally the matters chosen by the Coordinating Committee for this purpose would be those relating to the overall development and progress of the WSIS rather than to issues that are primarily related to the distinct mandate of particular agencies but the SP&O should leave this to the Coordinating Committee. The SP&O should however require the Coordinating Committee to shape the agenda for the annual fall meeting of WSIS stakeholders with the benefit of consultations with the Stakeholders Liaison Committee (currently the Systems Performance Advisory Committee).

Sixth, (and again by way of more explicit specification of what is already implicit in the SP&O) the SP&O should state that the Coordinating Committee is accountable for ensuring that organizations that are part of WSIS and that have an accountability to report to WSIS stakeholders (as distinct from the accountability that they have to their own members, their own stakeholders or to other organizations) are appropriately discharging that accountability. These organizations include OHS, WCB, WAP and WCAT but also third party agencies that are defined (see below) to be part of WSIS. For both groups, the forum for this accountability should be the WSIS AGM.

Seventh, the SP&O should specify that the Coordinating Committee is accountable for ensuring that its work as a Committee (as distinct from the work of the Chair or of the Deputy Minister in their distinct roles) is adequately resourced and supported, including by staff who are sufficiently dedicated to the work of the Coordinating Committee. These staff must be given a level of authority by the Coordinating Committee to act on behalf of the Coordinating Committee that is adequate to their responsibility of effectively supporting the Coordinating Committee in the discharge of the responsibilities given to it by the SP&O.

### Definition of WSIS – Who it Includes and Why

#### Background

The Working Group observed that the SP&O (in Appendix B) lists organizations that are part of WSIS but that it does not contain a clear or precise definition of WSIS. The Working Group concluded that the rationale for such a definition is primarily that it can serve the following three functions. First, it can more inclusively confirm membership in WSIS of organizations that are not currently clearly stated to be part of WSIS but which obviously function within WSIS. Second, it can contribute to a clearer and more widely shared understanding of the distinction between WSIS (and its mandate) and WSIS agencies (and their mandates). Third, it can support the addition to the SP&O of a provision dealing with accountability in respect of 3<sup>rd</sup> party organizations. Additionally, given that

the SP&O is, in effect, the constitution of WSIS, the Working Group concluded that it should therefore in principle include a definition of WSIS.

## Recommendations

First, the definition of WSIS should clarify the relationship between WSIS as a forum for accountability to and participation by stakeholders related to WSIS concerns and the processes of accountability and participation that are specific to WSIS agencies (OHS, WCB, WAP and WCAT) and their distinct mandates. It could do this by clearly stating the core function and mandate of WSIS. One way of doing this may be to define WSIS as an “organization of organizations” focused on ensuring that the four agencies are working together to accomplish common objectives that are defined through WSIS. Alternatively (or in addition) a definition could describe WSIS as a second level of governance and accountability that is focused on the issue of the four agencies working together to accomplish common objectives defined through WSIS. Either way, the point is to use a definition to more clearly differentiate WSIS and its mandate from that of the four agencies and their specific mandates and functions.

Second, the definition for WSIS should bring greater clarity to the question of membership in WSIS, while also clarifying the roles and accountabilities of different members. In part, this is as simple as confirming that WSIS includes not only the four agencies but also the other organizations and bodies that are established by or mentioned in the SP&O but are not explicitly defined in the SP&O as being distinct parts of WSIS. Thus the definition would say that WSIS includes the four agencies and the Coordinating Committee, the Heads of Agencies Committee, the Systems Performance Advisory Committee (subject to recommendations made later) and the Occupational Health and Safety Advisory Council. This would make the SP&O more consistent with the fact that each of these bodies has its own functions and own accountabilities which are distinct from those of the four agencies. This differentiation is particularly important for the Coordinating Committee and the Heads of Agencies Committee.

Third, the Working Group proposes that the definition should also specify the membership in WSIS of 3<sup>rd</sup> party organizations that are participating in WSIS as organizations that are funded to advance or achieve defined objectives. One example would be the injured workers organizations that are mentioned at several places in the SP&O but are not explicitly stated to be part of the WSIS. Another example would be the various funded safety associations, some of which predate the SP&O and some of which have come into existence since the SP&O was adopted. A third example would be the two organizations in the “Stakeholder Counselors System” that are funded to provide “navigational” assistance either to employees or employers. These were contemplated by the SP&O but did not exist when the SP&O was adopted so it is not clear from a reading of the SP&O that they are part of the WSIS.

The rationale for dealing specifically with the membership in WSIS of these groups (and similar groups that may be created in the future) is first, to ensure that there is clarity and certainty on the fact that they are part of WSIS and second, to set the stage for adding provisions to the SP&O dealing with the accountability of WSIS agencies for decisions they make in relation to the funding of these organizations. These accountabilities are discussed below.

Finally, the definition of WSIS should be clear that WSIS includes the Minister of Labour and Workforce Development and WSIS stakeholders. Again, this is reasonably clear already from the SP&O (particularly for the Minister) but making it clear in the proposed definition of WSIS would put the membership of both beyond doubt and avoid the implication that they do not belong that might arise from the addition of a definition that did not reference them.

