

WSIS

Workplace Safety
and Insurance System

Year-End Report

SEPTEMBER 2018

2017

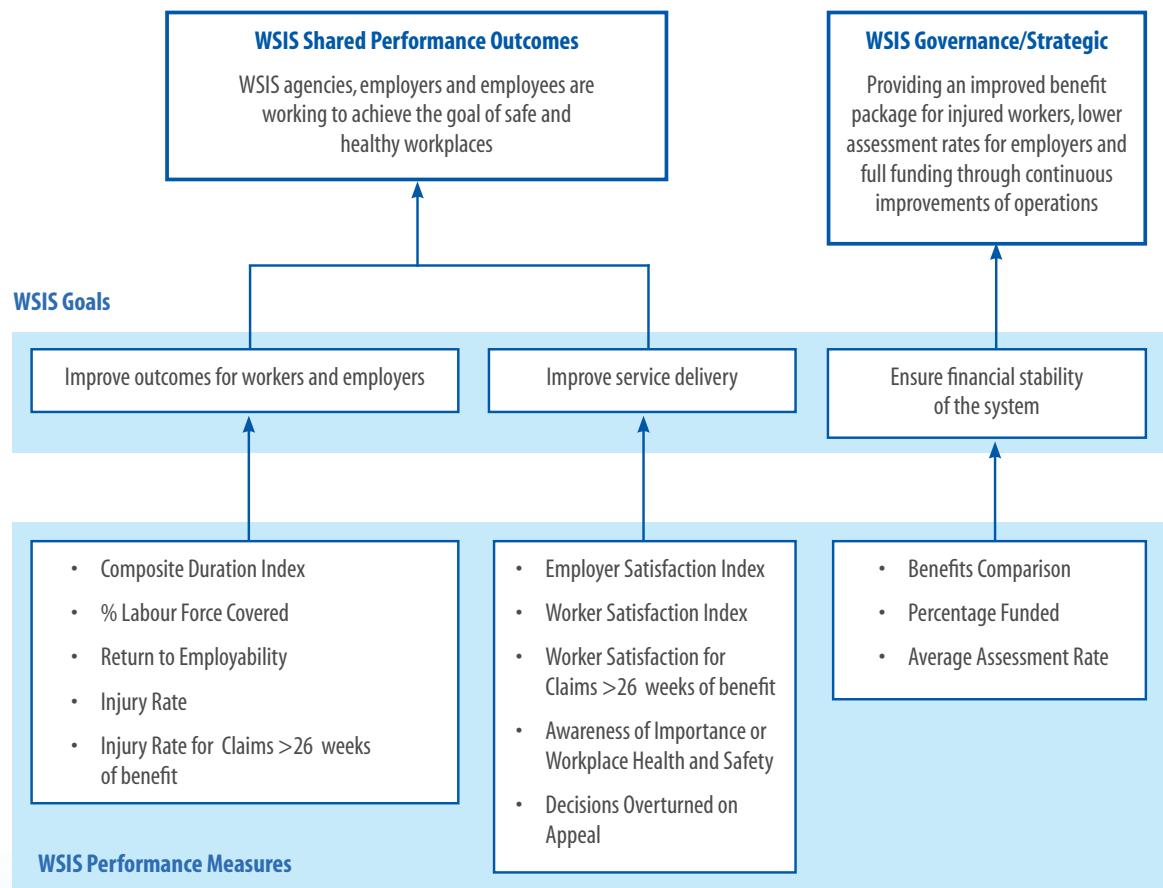
Our vision is safe, healthy workplaces for Nova Scotians, and sustainable safety and insurance services.

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.

WSIS Performance Measures

When agency partners and stakeholders first came together in 2005 to officially form the WSIS, there was a desire to create a set of performance measures that could be used to measure System outcomes. For the most part, the measures already existed and were collected by individual agencies. In the spirit of WSIS, agencies and stakeholders combined the measures that correspond to the System's goals. The chart below depicts the measurement alignment that was adopted.

