

Building the Future of Nova Scotia's Workplace Safety and Insurance System

Report and Recommendations to the
Government of Nova Scotia

September 22, 2003

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Introduction

Government's Response to *The Nova Scotia Workers' Compensation Program – A Focused Review* (the Dorsey Report) stated that the Chair of the Workers' Compensation Board of Directors would lead the development of a strategic plan for the occupational health and safety and workers' compensation system. The Response states in part . . . *All agencies and key stakeholder groups will be asked to participate in the development of the strategic plan* (July 2002). The agencies include the Workers' Compensation Board, Workers' Compensation Appeals Tribunal, Workers' Advisers Program and the Occupational Health and Safety Division.

Government's Response to the Dorsey Report also asked the Board of Directors of the Workers' Compensation Board to recommend to Government the priority and appropriate implementation of the Dorsey recommendations related to benefits and other System enhancements.

This is the WCB Board of Directors' response to the Government's request.

Over the past year, key stakeholders have been engaged in a consultation process, including:

- labour unions
- employer associations
- safety consultants
- safety associations
- injured workers' groups
- health care representatives
- private employers and
- professional associations

This consultation has resulted in a series of recommendations to Government for enhancements to workers' compensation benefits and coverage (Section 1 of this document) and a strategic plan for Nova Scotia's Workplace Safety and Insurance System (for a summary of the strategic plan see Section 2).

The stakeholders who helped build this plan and recommendations to Government represent thousands of workers and hundreds of employers across a broad spectrum of industries. The consultation process was multi-faceted, including large roundtable discussions, smaller more detailed discussions and feedback through the Internet. (For highlights of the consultation process see Appendix A).

For the first time, employers, workers, injured workers and service providers have come together to provide input on the priorities and directions for the Workplace Safety and Insurance System. For the first time, the partner agencies have a common strategy in place to co-ordinate and improve service delivery with a vision of safe, healthy workplaces for Nova Scotians and sustainable safety and insurance services.

The key priorities, as identified by stakeholders, are:

- **Preventing workplace injury and illness;**
- **Improved benefits for those who are injured at work;**
- **Enhanced stakeholder consultation;**
- **Enhanced accountability by monitoring progress with system performance measures; and**
- **Financial sustainability of the system.**

Recommendations for Benefit and System Enhancements

The WCB Board of Directors, after considering the views of all stakeholders who participated in the process, is now making a series of recommendations to Government for changes to be implemented in the short term. It also recognizes that certain other Dorsey recommendations will have to be addressed over time as fiscal stability of the Workplace Safety and Insurance System is achieved. The recommendations outlined below include what the Board of Directors believes is an emerging stakeholder consensus on this issue.

Recommendations to Government on Benefit and System Enhancements include:

1. Effective October 2002

1. Supplementary Benefits Enhancements (completed)

2. Effective January 1, 2004

1. Increase indexing from 50% to 55% of the increase in the Consumer Price Index (CPI). This will be reviewed annually, in consultation with stakeholders, with an eventual target of reaching 85% of CPI.
2. WCAT to give an employer involved in an appeal a copy of relevant documents.
3. With the consent of all parties, WCAT to be able to correct errors of jurisdiction, breaches of natural justice and breaches of the duty of fairness.
4. WAP to have right of access to the WCB file of a worker it represents.
5. Agencies will publicly report results of the monitoring for compliance with statutory requirements each year.
6. An annual stakeholder meeting will be held in the spring of each year.
7. Amend the *Occupational Health and Safety Act* and the *Workers' Compensation Act* to officially transfer responsibility for prevention and education from the Occupational Health and Safety Division to the Workers' Compensation Board. *(Recommended to be effective January 1, 2003)*
8. Government to provide funding to injured worker associations based on objective criteria and the services they provide to members or provide the authority to the WCB in the *Workers' Compensation Act* to consider this.

3. Effective January 1, 2005

1. Increase maximum assessable/insurable earnings from 140.2% to 152% of the Average Industrial Wage.
2. Repeal the three-worker rule.
3. Cover family members regardless of where they live.
4. Be able to extend Special Protection coverage to all those excluded by the *Act*.
5. Be able to extend coverage to both unpaid student workers who are participating in an educational program (such as student nurses) as well as active officers, directors and managers not on payroll.
6. Eliminate the counting discrepancy between sole proprietors/partners and active directors on payroll.
7. Adopt a list of excluded industries only.

4. Recommendations for Consideration at a Later Date

1. Increasing indexing of benefits, providing an increased percentage of the Consumer Price Index (CPI).
2. Commutation of permanent benefits (making a lump sum payment instead of providing an ongoing benefit).
3. Elimination of the 2/5ths waiting period.
4. Establishing a minimum level of earnings for workers with prior periods of no, or unusually low earnings.
5. Implementing universal coverage, making workers' compensation coverage compulsory for all industries in Nova Scotia.
6. An eventual reduction in assessment rates.

The WCB Board of Directors recognizes that it is not possible at this time to implement certain other Dorsey recommendations while maintaining assessment rates at current levels and achieving full funding by 2014. The Board of Directors will review these recommendations from Dorsey and other recommendations that arose through the consultation process over time as fiscal stability of the Workplace Safety and Insurance System is achieved. When funds are available in excess of those required to eliminate the unfunded liability by 2014, the Board of Directors will consider the options for moving forward on more of these recommendations. This would be discussed with stakeholders at an annual stakeholder meeting. In addition, the Board of Directors proposes that a formal review of the Dorsey recommendations should occur five years from approval of the strategic plan.

It is anticipated that with this plan, barring any unforeseen circumstances, assessment rates will remain stable until the elimination of the unfunded liability, which is currently anticipated to occur in 2014. The funding of the strategic plan and the additional benefits (including the enhancements to the Supplementary Benefits that were implemented in late 2002) can be achieved by a combination of: the increase in the average assessment rate from \$2.54 to \$2.57 in 2004; increased revenues from the proposed 2005 coverage changes; savings generated by

injury-prevention activities; improving claim durations; and the actual long-term disability results continuing to be better than originally predicted.