## 3<sup>rd</sup> Party Accountabilities

### Background

The Working Group agreed that the WSIS would function better if there was greater clarity around the participation in WSIS of 3<sup>rd</sup> party organizations.<sup>5</sup> The rationales for this view is multi-faceted. The first is to ensure that there is transparency around the rationale for and role of 3<sup>rd</sup> party organizations. The second is to ensure that there is appropriate differentiation between the role in WSIS of 3<sup>rd</sup> party organizations and that of stakeholders (many of whom will be represented or served by one or more of the third party organizations). The third is to ensure that there is clarity as to who is accountable for ensuring that 3<sup>rd</sup> party organizations are held suitably to account and on what grounds and through what processes. The fourth is to better ensure overall coherence, consistency and effectiveness in the number, function and configuration of third party organizations.

It also needs to be noted that the Working Group did not base its discussions or recommendations with respect to this topic on concerns around the accountability of any of the existing 3<sup>rd</sup> party organizations. Instead, the Working group was focused on making sure a system of accountability was in place to avoid and resolve problems that may arise, while ensuring clarity among stakeholders as to how accountability for and of 3<sup>rd</sup> party organizations fits within the WSIS framework.

### Recommendations

The Working Group recommends that the SP&O should have a section dealing with the important place in WSIS of 3<sup>rd</sup> party organizations, defined to include all those organizations that are funded through WSIS or WSIS agencies to advance or achieve defined objectives.

To implement this recommendation, the SP&O could outline the type of criteria that agencies should use to decide if organizations should be funded or if organizations should continue to be funded. Alternatively, it could identify the matters that should be addressed by the criteria that the agencies use for these purposes. Either way, the SP&O should be drafted in general terms to recognize that criteria of accountability may have to be customized for particular types of organizations and that some types of organizations may require criteria that are not relevant to all or most types of third party organizations. The SP&O should specify that where criteria are customized, varied or supplemented that this be transparently done.

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<sup>5</sup> The Working Group described the organizations in question as “3<sup>rd</sup> party organizations” to reflect the fact that they are distinct from the stakeholders they include and represent and are also not WSIS agencies or among the various bodies provided for in the SP&O.

The criteria should address matters such as: the importance of the goals to be advanced by the organization and the relationship of those goals to the goals of WSIS; the relationship of the mandate of the organization to that of WSIS and other 3<sup>rd</sup> party organizations with a view to avoiding unnecessary overlap and exploiting potential synergy; the quality of the organization's internal governance, including its accountability to its members; the benchmarks that will be used to monitor, evaluate and determine progress being made against goals; the capacity of the organization to carry out its mandate; and the rigor and integrity of internal systems of financial control and management.

This list is not meant to be exhaustive but only indicative. Guidance may be taken from criteria that have and are being used in decision making with respect to existing 3<sup>rd</sup> party organizations, including injured workers associations and safety associations. However the details are structured, the Working Group believes that the SP&O should mandate the use of criteria that generally emphasize tangible outcomes, the avoidance of duplication, consistent accountability principles (subject to necessity of customization), the importance of ongoing accountability and the critical importance of transparency. The underlying philosophy should be that the WSIS agencies or other WSIS organizations (DL&WD, WCB) should be accountable for showing that they have funded and/or are continuing to fund 3<sup>rd</sup> party organizations because they are satisfied that the organizations are efficiently and effectively addressing important needs and/or goals.

The SP&O should specify that the agency or organization (DL&WD, WCB, etc.) that is responsible for the decision to fund or to continue funding is accountable within the framework of WSIS for discharging these responsibilities on an ongoing basis in accordance with the criteria outlined in the SP&O, subject to any appropriate customization, variation or supplementation. The SP&O should indicate that this accountability should be on the agenda of the annual AGM and that presentations or the provision of information by 3<sup>rd</sup> party organizations at the AGM may be part of the accountability process for agencies in respect of these organizations.

### Governance Continuity

#### Background

Since the SP&O was adopted in 2005, there have been two Chairs of the WCB and three Deputy Ministers. Although both Chairs left the post for perfectly understandable reasons and deputy ministerial changes are part of government, members of the Working Group expressed frustration with the level of change that has occurred in leadership responsibilities. The Working Group recognized that this frustration cannot be addressed by the SP&O (except perhaps to some extent by changes that have already been made to the process described in the

SP&O for selecting a Chair) but thought that the issue was of sufficient importance that it needed to be mentioned.

A related concern is the difficulty being experienced in having Directors of the Board of the WCB appointed or reappointed on a timely basis so as to avoid vacancies in the membership of the Board. Such vacancies are serious (as they would be for the board of any comparable organization) due simply to the burden they place on continuing Board members and the constraint they place on the overall capacity of the Board. They are also serious because the Board is structured as a bi-partite board, as contemplated by the SP&O and legislation. Similar concerns exist with respect to the time it often takes to have vacancies filled or reappointments confirmed on the OHS Advisory Council.

## Recommendations

The Working Group noted that options exist for addressing (or mitigating) this problem through legislative changes. It also noted that the SP&O as approved in 2005 identified the need for legislative changes in the composition of the Board that were made in conjunction with the approval of the SP&O by the Minister. Therefore, the Working Group asked that consideration be given either through the SP&O or otherwise to legislative changes that would help to avoid or minimize the impact of Board of Director (and OHS Advisory Council) vacancies. One possibility is for the WCB Board of Directors (and the Council) to be removed from the departmental vetting process and/or cabinet approval process that applies to other ABC's, most of which do not have a stakeholder selection and nomination process such as that set out in the SP&O for the Board of Directors or that which is followed in respect of the Council. Another and less ideal option would be to add a provision to the *Workers' Compensation Act* (and one to the *Occupational Health and Safety Act* in respect of the Council) to effect that members of the Board retain jurisdiction to continue as Board members after their term expires until their replacement is appointed (subject to confirmation that they retain support from the stakeholder community that nominated them).

