



CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

Canada's Oil and Natural Gas Producers

November 25, 2015

Ms. Jodie Zerr
Project Manager, Committee of Review
Workers' Compensation Act, 2013
Government of Saskatchewan
Ministry of Labour Relations and Workplace Safety
3rd Floor, 1870 Albert Street
Regina, SK S4P 4W1

via e-mail: <mailto:cor@gov.sk.ca>

Dear Ms. Zerr:

Re: Proposed Improvements to the Workers' Compensation Act, Regulations and Administration

The Canadian Association of Petroleum Producers (CAPP) represents companies, large and small, that explore for, develop and produce natural gas and crude oil throughout Canada. CAPP's member companies produce about 90 per cent of Canada's natural gas and crude oil. CAPP's associate members provide a wide range of services that support the upstream crude oil and natural gas industry. Together CAPP's members and associate members are an important part of a national industry with revenues from oil and natural gas production of about \$120 billion a year. CAPP's mission, on behalf of the Canadian upstream oil and gas industry, is to advocate for and enable economic competitiveness and safe, environmentally and socially responsible performance.

CAPP appreciates the opportunity to provide feedback and recommendations on workers' compensation legislation and its administration in Saskatchewan. CAPP consulted with members who have operations in Saskatchewan to develop consensus recommendations and comments.

Key Issues

1. The Saskatchewan system is well funded and has adopted a sensible funding policy. It recognizes that the market value fluctuations impacting financial statements under the new accounting standards need to be smoothed, for the purpose of evaluating the long term financial health of the system and any impact on premium rates. In 2014, the Workers Compensation Board (WCB) reported a comprehensive income of \$97.7 million and a funded position of 132.2 percent, driven by excess investment returns. CAPP members believe that a funding target of between 100 to 105% is deemed more appropriate for the Board's mandate.
2. The recent effort of the WCB to raise the Maximum Assessable Wage Rate/Maximum Insurable Earnings is commendable in its attempt to address the historically low rate that existed in Saskatchewan. However CAPP believes that the 165% of average wage target is excessive and the target should instead be set at 150%. This lower target still provides a high level of worker benefits while helping to ensure the competitiveness of employers.

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3. The Saskatchewan WCB Experience Rating Program grants employers with good records up to a 25% reduction in premiums, while those with poor records can receive up to a 200% surcharge. CAPP believes that while the maximum surcharge is similar to other jurisdictions, the maximum reduction is too low at 25% and should be increased to 50%. This change would provide a better incentive for employers to continuously improve their management systems and it would bring Saskatchewan into line with the level of premium reductions available in other jurisdictions.
4. Employers, through the WCB premiums they pay, entirely fund the operations of the Occupational Health and Safety (OHS) Division within the Ministry of Labour Relations and Workplace Safety. Transparency would be enhanced if the Division's Annual Report was made available to the WCB Board of Directors and posted online for comment and feedback. The Division's injury and illness prevention work needs to compliment the prevention work done by the WCB's Prevention and Employer Services Division.
5. The Office of the Workers' Advocate provides valuable assistance to workers in navigating the WCB system and appeal processes, since most workers are not experienced with making claims. The same can be said for many small employers. Some small employers have little or no experience with the system, and do not have WCB experts in their employ. A similar independent Office of the Employers' Advocate would help ensure a fair and balanced system.
6. Workers and employers that do not follow WCB legislation and policy need to be held accountable for their actions to ensure system fairness. CAPP would like to see the WCB establish and promote a "WCB Fraud Hotline" with appropriate investigation and follow-up.
7. There is a great need to gather more useful and consistent information about workplace injuries occurring in different jurisdictions across Canada. WCBs currently collect little information about the root cause of injuries which makes the data of limited use in designing injury prevention strategies. Complicating the situation are differences in data definitions and information collected that make comparisons between jurisdictions difficult. The different data collection rules in each jurisdiction add another unnecessary level of complexity, adding costs for employers and impeding trade mobility between jurisdictions. CAPP advocates for:
 - The harmonization of data collection standards, policies and WCB legislation; and
 - The amendment of the New West Partnership Trade Agreement to extend provincial harmonization requirements to WCB legislation, data collection and policy.
8. Saskatchewan has a number of WCB funded industry safety associations that provide support for oil and gas employers. CAPP believes that the WCB needs to establish a strong accountability framework for these organizations.
 - Set realistic injury reduction targets for all funded safety associations; and
 - Review the operations of any safety association that consistently fails to meet injury reduction targets.
9. Currently WCB legislation in Saskatchewan exempts a number of industries and occupations from mandatory coverage while the Saskatchewan Employment Act provides no similar exemptions. CAPP supports the concepts embodied in Justice Meredith's principles that state that all employers should share liability for providing workplace injury insurance and all workers should have access to no-fault

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insurance. Exemption to WCB insurance creates an uneven playing field for Saskatchewan employers, and we would like to see this removed.

10. WCB's in Alberta and British Columbia provide financial incentives for employers that establish health and safety programs. CAPP believes that these incentives have merit and a similar system should be adopted in Saskatchewan.

- Incentives when injury statistics show actual reductions in injury rates and claims costs;
- Adoption of health and safety program(s) standards similar to other jurisdictions;
- Work with other WCB's to harmonize standards, facilitate interprovincial mobility; and
- Consider developing a flexible injury reduction targeting program similar to the Safety Groups Program developed by the Ontario WSIB.

11. CAPP believes that claim transparency and access to claim files should be enhanced for employers. The inaccessibility of basic information in worker claim files sometimes forces employers into the WCB appeals process to obtain access to records. In many cases employers would not have started the appeal if they knew what the file contained. In other cases employers are trying to access basic information to protect a worker. A worker with a diagnosis of an occupational disease should trigger an employer investigation into potential exposures at the work place so that they can ensure other workers are protected. However, this not possible in Saskatchewan because this basic diagnosis information is not available to employers so it's impossible to identify causative agents. CAPP understands that privacy legislation ensures that information unrelated to a claim is not made available.

12. CAPP believes that continued outreach and education of physicians is required, including education on the information employers require to facilitate return to work.

Again, we thank you for the opportunity to provide feedback. If you have any questions, please do not hesitate to contact Brad Herald, VP, Western Canada, CAPP (403) 267-1113, or Ms. Rosa Fiorentino, Chair, CAPP Workers' Compensation Board Committee, (905) 652-0108.

Sincerely,



Brad Herald
Vice President, Western Canada