Given the current financial context, the Board of Directors, in responding to the Dorsey Report, aims to reach a balance between fair benefits to injured workers, reasonable assessment rates and fiscal sustainability. Rate and benefit adjustments will be reviewed as the financial situation improves. When funds are available in excess of those required to eliminate the unfunded liability by 2014, the Board of Directors will consider the options for moving forward on more of the recommendations from Dorsey and System stakeholders

These changes will be built upon the WCB's record of progress. The average assessment rate has been stable since 1994. (The enhancement to the Supplementary Benefits Program introduced in late 2002 was funded by a three-cent increase in the average assessment rate – resulting in the 2004 average assessment rate increasing for the first time since 1994 from \$2.54 to \$2.57.) During this time, the WCB has improved its funded percentage (ratio of assets to liabilities) from 27% in 1993 to 73% at the end of 2002.

However, because of a pre-1994 yearly funding shortage, the WCB of Nova Scotia continues to allocate a substantial portion of the average assessment rate to help eliminate the unfunded liability. Nova Scotia's costs compare favourably to the Canadian average when the allocation for the unfunded liability is considered.

Workplace Safety and Insurance System Strategic Plan (2004 – 2008)

Over the next five years, stakeholders can expect to see improvements in terms of *what* the system does, *how* it does these things and the *outcomes and results* it delivers. As a start there will be:

- A System-wide prevention program developed, including a public awareness program on workplace safety, and support services for those employers most in need of improved safety practices.
- Stakeholders consulted to provide input and advice in workers' compensation policy development and other key areas, and an **annual stakeholder meeting** will be held to report progress on the strategic plan.
- A stakeholder-based committee will give advice on System Performance Measures.
- A change in the philosophy of partner agencies as they begin to co-operatively plan, implement and evaluate results as a System.

In addition to the strategic plan and the legislative recommendations, during the consultation process, stakeholders also made several recommendations requiring Government's consideration. (For details see Appendix B). The WCB Board of Directors and other agencies have not commented on these recommendations but they are provided here for Government's information and possible consideration.

Section 1

Benefit and System Enhancements:

Recommendations Requiring Legislative Change

Government's response to the Dorsey Report indicated that, as part of the strategic planning process and in keeping with the Dorsey recommendation for enhanced consultation, the Board of Directors of the Workers' Compensation Board was to recommend to Government the priority and appropriate implementation of the Dorsey recommendations related to benefits and other System enhancements.

The WCB Board of Directors, a stakeholder representative body is responsible for the governance of the Workers' Compensation Board, and for the exercise of the powers and performance of the duties as set out in the *Workers' Compensation Act*. The Board of Directors oversees the delivery of workers' compensation programs, develops policies in accordance with the *Act* to achieve delivery of these programs (including setting of assessment rates and a strategy for the elimination of the unfunded liability), and develops legislative proposals for consideration by Government.

The WCB Board of Directors sought and received stakeholder input on the Dorsey recommendations using a variety of consultative tools. Those who participated in the consultations represented a broad range of worker, employer and safety organizations from throughout the province. The commitment of stakeholders was evident throughout the process as all showed resolve to jointly finding ways to improve Nova Scotia's Workplace Safety and Insurance System.

This section of the report focuses exclusively on the Dorsey benefit and system enhancement recommendations *that would require legislative change*. The Board of Directors, after considering the views of all stakeholders who participated in the process, is making a series of recommendations for changes to be implemented in the short term. It also recognizes that certain other Dorsey recommendations will have to be addressed over time as fiscal capacity and stability of the Workplace Safety and Insurance System is achieved.

It should be noted that in November 2002, as recommended by the Board of Directors, Government amended the Supplementary Benefits Program to remove the monthly maximum payment and increase the income threshold for individuals to one-half of the Average Industrial Wage. The implementation of this recommendation provides more low-income Clinical Rating Scale pensioners with greater financial assistance. This enhancement to the Supplementary Benefit Program cost \$20 million and was funded by a three-cent increase in the average assessment rate.

Proposed Response to Dorsey – Short Term

The changes the Board of Directors is asking government to make will enhance benefits, improve coverage and simplify the System while maintaining the balance of fiscal sustainability and reasonable employer assessment rates.

To ensure the benefit enhancements are provided to workers in a timely manner, the Board of Directors recommends implementation of an indexing increase and other System improvements to be effective **January 1, 2004**.

The Board also is recommending a number of other workers' compensation coverage changes be implemented with an effective date of **January 1, 2005**.

Recommendations to be Effective January 1, 2004

Increase Indexing of Benefits

As an initial step, the Board of Directors recommends the indexing factor be increased from 50% to 55% of the change in the Consumer Price Index (CPI).

Adopting a higher indexing factor helps to ensure the purchasing power of long-term disability benefits is better maintained. Using a stepped approach, the Board of Directors will ultimately strive to reach an indexing factor of 85% of CPI. During the consultation process, some stakeholders raised concern regarding the Board of Directors' intent to establish an indexing target of 85% rather than 100% of CPI, which was recognized by stakeholders as full indexing. The rationale for setting the indexing target at 85% of CPI is based on the fact that workers' compensation benefits are non-taxable and calculated on net income. Considering these unique characteristics of workers' compensation benefits, the WCB's actuary advised that an indexing factor of 85% would be equivalent to 100% indexing of gross income, which is the basis of indexing in the general labour market. Meeting the 85% indexing target is intended to provide full wage loss indexing.

The Board of Directors will review the indexing level annually in consultation with stakeholders and will consider additional enhancements to the indexing factor when it determines the financial environment is suitable.

Make Other System Improvements

The Dorsey Committee made a series of recommendations that will simplify and clarify the System and have minimal financial impact on the workers' compensation Accident Fund. The Board of Directors recommends that all of the following recommendations be implemented in the short term:

- The *Act* be amended to give the Workers' Compensation Appeals Tribunal (WCAT) the authority to provide an employer, who is a participant in a Tribunal appeal, with a copy of any appeal document or record in the WCB's possession that is relevant to the appeal. This authority would be given with a legislated limitation of further disclosure or use of the documents, records and information they contain by the employer beyond the appeal proceedings (which includes any further proceedings before the Court of Appeal);
- At its discretion and with the consent of all parties, WCAT will have the authority to correct errors of jurisdiction, breaches of duty of natural justice and breaches of the duty of fairness through rescinding and reconsidering a decision;
- The statute be amended to give the Workers' Advisers Program (WAP) a right of access to the WCB file of a worker it confirms it is representing; and
- By legislation or regulation each agency in the Workplace Safety and Insurance System will be required to publicly report the results of their monitoring for compliance each year.