## Accountability for the Legislative Agenda

### Background

The Working Group quickly concluded that the lack of progress on the legislative agenda has been disappointing. It also concluded that there is uncertainty from year-to-year as to the status of the legislative agenda and as to any work that may be taking place on the development of the legislative agenda. It further observed that the SP&O does not state accountability for the development and recommendation to the Minister of proposals for legislative change with sufficient clarity.

Further, the Working Group expressed the view that there needs to be a wider understanding of what is meant by the legislative agenda. Specifically, it needs to be more widely understood that it can include “small” or specific changes done separately to address operational problems or issues that need to be or that can be appropriately dealt with on their own as well as larger changes dealing with policy issues that can only be appropriately addressed through legislative change of a more significant and far-reaching nature. In other words, it needs to be understood that the references in the SP&O to “legislative agenda” are references to an agenda that will evolve and change over time as circumstance, readiness and needs of WSIS evolve.

## Recommendations

The Working Group recommends as follows:

- that the SP&O more clearly state that the role of ensuring that consideration is given to the legislative agenda on a continuing basis is that of the Coordinating Committee;
- that the SP&O indicate that the status of the legislative agenda be one of the items on which the Coordinating Committee would report at the annual WSIS AGM; and
- that the SP&O indicate that the development of recommendations for changes to the *Workers Compensation Act* (and regulations) is one of the responsibilities of the Board of Directors of the WCB.

## Reporting from the OHS Advisory Council

### Background

The view was expressed in the Working Group that the work of the Council should be better known to WSIS stakeholders, recognizing that the Council is itself a stakeholder driven organization on which the majority of members are nominated by either employer or employee groups that participate in WSIS as stakeholders.

There was considerable discussion of concerns that arise from the fact that the Council provides advice to the Minister (i.e. to the Department) on regulation and the administration (enforcement) of regulations and to the WCB on prevention, without it being clear how (or if) the Department and the WCB act on the advice each receives in a coordinated way. These concerns are part of the larger concern raised above, that it is not clear that sufficient coordination takes place between the regulatory and enforcement activities of the Department and the prevention and promotion activities of the Board. The significance of this concern is partly that the effectiveness of both programs is likely to be sub-optimal in the absence of this coordination and partly that both programs are carried out under the *Occupational Health and Safety Act* and therefore in furtherance of the

mandate that the Minister has under that Act to advance regulations and enforcement and prevention as integrated activities.

## Recommendations

The response of the Working Group to these issues is the recommendation given above, that the SP&O should be specific in stating that the Coordinating Committee is responsible for ensuring alignment and integration between the plans and activities of the WCB in prevention and the plans and activities of OHS on regulatory development and enforcement. There should be specific mention of the need to ensure that the two organizations respond in an integrated way to the advice that comes from the Council directly to the Minister on regulation and to the WCB (indirectly to the Minister) on prevention. The further recommendation that the SP&O should specify that the Coordinating Committee should report as the Coordinating Committee on its distinct activities at the WSIS AGM will ensure that any concerns that exist with respect to these accountabilities can be addressed in that forum.

## WCB Board of Directors – Duties and Appointment Process

### Background

It was observed in the Working Group that the listing of the duties of members of the WCB Board of Directors in the SP&O does not fit well with the SP&O's concern with WSIS (rather than with the particular agencies in WSIS). It is relevant here to emphasize that the Board of Directors of the WCB is drawn exclusively (with exception of Chair and Vice-Chair) from WSIS stakeholders who are also WCB stakeholders.

On the appointment process, the concern that once again was expressed was the difficulty being experienced in getting reappointments and appointments through the government's appointment process even though candidates for reappointment and appointment have been put forward through a stakeholder nomination and vetting process. An additional concern raised was that having the selection and appointment process for members of the Board of Directors of the WCB spelled out in the SP&O may preclude adjustments being made to those processes that would make them more efficient and responsive.

### Recommendations

It was suggested that the list of duties could be removed from the SP&O on the understanding that boards of directors are typically responsible for defining the duties of their members and for being accountable to their stakeholders for how they define those duties and for how they implement those duties. Alternatively the list of duties for WCB Directors could be moved to an Appendix of the SP&O, subject to a statement that makes it clear that the Board of Directors can change

this list of duties as they see fit. The SP&O should in that case provide for the automatic substitution of the revised list of duties for the one initially attached as an Appendix to the SP&O so as to ensure continuing transparency to stakeholders.

On appointments, the discussion and recommendations set out above under “Governance Continuity” are also applicable here. In addition, it was suggested that the selection and appointment process for members of the Board of Directors might be removed from the SP&O and placed into a separate Memorandum of Understanding between the Minister and the Board of Directors to facilitate its amendment where experience indicates that amendment is appropriate. Alternatively, the selection and appointment process for the members of the Board of Directors could be moved to an Appendix of the SP&O on the understanding that the version of the process that would be incorporated into the SP&O would be the one containing any changes agreed to between the Minister and the Board of Directors from time-to-time. Both options would have the benefit of recognizing that boards of governance for comparable organizations often play an important role in designing the process that is used to choose future members of the board. In either case, it would be critical that the agreement between the Minister and the Board of Directors was consistent with the stakeholder governance principles enunciated in the SP&O. It would also be critical that the process being used at any point in time was completely transparent to WSIS stakeholders.