WSIS Performance Measures



System Performance

System performance is monitored on an on-going basis. The results are used by stakeholders and agencies to gauge the health of the System, and to measure progress with the System's goals.

The table below shows the System Scorecard, and the measures related to each system goal.

TABLE 1 – 2017 WORKPLACE SAFETY AND INSURANCE SYSTEM SCORECARD

Measures	2016	2017
Outcomes for Stakeholders		
Composite Duration	110	117
% Labour Force Covered	75%	75%
% Return To Employability	95%	94.4%
Injury Rate	1.74	1.76
Injury Rate, Claims > 26 Weeks*	11.18%	12.0%
Service Delivery		
Injured Worker Satisfaction Index for WCB	74%	76%
Employer Satisfaction Index for WCB	79%	78%
Workers' Advisers Program Client Satisfaction	95%	94%
Injured Worker Satisfaction, claims > 26 weeks	69%	71%
Awareness of Importance of Workplace Health& Safety	95%	87%
Decisions allowed or allowed in part (WCAT)	52%	48%
Financial Sustainability		
% Funded	84.1%	89.4%
Average Assessment Rate (Actual)	\$2.65	\$2.66

*The proportion of workers with a lost-time injury who received short-term disability benefits exceeding 26 weeks

SYSTEM GOAL – Improve Outcomes for Workers and Employers

In 2017, the System partners continued to work to reduce the impact of workplace injury in Nova Scotia. The provincial injury rate is a primary indicator of progress towards this goal. Nova Scotia is on a path of long-term continuous improvement. Since 2005, the number of people hurt on the job decreased 30 per cent, and the time lost from work due to injury has decreased dramatically.

In 2017, there was a slight increase in the injury rate which ended the year at 1.76 time loss injuries per 100 covered workers, compared to 1.74 in 2016. This result was largely due to a one-percent increase in the number of time-loss claims which rose to 5,906. Six of the nine largest industry sectors in Nova Scotia (based on assessable payroll) contributed to the increase: Health/Social Services, Retail Trade, Manufacturing, Construction, Wholesale Trade, and Accommodation/ Food/ Beverages.

In 2017, there were 21 workplace fatalities: 5 acute fatalities caused by traumatic injuries at a workplace and 16 chronic deaths. Deaths classified as chronic include two categories: deaths related to occupational diseases or conditions, often from previous exposures; and deaths occurring at a workplace, from other health conditions not necessarily related to the work, primarily cardiac events.

Nova Scotians continue to take longer to return to work following a workplace injury than many other jurisdictions in Canada. In 2017, average durations for short-term disability claims increased to 117 days from 110 days the previous year. This increase in duration is also reflected in the increase in claims extending beyond 26 weeks of benefits. In 2017 we saw a 1 percent increase to 12 percent of claims receiving short term benefits extending beyond 26 weeks. Moreover, the downward trend in long-term disability costs stalled as costs rose by almost 15 per cent in 2017.

Since 2012 the percentage of the Nova Scotia workforce covered by workers' compensation has risen from 71 percent to 75 percent in 2017.

Initiatives

System partners are working together on a number of initiatives to positively impact workplace health and safety in Nova Scotia.

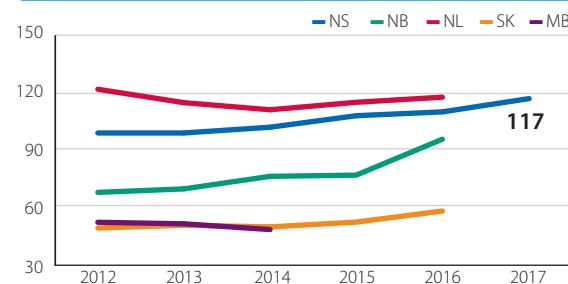
As an example, the WCB and Nova Scotia Labour and Advanced Education worked collaboratively with AwareNS, the NS Departments of Health and Wellness, Community Services and other partners to develop *Charting the Course: Report and Recommendations for Workplace Safety in Nova Scotia's Home Care, Long Term care, and Disability Service Sectors*. The report, which was delivered to Government in June 2017, focuses on publicly-funded home care, long-term care, and community services sectors, which have the highest rates of injury and the largest number of time-loss claims reported to WCB. With 20 per cent of the total assessable payroll in the province, the health and community service sectors account for almost 30 per cent of time-loss claims.