Other Areas Requiring Legislative Change

In addition to the benefit and coverage changes recommended in this document, there are three other areas where legislative change and clarification is desirable. The amendment regarding the prevention and education mandate has been included to remind government that in order for the System to officially implement this directive as outlined in the *Government's Response to the Report of the Workers' Compensation Review Committee* a legislative change is necessary.

- By legislation require the Workplace Safety and Insurance System to hold a centrally located annual meeting in the spring of each year, within 60 days of the WCB annual report being tabled in the legislature by the Minister.
- Amend both the *Occupational Health and Safety Act* and the *Workers' Compensation Act* to officially transfer responsibility for prevention and education from Occupational Health and Safety to the Workers' Compensation Board. As of January 1, 2003, the financial and human resources related to the administration of the prevention and education unit were transferred from the Occupational Health and Safety Division of the Department of Environment and Labour to the WCB. In order to recognize that the WCB held responsibility for the prevention and education mandate prior to this legislative change, the Government may consider making the effective date of the legislative amendment retroactive to January 1, 2003.
- Government to provide funding to injured worker associations based on objective criteria and the services they provide to members or provide the authority to the WCB in the *Workers' Compensation Act* to consider this.

Recommendations to be Effective January 1, 2005

The Dorsey recommendations affecting workers' compensation coverage in Nova Scotia will greatly impact those employers and workers not currently involved in the workers' compensation

system. To allow for an orderly transition to WCB coverage, adjustment to existing coverage, and registration and payment to the WCB, the Board, in keeping with stakeholder comments is recommending a number of coverage-related changes be effective **January 1, 2005**. This timeframe will allow the WCB to effectively communicate the new coverage requirements to employers and their workers and also will provide stakeholders with the opportunity to better understand and prepare for their new coverage responsibilities.

It should be noted that some stakeholders, who already are part of the workers' compensation system, felt strongly that the Board of Directors should recommend moving to universal workers' compensation coverage in the short term. However, not all stakeholders share this view. During the consultation process, non-covered industry sectors were asked for their views on universal coverage. These sectors were not supportive of a universal coverage recommendation.

The Board of Directors has considered both points-of-view. The Board agrees with the Dorsey Report which states that “. . . *there should be a stepped approach to achieving universal, compulsory coverage.*” To that end, the Board of Directors is recommending a number of coverage changes which will move the System towards a long-term objective of achieving universal coverage.

Stakeholders also suggested that the WCB develop a strategy prior to implementing any future expansions to the scope of coverage to ensure the appropriate administrative resources are available to respond to the potential increase in employer accounts and claims. The WCB agrees this is an important step to complete when considering changes to the scope of coverage.

Repeal Three-Worker Rule

Repealing the three-worker rule will ensure all workers in industries where workers' compensation coverage is mandatory are covered in the event of a workplace accident. This change also will provide protection from lawsuit to employers in mandatory industries who currently are not required to have workers' compensation coverage.

Make Other Scope of Coverage Changes

The Board of Directors, in accordance with stakeholder input, also recommends that Government implement the following additional Dorsey coverage changes. These changes will simplify and clarify the System and have minimal financial impact on the workers' compensation Accident Fund.

- Coverage will be extended to all family members who are workers, regardless of where they live;
- Be able to extend Special Protection coverage to all those excluded by the *Act*;

- Be able to extend coverage to both unpaid student workers who are participating in an educational program (for example, student nurses on a practicum) as well as active officers, directors and managers not on payroll;
- Eliminate the counting discrepancy between sole proprietors/partners and active directors on payroll (When counting the number of workers in a company, sole proprietors/partners would be counted. They would not be covered, however, unless they purchased Special Protection coverage. If the three-worker rule is repealed, this change will not be required.); and
- Eliminate the inclusion list in the *General Regulations* and adopt a list of excluded industries only.

Increase Maximum Assessable/Insurable Earnings

Implementation of this recommendation will result in an increase in the percentage of the Average Industrial Wage used to calculate the maximum earnings from 140.2% to 152%. This change in the maximum level will allow workers with wages greater than the current maximum of \$41,800 to receive compensation based on a greater percentage of their actual earnings. (At 152% of the Average Industrial Wage, maximum earnings for 2003 would have been \$45,300.) It also will mean that employers will pay more premiums for this additional coverage.

Recommendations for Consideration at a Later Date

The WCB Board of Directors recognizes all Dorsey recommendations are valid and should be considered over time as finances permit. The Board of Directors recognizes, however, that it is not possible at this time to implement certain other Dorsey recommendations while maintaining assessment rates at current levels and achieving full funding by 2014. The Board of Directors will review these recommendations from Dorsey and other recommendations that arose through the consultation process over time as fiscal stability of the Workplace Safety and Insurance System is achieved.

When funds are available in excess of those required to eliminate the unfunded liability by 2014, the Board of Directors will consider the options for moving forward on more of these recommendations including:

- Increasing indexing of benefits, providing an increased percentage of the Consumer Price Index (CPI).
- Commutation of permanent benefits (making a lump sum payment instead of providing an ongoing benefit).
- Elimination of the 2/5ths waiting period.
- Establishing a minimum level of earnings for workers with prior periods of no, or unusually low earnings.

- Implementing universal coverage, making workers' compensation coverage compulsory for all industries in Nova Scotia.
- An eventual reduction in assessment rates.

Stakeholders have expressed an interest in discussing the remaining outstanding recommendations with the Board of Directors annually. The Board agrees with this approach and has committed to consult with stakeholders annually as part of an annual stakeholder meeting. These discussions will be helpful to gain stakeholder feedback on the priority for implementing the remaining Dorsey recommendations. This new consultation process could also involve soliciting stakeholders' views on changes to assessment rates, benefits levels or the elimination period of the unfunded liability.

The Board of Directors proposes that a formal review of these recommendations should occur five years from approval of the strategic plan.

Financial Implications

The cost of implementing the entire Dorsey Report is estimated at approximately \$240 million. Although the Workers' Compensation Board's financial situation has greatly improved over the last number of years, an unfunded liability of approximately \$286 million (as of December 31, 2002) continues to exist.