### *3.3 Review of Terminology and Definitions*

As explained above, the second part of the mandate of the Working Group was to review terminology and definitions in the SP&O to ensure they are still accurate and up-to-date. The following updating was identified by the Working Group as being required or warranted:

- Department of Labour and Environment should be changed to Department of Labour and Workforce Development;
- Deputy Minister of Labour and Environment should be changed to Deputy Minister of Labour and Workforce Development;
- The reference to the “Governance Committee” of the WCB should be changed to the “Policy and Governance Committee”;
- The name of the Systems Goals Advisory Committee should be changed to System Performance Advisory Committee (to reflect current usage), unless recommendations made below on function and name of this committee are accepted in which case the name of this Committee should be changed to the Stakeholder Liaison Committee;
- The references to “System Advocacy” and to employer and employee programs designed to provide assistance with “navigation” (all in section 8.0 of the SP&O) should be updated to reflect the mandate of and the

language being used to refer to the two organizations and the program that have now been established;

- A stronger and more expansive definition of WSIS, in accordance with recommendation made above, should be added, building on the list of “Key Components of the WSIS” currently found in Appendix B;
- The reference to biannual stakeholder meetings should be changed to reflect current practice (and recommendations made below) of two meetings each year in which one is the AGM (held in the spring) and one is the stakeholder consultation meeting (held in the fall);
- The description of the selection process that is to be used for recommending candidates for Chair (and Vice Chair) of the WCB to the Minister should be deleted from the SP&O because it has proven unworkable and is no longer being used. It should be replaced by a description of the process that is less descriptive of the details and more focused on the principles that the process must conform with. This document does not have to be part of the SP&O but should be agreed to by the Minister and transparent to all stakeholders. The principles laid out in this document should include:
  - public advertisement;
  - confidentiality;
  - balanced participation on committee of employer and employee representatives from employer and employee members of the Board of Directors
  - equal representation overall of employee and employer representatives;
  - engagement by the committee of an executive search consultant who is external to government and WCB;
  - committee to provide a short list to Minister of candidates committee is prepared to recommend;
  - Minister retains discretion to recommend to cabinet from the list or to return the list to the committee; and
  - staff support to committee to be provided by Department of Labour and Workforce Development.
- The flow chart diagram of WSIS attached to the SP&O should be replaced with one that more accurately and fully reflects the WSIS as currently structured and operated. A suggested alternative considered by the Working Group is attached to this report as Appendix “D”. However, the Working Group made the following comments relative to how WSIS should be visually depicted:
  - The focus should be on the external relationships, interactions and linkages between agencies, not on their internal processes or structures;
  - The language used to describe the program and organizations that have been established to help employers and employees to

understand and interact with the system must reflect the language in use “on the ground”;

- The place in the system of 3<sup>rd</sup> party organizations should somehow be captured diagrammatically;
- If recommendations made below on the role of what is now called the System Performance Advisory Committee are accepted, this Committee should be diagrammed as linked to the Coordinating Committee but not to the Heads of Agencies Committee; and
- Consideration should be given to a diagram that uses a concentric rings format, since the flow chart format unavoidably puts emphasis on reporting relationships whereas the goal of WSIS is overall collaboration directed toward the achievement of common objectives through independent but coordinated and mutually reinforcing effort. An example of what such a diagram might look like is attached to this report as Appendix “E”. Such a diagram could be used in addition to the diagram shown in Appendix “D”.

In each of the above instances of disagreement between the SP&O and what actually exists, or what will exist if recommendations of the Working Group are accepted, the Working Group concluded that the disagreement should be resolved by adjusting the SP&O. In the following instances of disagreement between current practice and the content of the SP&O, the view of the Working Group was that the disagreement should be resolved by a change in practice to bring it into line with the SP&O:

- The SP&O contemplates a legislative change transferring Ministerial accountability for the WCAT from the Minister of Justice to the Minister of Labour. The Working Group agrees that the SP&O should continue to reflect this recommendation and that the recommendation should be acted upon;
- The Systems Goals Advisory Committee (i.e., the SPAC) has been chaired by a WCB executive staff member instead of by employer and employee co-chairs, as indicated in the SP&O. Whether continued as the SPAC or as the Stakeholder Liaison Committee (as recommended below) the committee should be co-chaired by employer and employee co-chairs, as indicated in the SP&O;
- The SP&O contemplates the OHS Advisory Council meeting twice annually with the Coordinating Committee. To the knowledge of the Working Group, these meetings do not occur. The Working Group is of the view that these meetings should be happening, particularly in light of the view of the Working Group on the role of the Coordinating Committee in ensuring that OHS and the WCB discharge their interconnected mandates over regulation and over prevention with integrated plans and approaches; and

- The SP&O contemplates once a year attendance of the Chair of the WCB at the OHS Advisory Council. Instead, the CEO attends in place of the Chair. The Working Group believes that the SP&O should be acted on in this respect and notes that the Minister meets with the Council and that he or she usually does so with the Deputy Minister.