WCB Nova Scotia and the Nova Scotia Department of Labour and Advanced Education are working together with the Boards in the other Atlantic Provinces to develop a new awareness campaign, to succeed the successful 'What Matters Most' social marketing campaign. The new awareness campaign will continue to focus on the importance of workplace safety, and the connection between safety at work, families and communities.

System Performance

Comparison of Nova Scotia's results relative to other similar jurisdictions in terms of size and industrial mix, helps to clarify our performance. The following charts show WSIS performance measures comparing Nova Scotia with New Brunswick, Newfoundland, Manitoba and Saskatchewan:

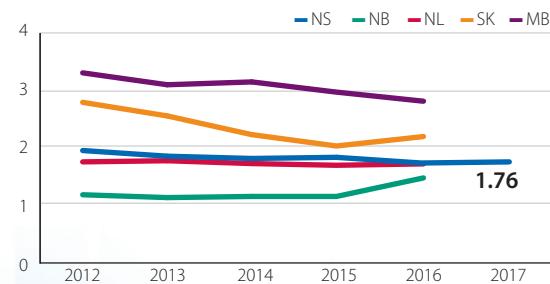
COMPOSITE DURATION INDEX



Note: After 2014, Manitoba data unavailable. 2017 data unavailable for other jurisdictions.

While there has been long term progress in reducing the the number of days lost to workplace injury, the composite duration index rose to 117 days in 2017.

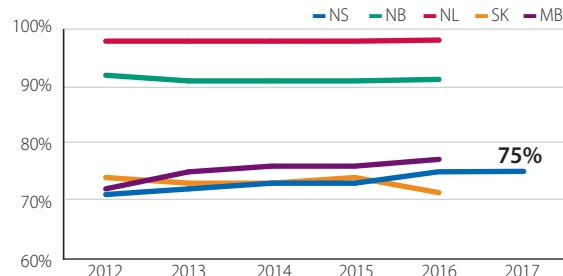
INJURY RATE



Note: 2017 data unavailable for other jurisdictions.

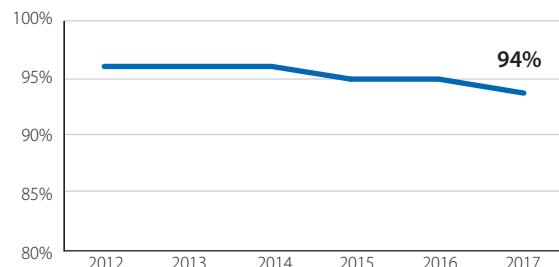
The injury rate remained relatively stable in 2017, increasing slightly to 1.76, up from 1.74 in 2016.

% OF LABOUR FORCE COVERED



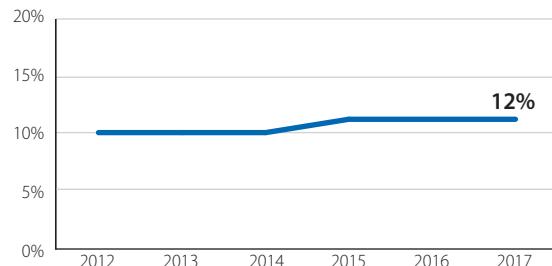
Compared to other jurisdictions, Nova Scotia's workforce coverage tends to be lower at 75%. This has an impact on the injury rate and on financial results, as WCB coverage for many typically low-risk occupations is voluntary.

RETURN TO EMPLOYABILITY – NOVA SCOTIA



The percentage of injured workers who returned to work at pre-injury income levels remained steady in 2017 at 94 per cent.