Assessment Rates

It is anticipated that with this plan, barring any unforeseen circumstances, assessment rates will remain stable until the elimination of the unfunded liability, which is currently anticipated to occur in 2014.

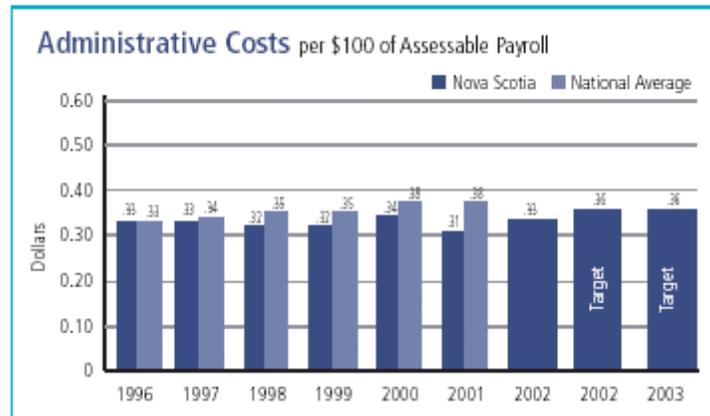
Funding Strategy

The funding of the strategic plan and the additional benefits (including the enhancements to the Supplementary Benefits that were implemented in late 2002) can be achieved by a combination of: the increase in the average assessment rate from \$2.54 to \$2.57 in 2004; increased revenues from the proposed 2005 coverage changes; savings generated by injury-prevention activities; improving claim durations; and the actual long-term disability results continuing to be better than originally predicted.

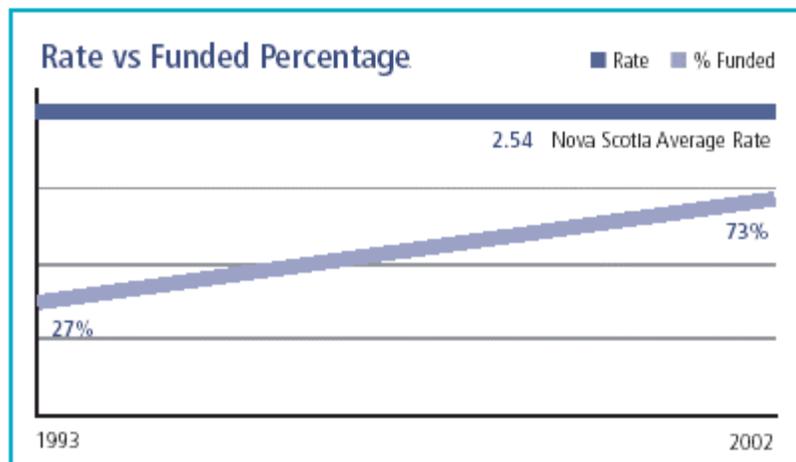
Given the current financial context, the Board of Directors, in responding to the Dorsey Report, aims to reach a balance between fair benefits to injured workers, reasonable assessment rates and fiscal sustainability. Rate and benefit adjustments will be reviewed as the financial situation improves. When funds are available in excess of those required to eliminate the unfunded liability by 2014, the Board of Directors will consider the options for moving forward on more of the recommendations from Dorsey and System stakeholders.

Financial Background

The WCB's administrative costs have consistently been below the national average. In 2002, the WCB of Nova Scotia's administrative cost per \$100 of assessable payroll is \$0.33 per \$100, while the national average for 2000 and 2001 was \$0.38.

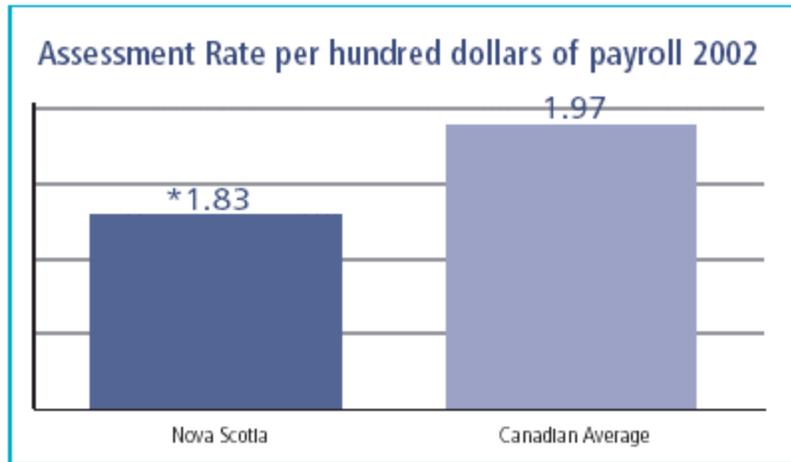


The average assessment rate has been held stable at \$2.54 for \$100 of assessable payroll since 1994. During this time, the WCB has made progress in improving its funded percentage (ratios of assets to liabilities) from 27% in 1993 to 73% at the end of 2002.



However, because of pre-1994 yearly funding shortage, the WCB of Nova Scotia continues to allocate a substantial portion of the average assessment rate to help eliminate the unfunded liability.

Nova Scotia's costs compare favourably to the Canadian average when the allocation for the unfunded liability is considered.



* excluding the surcharge/deduction for amortization of the unfunded liability/ funded surplus

Based on the WCB's 2002 actual cost experience, the Board of Directors intends to increase the average assessment rate for 2004 from \$2.54 to \$2.57. This includes the cost associated with both the recent enhancement to the Supplementary Benefits Program and the legislative changes recommended in this document. Full funding is projected to be achieved by 2014.

Section 2:

Overview - Workplace Safety and Insurance System Strategic Plan (2004 – 2008)

The Destination

In December 2002, stakeholders were asked to share their expectations about what the Workplace Safety and Insurance System should achieve and the key 'gaps' that exist between the current system and the realization of these objectives. This information was used to create a vision and a mission for the System.

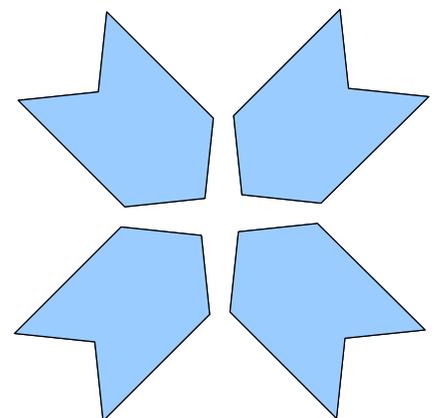
Our vision is safe, healthy workplaces for Nova Scotians and sustainable safety and insurance services.