### *3.4 Detailed Review*

#### Background

The SP&O deals with “Consultation with Stakeholders” in Section 5. But as suggested above, the Working Group was strongly of the view that the effectiveness of this section of the SP&O is linked in important ways to the operation of other sections of the SP&O. These other provisions are among those addressed by the Working Group in its high level review of the SP&O as a whole. Working Group recommendations in this section of this report should therefore be read in conjunction with discussion and recommendations in the “High Level Review” section of the report. Referencing the list of issues identified by the Working Group during the High Level Review, the recommendations in this section deal with issue # 9 (consultation vs. accountability); issue # 10 (Responsibility for and function of the AGM and the fall stakeholder meeting); issue # 11 (Relationship between WSIS processes and other processes) and issue # 12 (Role, accountability, structure and name of the System Performance Advisory Committee).

A number of general themes emerged from the Working Group discussion of consultation with stakeholders. These themes can be summarized as follows:

- The provisions of the SP&O on stakeholder consultations must be more strongly connected with the functions of WSIS, as stated in the opening paragraphs of the SP&O. In particular, they need to be connected to the role of WSIS as means for achieving integrated but independent strategic and operational (business) planning cycles between OHS and the WCB;
- Stakeholder consultation in the form of WSIS needs to be more clearly differentiated from the stakeholder consultation processes that are specific to OHS, WCB, WAP and WCAT;
- There needs to be greater clarity as to who has overall accountability for ensuring the WSIS stakeholder consultation process works effectively, which in the view of the Working Group is the Coordinating Committee.
- Stakeholder consultation meetings will work most effectively when there is clarity of the function they are intended to serve, a clear agenda set well in advance that contains 2-3 issues of high importance and an open opportunity given to participants to raise other issues (consistent with the function of the meeting);

- The stakeholder consultation process should address accountability for and the role of 3<sup>rd</sup> party organizations that are funded to address specified objectives. This issue is largely addressed by discussion and recommendations presented earlier on “3<sup>rd</sup> Party Organizations”.

## Recommendations

In the context of these general themes, the Working Group recommends that the provisions of the SP&O on stakeholder consultation be changed or expanded in the following respects:

- The SP&O should state that the WSIS stakeholder consultation process is supplemental and complimentary to the stakeholder consultation processes of OHS, WCB, WAP and WCAT;
- The SP&O should state that each WSIS agency is responsible for a process (or processes) of stakeholder consultation that is (a) appropriate to its mandate and (b) consistent with the commitment of the SP&O to stakeholder consultations and more broadly, to the commitment of the SP&O to stakeholder participation in governance and accountability;
- The SP&O should state that stakeholder consultation in WSIS has three primary functions. First, to ensure that stakeholders can have meaningful contribution to the development of WSIS objectives and to the development of the integrated planning and activities that are developed by WSIS agencies to achieve those objectives. Second, to hold WSIS agencies accountable for the efforts and progress they make in achieving (or advancing) WSIS objectives through implementation of their integrated plans. Third, to contribute to the development and accountability for the development of the legislative agenda and related elements of the WSIS framework, including the SP&O.
- The SP&O should state that the WSIS stakeholder consultation process should in each annual cycle include the WSIS AGM (to be held in the spring) and the annual fall stakeholder meeting (to be held in the fall). The SP&O should be written so as not to preclude additional stakeholder meetings in any year.
- As indicated above, the SP&O should state that the Coordinating Committee is responsible for the organization of the AGM and the annual fall stakeholder meeting, including the agenda for each.
- The SP&O should more explicitly indicate that the AGM is primarily about a reporting to stakeholders by WSIS agencies. It should state that the Coordinating Committee should report at the AGM on matters for which it is accountable under the SP&O [such as the legislative agenda, coordination of WCB and OHS (Dept. of Labour and Workforce Development), and response to advice from OHS Advisory Council, etc.]. The SP&O should also indicate that the

provision of information or presentations by 3<sup>rd</sup> party organizations would, as appropriate, happen at the AGM. Finally, the SP&O should indicate that the focus of the AGM should generally be the efforts that have been made and the success that has been achieved by WSIS agencies (particularly OHS and WCB) in working collaboratively to achieve the objectives of WSIS in the prior year.

- The SP&O should state that the purpose of the annual fall stakeholder meeting is to give stakeholders the opportunity to provide input into and feedback on: (1) the priorities for collaborative effort among WSIS agencies (particularly OHS and the WCB) that should be reflected in business plans for the coming year or years; (2) the legislative agenda; and/or (3) the goals and objectives of WSIS.
- As indicated above, the SP&O should make the Coordinating Committee responsible for setting the agenda of the annual fall stakeholder meeting. The Working Group does not believe that the SP&O should be prescriptive on the type of matters that should be placed on this agenda but recommends that the SP&O should indicate that the agenda will normally include items under consideration for incorporation into agency business plans in the following year. However it is done, the SP&O should create a clear linkage between the stakeholder meeting and the planning processes of WSIS agencies and their responsibility within WSIS to plan in an integrated and collaborative fashion.
- To assist the Coordinating Committee and ensure stakeholder input into the planning of the AGM and the annual fall stakeholder meeting, the System Performance Advisory Committee should be renamed the Stakeholder Liaison Committee and given the mandate of providing input to the Coordinating Committee on format and agenda items for the AGM and for the annual Stakeholders Consultation Meeting. The Stakeholders Liaison Committee should be generally structured like the SPAC except for the difference (as indicated above) that it should have employer and employee co-chairs. These co-chairs should be chosen by the committee.