Our mission is to work together to help keep people healthy and safe at work, to insure against loss and to support workers' rehabilitation. We strive to be fair, open and responsible in everything we do.

The Path to Get Us There

Stakeholders identified 4 key strategic goals to achieving this vision.

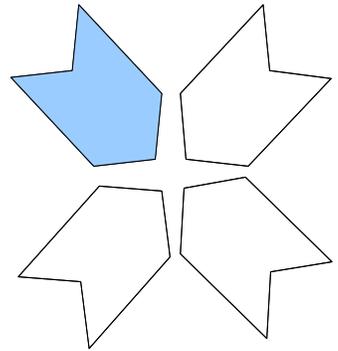
- Improving outcomes for workers and employers
- Improving service delivery
- Ensuring effective governance of the System
- Ensuring financial sustainability of the System



For each of these strategic goals, specific actions for the next 5 years have been identified in the plan.

Goal 1: Improving Outcomes for Workers and Employers

To improve outcomes for workers and employers, stakeholders identified two areas of action – 1. **prevention** and 2. **return to work**.



Prevention Background

In 2002, 661,972 workdays were lost in workplaces covered by workers' compensation (67% of Nova Scotia employers are covered). Extrapolating this to all workplaces, this means the province, its workers and employers may lose up to one million days of work annually due to workplace injury or illness. Tragically, 28 Nova Scotians died in 2002 as a result of a workplace injury.

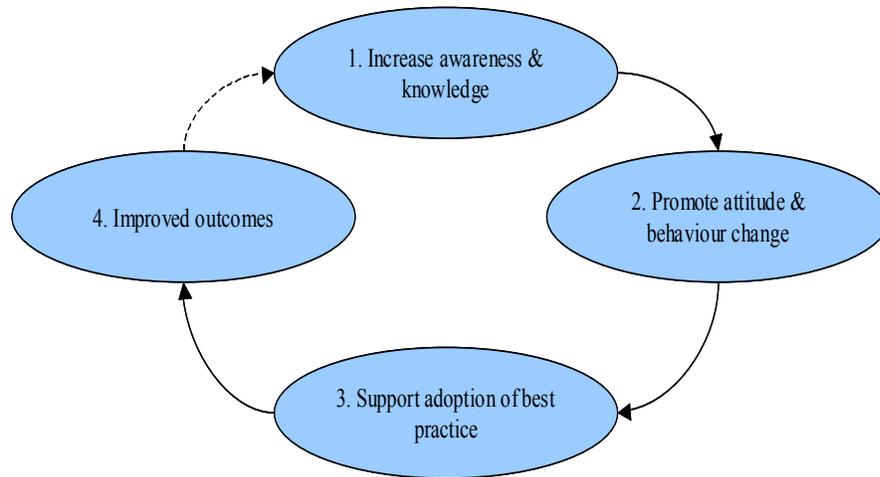
The human, economic, and social cost of these injuries and illnesses creates a compelling case for the creation of a system-wide prevention program that addresses all aspects of prevention from proactive awareness and education to regulation and enforcement.

Over the past few years, the Occupational Health and Safety Advisory Council has taken a leadership role in the issue of injury prevention in the workplace, including the initial development of goals for a prevention program for Nova Scotia. The work of the OHS Advisory Council, in conjunction with the feedback received through the stakeholder consultation process, has been a key ingredient in the development of the Prevention Strategy.

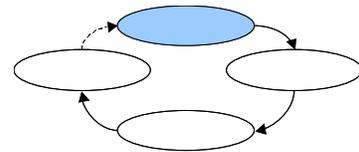
Stakeholders said that the prevention program should be built on the following principles:

- Establish and communicate **best practices**
- Facilitate **self-reliance** by supporting the development of internal capability and ownership to ensure sustained improvement
- Achieve results via cooperation and **partnership**, including building a **leadership support network**, and providing tools, motivation and support
- Provide financial **incentives** for organizations to improve performance
- Effectively **target and assist workplaces** most in need of support while ensuring that services are available to all workplaces
- **Encourage poor performers to improve** by effectively supporting, enforcing and applying disincentives where these organizations do not improve their health and safety performance.

These principles lead to four objectives under which will be built a comprehensive prevention program – increasing awareness, promoting attitude and behaviour change, supporting the adoption of best practice and improving outcomes.



Increasing Awareness and Knowledge



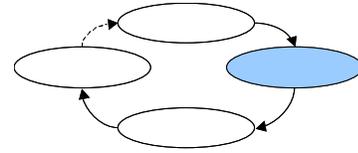
Increased knowledge and awareness of prevention will be achieved by identifying and communicating best practices and providing expanded education and training.

Best practices will be identified through primary research done through grants made available through the Occupational Health and Safety Grant program (supported by the OHS Advisory Council), through collating and sharing research findings and practices from successful organizations, and improving the collection of prevention information to aid in targeting prevention initiatives.

Best practices will be communicated through social marketing campaigns focused on increasing public awareness of the importance of workplace safety; making a broad range of information available to workplaces and workers, supporting special events and conferences, and introducing a prevention consultation service.

Expanded education and training will be made available, including expanding the availability of youth education programs, through partnerships with the public and private sector. Recommended qualifications for safety trainers also will also be published (these are on the OH&S Web site now) and options for certifying trainers will be investigated.

Promoting attitude and behaviour change



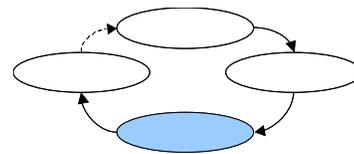
Attitude and behaviour change will be supported through the active support of partnerships and leadership development, promoting self-reliance and providing incentives.

An initiative will be developed to support **leadership development** by encouraging business and community leaders to take a key role in our community's commitment to safe and healthy workplaces and through leveraging existing and new regional and inter-jurisdictional initiatives such as the Atlantic Action Plan Initiative on Occupational Health and Safety, the Cross-Canada Young Worker Initiative and programs such as Safe Communities and the North American Occupational Safety and Health (NAOSH) Week/OH&S Achievement Awards.