## 4. Concluding Observations

In the course of its deliberations, the Working Group noted that the SP&O took effect in 2005 upon it being formally endorsed by the Minister of Environment and Labour through a letter to the Chair of the WCB and to the Deputy Minister of Environment and Labour that was shared with WSIS stakeholders. The Working Group expressed the view that it would be helpful to the continuing development of the stakeholder principle if a similar process was followed to implement changes to the SP&O.

It also should be noted that members of the Working Group brought a highly constructive and respectful attitude to their discussions. By itself, this speaks highly for the progress that has been made towards realization of the objective of the SP&O to make integrated planning in the operation of WSIS and WSIS agencies a reality through a stakeholders' model of governance and accountability. As this report makes clear, members of the Working Group were in agreement that there is much ground still to be covered and many improvements required in the design and operation of the SP&O. Yet at the same time, Working Group members agreed that the model of governance and accountability set out in the SP&O is a good one that can be made to work if agencies and stakeholders want it to work. The recommendations of the Working Group are put forward with a view to contributing to that desirable outcome.

### All of which is respectfully submitted on behalf of:

Rick Clarke  
N.S. Federation of Labour  
Association

June Labrador  
Mainland Injured Workers

Betty-Jean Sutherland  
WCB Board of Directors  
Canadian Union of Public Employees

Carol McCulloch  
WCB Board of Directors  
Nova Scotia Construction  
Association

Robert Patzelt  
Canadian Manufacturers and Exporters

Leanne Hachey  
Canadian Federation of  
Independent Business

## **Appendix “A”**

# **Workplace Safety and Insurance System (WSIS) Statement of Principles and Objectives – Stakeholder Review June, 2009**

## **Terms of Reference**

### **Background**

At its March 4, 2009 joint meeting the System Performance Advisory Committee (SPAC) discussed the value of reviewing the WSIS Statement of Principles and Objectives with the Coordinating Committee (CC) and the Heads of Agencies Committee. All parties agreed that it would be appropriate for the CC to lead a process to update and refresh the WSIS Statement of Principles and Objectives.

### **Objective**

A Working Group of system stakeholders will review and refresh the WSIS Statement of Principles and Objectives (SP&O) in accordance with the scope of the review. Recommendations from the review will be forwarded to the CC.

### **Scope of the Review**

- A high level review of the current SP&O to ensure it accurately reflects the way the system has evolved – the Working Group can suggest changes to update and clarify broad structures, processes, responsibilities and accountabilities of participants in the WSIS
- Review of the terminology and definitions contained in the SP&O to ensure it is accurate and up-to-date
- A detailed review followed by recommendations concerning the appropriateness of the Stakeholder Consultation sections of the document, given that the system now has multiple years of consultation experience and stakeholder feedback to consider

### **SP&O Working Group Membership**

A small six person working group will review the SP&O. The membership of the working group will be balanced. Linkages to the current WCB Board of Directors, the current SPAC and for consistency purposes, the original 2004/05 S&PO Working Group, will be considered.

### **Timeline and Work Plan**

Anticipated work will begin in June and conclude in early fall 2009. It is anticipated that a workshop format will be used to conduct the review, with two ½ days scheduled with the Working Group in June or early July.

The two 1/2 day sessions will be facilitated. The Facilitator will prepare and forward to the Coordinating Committee a brief report with recommendations refreshing the SP&O by the end of July.

Consultation with the broader group of stakeholders will subsequently take place either by written submission or an in person meeting, depending on the nature of the changes proposed.

Results of broader stakeholder feedback will be considered by the Coordinating Committee in advance of the fall WSIS Stakeholder Consultation.

The Coordinating Committee will ultimately decide what changes will be made to the SP&O.

**Revised: June 5, 2009**

Appendix “B”  
List of Recommendations<sup>6</sup>

1. Add a provision to the SP&O for periodic reviews of the WSIS according to a fixed schedule and through a mechanism consistent with the role assigned to stakeholders by the SP&O.
2. Specify in the SP&O that the Coordinating Committee is expected to separately report on its responsibilities at the AGM.
3. Specify in the SP&O that the Coordinating Committee is responsible for ensuring that the legislative agenda is developed on a continuing basis and that the Committee should report on the legislative agenda at the AGM.
4. Specify that the Coordinating Committee is responsible for ensuring alignment between plans and activities of the WCB regards prevention and plans and activities of OHS regards regulation and enforcement.
5. Specify in the SP&O that the Coordinating Committee is accountable for the WSIS process of consultations with stakeholders (distinct from consultation that takes place within the mandate of each agency).
6. Specify in the SP&O that the Coordinating Committee is responsible for having the agenda set for the annual fall stakeholders’ meeting, with the benefit of input from the Stakeholders Liaison Committee (currently the SPAC).
7. Specify in the SP&O that the Coordinating Committee is accountable for ensuring that WSIS agencies that have an accountability for the funding of 3<sup>rd</sup> party organizations that are part of WSIS (because they are funded by WSIS or a WSIS agency to achieve or advance a defined objective), appropriately discharge that accountability through the WSIS AGM.
8. The SP&O should include a definition of WSIS that clearly states the core mandate and function of WSIS (as distinct from the mandate and function of each of the agencies) and that clarifies the relationship between WSIS as a forum for accountability related to the concerns of WSIS and the processes of accountability that exist in relation to each of the agencies within WSIS.
9. Specify in the definition of WSIS that WSIS includes (in addition to the fur agencies), the Coordinating Committee, the Heads of Agency

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<sup>6</sup> It should be noted that this is a summary of recommendations and that, with the exception of recommendations on the stakeholder consultation section of the SP&O, the summary does not necessarily contain all of the elements of each recommendation as set out more fully in the body of the report.

Committee, the SPAC (renamed as the Stakeholders Liaison Committee) and the OHS Advisory Council.

10. Specify in the definition of WSIS that WSIS includes 3<sup>rd</sup> party organizations that participate in WSIS as organizations that are funded by WSIS or WSIS agencies to achieve or advance defined objectives, including safety association, injured workers associations and the organizations that have been established to work with employers and employees respectively.
11. Make it clear in the SP&O that the WSIS includes the Minister of Labour and Workforce Development.
12. Add a section to the SP&O dealing with the place in WSIS of 3<sup>rd</sup> party organizations, as defined in the definition of WSIS.
13. Include in the section dealing with 3<sup>rd</sup> party organizations the type of criteria that should be used by agencies to decide if organizations should be funded or should be continued to be funded as 3<sup>rd</sup> party organizations within WSIS, recognizing that these criteria should be generally drafted so as to allow customization for particular categories of 3<sup>rd</sup> party organizations and to reflect criteria already in place in respect of existing organizations. The criteria should address the matters listed in this report and should emphasize tangible outcomes, consistency at the level of principles, the importance of ongoing accountability and the critical importance of transparency.
14. The SP&O should specify that the agency that is responsible for the decision to fund or to continue the funding of a 3<sup>rd</sup> party organization is responsible for ensuring consistency with the criteria that are set out in the SP&O for this purpose, subject to an customization that takes place to make those criteria applicable to the 3<sup>rd</sup> party organization in question.
15. The SP&O should identify the need for consideration to be given to the possible role that legislative changes could play in addressing or mitigating concerns around governance continuity.
16. In addition to indicating that the Coordinating Committee is accountable for the legislative agenda and should be expected to report on the status of the legislative agenda as part of its report at the AGM, the SP&O should indicate that the development of recommendations for the legislative agenda as regards the Workers' Compensation Act is the responsibility of the Board of Directors of the WCB.
17. Give consideration to removing the list of Board of Directors duties from the SP&O or to moving the list of duties to the Appendix, indicating in

either case that the list as incorporated into the SP&O includes any changes that might be made to it by the Board of Directors.

18. Terminology and Definitions in the SP&O should be revised and/or maintained as indicated in the section of this report that is headed "Review of Terminology and Definitions".
19. The SP&O should be amended to reflect the various recommendation contained in this report on the Stakeholder Consultation Section of the SP&O, as follows:
  - The SP&O should state that the WSIS stakeholder consultation process is supplemental and complimentary to the stakeholder consultation processes of OHS, WCB, WAP and WCAT;
  - The SP&O should state that each WSIS agency is responsible for a process (or processes) of stakeholder consultation that is (a) appropriate to its mandate and (b) consistent with the SP&O's commitment to stakeholder consultations and more broadly, to the SP&O's commitment to stakeholder participation in governance and accountability;
  - The SP&O should state that stakeholder consultation in WSIS has three primary functions. First, to ensure that stakeholders can have meaningful contribution to the development of WSIS objectives and to the development of the integrated planning and activities that are developed by WSIS agencies to achieve those objectives. Second, to hold WSIS agencies accountable for the efforts and progress they make in achieving (or advancing) WSIS objectives through implementation of their integrated plans. Third, to contribute to the development and accountability for the development of the legislative agenda and related elements of the WSIS framework, including the SP&O.
  - The SP&O should state that the WSIS stakeholder consultation process should in each annual cycle include the WSIS AGM (to be held in the spring) and the annual Stakeholder Consultation Meeting (to be held in the fall). The SP&O should be written in this regard so as not to preclude additional stakeholder Consultation Meetings in any year.
  - As indicated above, the SP&O should state that the Coordinating Committee is responsible for the organization of the AGM and the annual Stakeholder Consultation Meeting.
  - The SP&O should more explicitly indicate that the AGM is primarily about a reporting to stakeholders by WSIS agencies. It should state that the Coordinating Committee should report at the AGM on matters for which it is accountable under the SP&O [such as the legislative agenda, coordination of WCB and OHS (Dept. of Labour and Workforce Development) response to advice from OHS