Web-based tools for accessing individual employer information, industry-based support networks and relevant information will be developed to support **employer self-reliance**.

A broader range of assessment rate merits and demerits will be investigated along with the development of a new rating program to encourage/reward effective safety programs in the workplace based on more recent activities. These are two of the initiatives that will provide appropriate **incentives** to promote attitude and behaviour change.

Supporting the Adoption of Best Practice



Targeted workplace support will be made available through consulting services, regulatory policy development, expanded use of audits, disincentives and targeted enforcement and inspection.

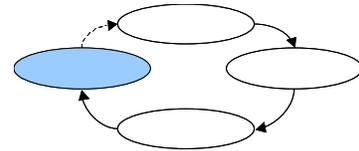
The System will develop and deliver a **consulting service** for “high risk” employers (those in the greatest need) to identify opportunities/requirements for safe practices and programs in the workplace. We also will undertake initiatives to refine and implement a proposed **regulatory policy framework** to achieve greater consistency, effectiveness and transparency in the regulatory management process.

We will also explore opportunities to expand the use of **audits** through consideration of expansion of the Certificate of Recognition concept to more industries and will work with Safety Associations to facilitate co-ordination of services and to support accountability to their industries.

Disincentives will be developed to ensure that there is adequate disincentive to engage employers in developing a safety culture.

A risk-based model for inspections based on industry risks, accident rates and past experience with an employer will be developed to **target enforcement and inspection** and to take Safety Officers to work sites that are problematic and at high-risk for accidents.

Improving Outcomes



An **evaluation mechanism** will be built to allow regular evaluation of the prevention program. A **3-year review** will be conducted to assess the implementation and performance of the program.

In addition, ongoing consultation with key stakeholders will be an integral part of the development of the Prevention Strategic Plan. For example, the WCB will rely upon the expertise of the Advisory Council, and this will be a primary consultation forum during program development.

Return to Work Background

Research indicates that the likelihood of an injured worker returning to work decreases as time progresses. Outcomes for workers and employers will be improved through initiatives that support a worker's safe and timely return to work.

The introduction of an improved return-to-work experience will start with establishing **baseline information** on the current return-to-work experience including a **survey** of injured workers' and employers' satisfaction with their return-to-work experience.

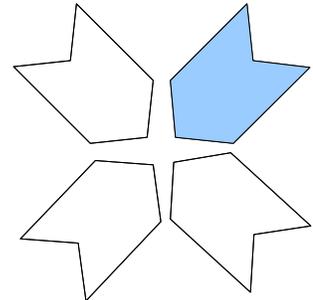
This information will be used to develop a **strategy to educate employers** on the benefits of establishing a return-to-work program and to improve their understanding of their re-employment obligations. The education program will be supported by **an increase in the number of WCB staff trained to assist employers** with establishing return-to-work programs and by ensuring information on the program is available for Safety Officers to share with employers.

With this foundation in place and using stakeholder input and best practice information, best practices for **improving disability case management at all stages** will be developed.

Because service providers play a key role in the return to work experience, the plan envisions **improving management of service provider contracts** to ensure injured workers are receiving quality and timely health care services. This will be supported by **improved outreach** to the medical and health care community.

Goal 2: Improving Service Delivery

The second 'path' to the vision for the System is focused on improving service delivery through information sharing and improved issue resolution.



Information Sharing

Stakeholders said that information sharing between the agencies, and with stakeholders needs to improve.

Awareness and understanding of the System will be increased through a pilot **youth education program** where a partnership with an employer will be developed to demonstrate the added value of OH&S training. The System also will conduct **regional workshops** to share information in collaboration with other partners such as the Canada Customs and Revenue Agency (CCRA).

Accessibility to service will be improved through the introduction of **new service channels**, such as possibly the Internet or interactive voice response, that better meet the service accessibility expectations of clients.

Access to information will be improved through the creation of a **system Web site** offering single entry access to the Web sites of all the agencies and the exploration of **an integrated telephone inquiry service** offering single entry telephone access to the System. A **single document describing the System** will be made available at Access Nova Scotia offices and all written materials will be developed or re-written in **simple, easy-to-understand language**.

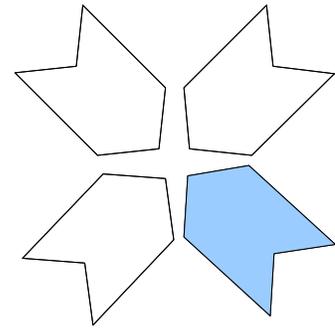
Issue Resolution

Stakeholders said that issue resolution – including decision-making related to claims, appeals, assessments and OH&S orders – needs to be improved to better meet client expectations. The strategic plan identifies three significant initiatives to improve issue resolution.

The agencies will seek input from stakeholders and will work together to **develop new approaches and methods to resolving claims-related issues** earlier and less formally. **Enhanced training** will be made available to all ‘decision-makers’ to promote clearer, plain-language decisions and communications. Finally, **access to expedited diagnostic services** will be extended to WAP to support the reduction in the time required to conclude appeal proceedings for injured workers and their employers.

Goal 3: Ensuring Effective Governance of the System

In the past, the System did not have formal mechanisms to work collaboratively and to support cooperative accountability for the System to stakeholders. The strategic plan will ensure effective governance in the future through the introduction of a formal accountability structure, formal processes for consultation with stakeholders and the development of System Performance Measures that form the basis for public accountability for the performance and results of the System.



A **System agency committee** will be responsible for the day-to-day implementation of this strategic plan. This committee will be comprised of the administrative heads of each of the agencies (WCB, WAP, WCAT, OH&S) and will be required to share a report on the progress of the plan with their respective Ministers, Deputy Minister of Environment and Labour and the Chair of the Board of Directors. The System recognizes that Human Resources Development Canada (HRDC) is responsible for monitoring all federally-regulated workplaces in Nova Scotia. To ensure that all workplaces are included, HRDC has accepted an invitation to partner with the System in the implementation of this plan.

The committee will take the lead in responding to Dorsey’s recommendations for enhanced communication and formal information sharing and each System agency will share **quarterly financial, statistical and performance information** with the WCB Board of Directors and the public.