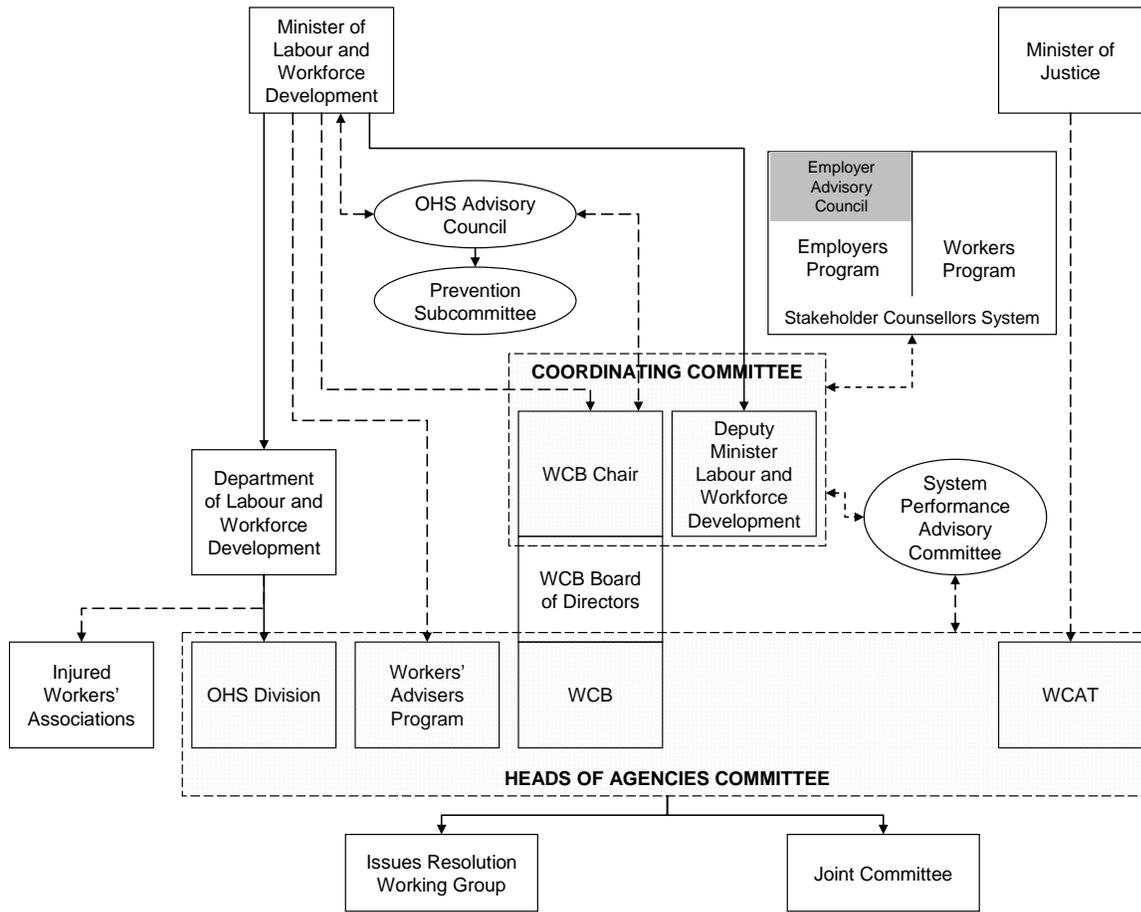
Advisory Council, 3<sup>rd</sup> party accountabilities, etc.]. The SP&O should also indicate that the provision of information or presentations by 3<sup>rd</sup> party organizations would, as appropriate, happen at the AGM. Finally, the SP&O should indicate that the focus of the AGM should generally be the efforts that have been made and the success that has been achieved by WSIS agencies (particularly OHS and WCB) in working collaboratively to achieve the objectives of WSIS in the prior year.

- The SP&O should state that the purpose of the annual Stakeholder Consultation Meeting is to give stakeholders the opportunity to provide input into and feedback on: (1) the priorities for collaborative effort among WSIS agencies (particularly OHS and the WCB) that should be reflected in business plans for the coming year or years; (2) the legislative agenda; and/or (3) the goals and objectives of WSIS.
- As indicated above, the SP&O should make the Coordinating Committee responsible for setting the agenda of the annual Stakeholder Meeting. The Working Group does not believe that the SP&O should be prescriptive on the type of matters that should be placed on this agenda but recommends that the SP&O should indicate that the agenda will normally include items under consideration for incorporation into agency business plans in the following year.
- To assist the Coordinating Committee and ensure stakeholder input into the planning of the AGM and the annual Stakeholder Consultation Meeting, the System Performance Advisory Committee should be renamed the Stakeholder Liaison Committee and given the mandate of providing input to the Coordinating Committee on format and agenda items for the AGM and for the annual Stakeholders Consultation Meeting. The Stakeholders Liaison Committee should be generally structured like the SPAC except for the difference (as indicated above) that it should have employer and employee co-chairs. These co-chairs should be chosen by the committee.

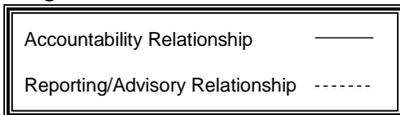
Appendix “C”  
The “Bucket List”

1. Complexity of WSIS – should we have a more integrated system?
2. Universality of coverage (or movement towards it).
3. Should WSIS and the accountability framework set out in the SP&O be reflected in the Workers’ Compensation Act?
4. Reporting of the OHS Advisory Council and how it fits and is reflected in functioning of WSIS.
5. Membership of the Coordinating Committee – are there other coordinating mechanisms that should be considered?
6. Efficiency and dependability of the appointment process, including on expiry of terms for members of the Board of Directors of the WCB or for members of the OHS Advisory Council.

## Appendix D – Workplace Safety and Insurance System



### Legend



Appendix "E": Workplace Safety and Insurance System Structure