Stakeholder consultation is intended to extend beyond the development of this plan to become a ‘way of working’ for the System. An **Annual Workplace Safety and Insurance System Meeting** will be held to formally report to stakeholders on the progress of the plan and to seek input and advice on further priorities and directions. The WCB will adopt a **formal policy to provide for stakeholder consultation** on “significant” or “new” workers’ compensation or prevention policies being considered by the Board of Directors, strategic planning for the system

and other changes that significantly impact benefits, assessment rates or service delivery or could have significant financial implications.

Also, with the transfer of the Prevention and Education responsibilities to the WCB, the statutorily appointed **Occupational Health and Safety Advisory Council** will become a standing advisory body to the WCB regarding prevention initiatives.

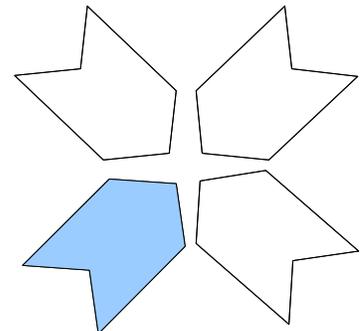
Additionally, **an inter-agency workers' compensation and prevention policy development committee** will be struck to provide a forum for consultation and communication related to policy before it is submitted to the WCB Board of Directors for consideration.

Measuring our progress in reaching these objectives will be a fundamental element of ensuring the success of the System. A **Workplace Safety and Insurance System Performance Measures Working Group** comprised of employers, workers, injured workers, academia and agency staff will be assembled to develop the key performance measures for the System and the process for monitoring performance. The committee will have a 2-year mandate and will prepare an interim report at the end of its first year.

Goal 4: Ensuring Financial Sustainability

The Board of Directors will continue to review the long-term funding strategy on an annual basis in order to ensure that the long-term fiscal sustainability of the System is maintained.

The WCB Board of Directors reviews its financial results and program requirements on a yearly basis. The Board of Directors is committed, in conjunction with an annual stakeholder meeting, to consider the options for moving forward on more of the Dorsey recommendations, such as elimination of the waiting period, commutation of permanent benefits, establishing a minimum level of earnings, implementing universal coverage and increasing indexing of benefits. The Board will consider the impact of benefit changes, administrative costs and other external variables when establishing the assessment rates and the period over which the unfunded liability will be eliminated.



Appendix A

Highlights of the Strategic Planning Consultation Process

The eight-member Workers' Compensation Review Committee was appointed in April 2001 and was chaired by James Dorsey, a lawyer and workers' compensation expert from British Columbia. The committee conducted extensive public hearings as part of their review including public meetings in 14 communities across the province, focused sessions with key stakeholders and feedback through the Internet.

Government's Response to the Dorsey Report stated that the Chair of the Workers' Compensation Board of Directors would lead the development of a strategic plan for the occupational health and safety and workers' compensation system in consultation with the system agencies and stakeholders.

The highlights and timeline for the Workplace Safety and Insurance System strategic planning consultation process are as follows:

November 2002

- WCB Board of Directors approves list of participants to be invited to a strategic planning Roundtable discussion.
- The partner agencies co-operate to develop draft Vision, Mission and Strategic Goals for the System. A discussion document is circulated to Roundtable #1 participants and posted on agency Web sites for stakeholder consideration.
- An article in the WCB newsletter, [Info@Work](#) (circulated to approximately 17,000 assessed employers and other interested stakeholders), outlines the strategic planning process and encourages Nova Scotians to provide input into the strategic plan via the Internet or in writing.

December 2002

- A group of system stakeholders participates in Roundtable #1 discussion on the future of the Workplace Safety and Insurance System. The objectives of the roundtable discussion are to:
 - Get stakeholders' input and feedback on the proposed:
 - Vision, Mission and Strategic Goals; and
 - Objectives for the Workplace Safety and Insurance System.
 - Provide stakeholders with information on the financial implications of the Dorsey recommendations related to changes in benefit levels and the firms and workers

covered by workers' compensation, and to enable stakeholders to provide input and feedback to the WCB Board of Directors on these recommendations.

Through the roundtable discussion, stakeholders had an opportunity to share their views, opinions and perspectives among themselves and with the agencies. Stakeholders who did not attend the roundtable were invited to provide feedback to this stage of the process through the Internet.

- An advertisement encouraging all Nova Scotians to provide input into the strategic plan appears in major daily and weekly newspapers across the province.
- A press release is issued to all provincial media following Roundtable #1.

January 2003

- Based on stakeholder input, the proposed Vision, Mission and Strategic Goals for the Workplace Safety and Insurance System are revised and circulated to Roundtable #1 participants and posted on agency Web sites for comment.

February 2003

- Over 50 key stakeholders are invited to participate in a series of small group discussions with the Chair.

Background documents on four topics (governance, prevention, benefits and scope of coverage recommendations and stakeholder consultation) are circulated to participants in advance of the meetings. The documents outline a series of questions related to each topic to form the basis for discussion. The discussion documents also are posted on the agency Web sites where stakeholders are asked to answer a series of questions related to the four topics via an electronic survey tool.

- Provincial safety experts and other interested stakeholders are invited to attend a series of focus groups to discuss the strategy for prevention and education in Nova Scotia. In advance of the focus groups, stakeholders are provided with a discussion document that provides background on the prevention strategy. This discussion document was developed based on the building blocks for a prevention strategy identified by the OH&S Advisory Council.

March 2003

- WCB *Statements of Account*, which are mailed to all assessed employers, include an invitation for Nova Scotians to provide input into the strategic planning process.

April 2003

- As part of continuing efforts to generate awareness of the strategic planning process and to encourage as many Nova Scotians as possible to provide input into the strategic plan, the Chair sends letters to over 200 labour groups and associations throughout the province.
- An integral part of strategic planning and monitoring is the development of performance measures for the Workplace Safety and Insurance System. In preparation for the development of this next step, the Chair sends letters to the following organizations asking them to make a nomination to a System Performance Measures Working Group:
 - Injured Workers' Groups (Cape Breton, Pictou County, Network of Injured Workers, Provincial Injured Workers)
 - Canadian Federation of Independent Business
 - Canadian Manufacturers and Exporters
 - Nova Scotia Federation of Labour
- A second article on *Building the Future of the Workplace Safety and Insurance System* appears in the WCB's [Info@Work](#) newsletter.

May 2003

- A proposed Strategic Plan for the Workplace Safety and Insurance System and legislative amendments package is circulated to Roundtable #2 participants and posted on the agency Web sites. The plan and legislative package have been developed based on stakeholder input.
- In an effort to ensure that all stakeholders are aware that a strategic plan for the Workplace Safety and Insurance System is being developed, an article and an ad runs in a 16-page North American Occupational Health and Safety (NAOSH) Week supplement. The supplement is inserted in several community and daily newspapers across the province during NAOSH Week, May 2-9, 2003.
- Stakeholders review the draft strategic plan and proposed legislative amendments at Roundtable #2. Participants have general acceptance of the draft strategic plan but some people wanted more time to consider the details in light of the Roundtable discussion. Stakeholder task team is formed.

June 2003

- Stakeholder task team reviews the summary notes from Roundtable #2 and provides further feedback on the draft strategic plan.

Ongoing Consultation

As we move into the future, the System will build on the consultation model utilized during this strategic planning process. For example, the WCB will rely upon the expertise of the Occupational Health and Safety Advisory Council during development of the Prevention Program, and this will be a primary consultation forum. Also, the Workplace Safety and Insurance System Performance Measures Working Group will help develop the key performance measures for the System and the process for monitoring performance.

Stakeholders will continue be consulted to provide input and advice in workers' compensation policy development and other key areas, and an **annual stakeholder meeting** will be held to report progress on the strategic plan.

Appendix B

Stakeholder Feedback

Recommendations for Government's Consideration

In addition to the strategic plan and the legislative recommendations, during the consultation process, stakeholders also made several recommendations related to Government's role in the Workplace Safety and Insurance System and proposed changes inconsistent with the directive given by Government in its response to the 'Dorsey' Report. The agencies have not commented on these recommendations but they are provided here for Government's information and possible consideration.

Recommendation / Advice
1. Government should provide funding for all changes to WCB costs related to decisions government makes without broad-based WCB stakeholder consultation (e.g. fire fighters).
2. Government should assume financial responsibility for all occupational health and safety costs related to providing these services to workers and employers that are not covered by WCB.
3. Government should make an annual contribution to the unfunded liability until it is resolved.
4. The Auditor General should have the authority to audit safety organizations and associations that are funded through levies.
5. The Board should not attempt to educate all Nova Scotians about safety until universal coverage is in place.
6. After eliminating the three-worker rule, the Board should eliminate the self-insured category (applies to Provincial Government and its agencies) as the next priority towards universal coverage.

Recommendation / Advice

7. Stakeholder consultation should include only those stakeholders who are existing participants in the System.
- Government's response to the 'Dorsey' Report emphasised broad stakeholder consultation.
 - Government directed the WCB to extend Prevention and Education services to non-covered industries.

Appendix C

Strategic Planning Stakeholder Consultation Participants

Participants	
Carol MacCulloch	Nova Scotia Construction Association
Patrick Mills	National Gypsum
John Amirault	Consulting Engineer
Alan Davidson	The Canadian Salt Company Limited
Kim Conrad	Conrad Brothers Limited
Terry Daniels	Chamber of Mineral Resources of Nova Scotia
Dick Smyth	Canadian Manufacturers and Exporters
Robert Patzelt	Scotia Investments
Lauchie MacLeod	Cape Breton Injured Workers Association
Jim Lyle	Cape Breton Injured Workers Association
Sharon MacIntyre	Cape Breton Injured Workers Association
Gordon Lynk	Cape Breton Injured Workers Association
Mary Lloyd	Pictou County Injured Workers Association
Mary Kellock	Pictou County Injured Workers Association
Larry Maloney	Pictou County Injured Workers Association
Ralph Messenger	Network of Injured Workers Association
Keith Eisner	Network of Injured Workers Association
Harold Selig	Network of Injured Workers Association
Wally Peters	Nova Scotia Provincial Injured Workers Association
June Labrador	Nova Scotia Provincial Injured Workers Association
Cliff Murphy	Cape Breton Building Trades
Lawrence Shabib	Cape Breton Building Trades
Emerson Fiske	Clearwater Fine Foods
Dave Fearon	Sobeys
Janet Kennedy	Michelin
Ken Robinson	Michelin
Leo van Burkel	Scotsburn
Garry Sudel	J.D. Irving
Gene Marchand	Stora Enso
Liz MacDonald	Emera
Claire Roussel Sullivan	Imperial Oil
Peter O'Brien	Canadian Federation of Independent Business
Rob Wells	OH&S Advisory Council
Susan Peverelle	Bowater Mersey Paper Company
Debra Leigh	Continuing Care Association of Nova Scotia
Jackie Tofolli	Nova Scotia Safety Council
Tom Harper	Forest Products Association of Nova Scotia

Graham Conrad	Nova Scotia Retail Gasoline Dealers Association
Bruce Collins	Nova Scotia Construction Safety Association
John McKee	Nova Scotia Construction Safety Association
Paul Easson	Nova Scotia Trucking Safety Association
Mike MacKenzie	Canadian Society of Safety Engineers
Wilson Bateman	Bateman Associates
Rick Clarke	Nova Scotia Federation of Labour
Peter Greer	NS and PEI Council of Carpenters, Millwrights and Allied Workers
David Hindle	Bakery, Confectionary and Tobacco Workers and Grain Millers International Union
Gerry Shanahan	International Brotherhood of Electrical Workers
Mark Rogers	Public Service Alliance of Canada
Janet Hazleton	Nova Scotia Nurse's Union
Gary Bannister	Public Service Alliance of Canada
Barbara Kowalski	Canadian Union of Public Employees
Ann Barrett	Nova Scotia Government Employees Union
Dave Shaw	Cape Breton District Labour Council
Luc Erjavec	Canadian Restaurant and Foodservice Association
Diane Larocque	Human Resources Development Canada
Christopher Ipe	Canada Post
Jackie Hatt	Shaw Brick
Darrel Pink	Nova Scotia Barristers' Society
Ray Larkin	Nova Scotia Barristers' Society
Bob Caswill	Institute of Chartered Accountants of Nova Scotia
Phil Veinotte	Nova Scotia Association of Health Organizations
John Greer	Nova Scotia Association of Health Organizations

** This list includes roundtable #1, prevention focus group participants, one-on-one discussion groups and roundtable 2 participants.