INJURY RATE FOR INJURED WORKERS WHERE STD BENEFITS > 26 WEEKS – NOVA SCOTIA



The injury rate related to high-risk claims – those that require benefits for a period longer than 26 weeks – remained steady in 2017 at 12 per cent.

SYSTEM GOAL – Improve Service Delivery

The Stakeholder Satisfaction Indices, established through quarterly worker and employer satisfaction surveys, provide an overall rating of satisfaction with services provided by the WCB.

This multiple measure approach provides a more comprehensive reporting of overall stakeholder satisfaction.

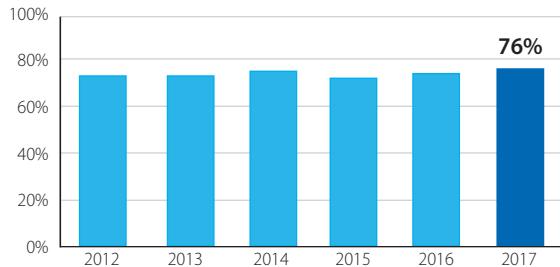
Both injured worker and employer satisfaction with WCB service remains above established targets for these measures.

Satisfaction with services provided by the Workers' Advisers Program is also favourable with 94 per cent of clients indicating they are satisfied with the Program's services.

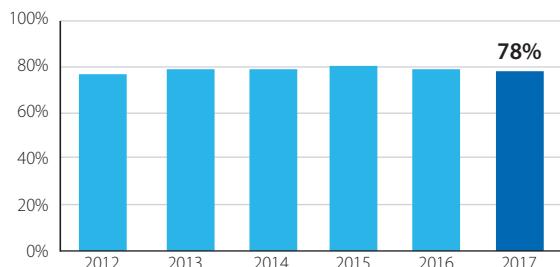
In 2017, 87 per cent of survey respondents indicated that health and safety is critically important or important, statistically holding steady for the past several years.

94%
OF CLIENTS
INDICATED THEY ARE **SATISFIED**
WITH WAPs SERVICES.

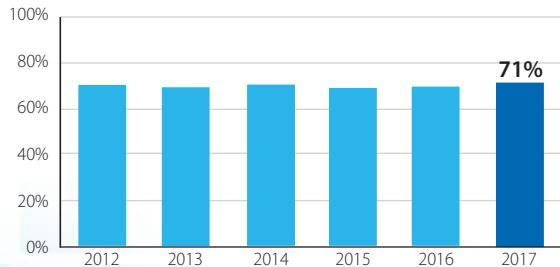
WORKER SATISFACTION INDEX FOR WCB



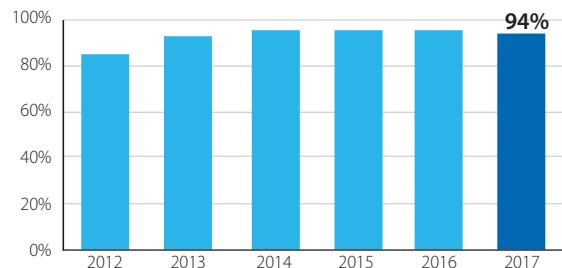
EMPLOYER SATISFACTION INDEX FOR WCB



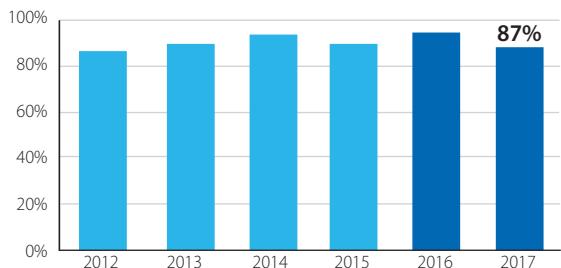
SATISFACTION INDEX FOR INJURED WORKERS WHERE STD BENEFITS EXCEED 26 WEEKS



SATISFACTION WITH SERVICES PROVIDED BY THE WORKERS' ADVISERS PROGRAM



AWARENESS OF IMPORTANCE OF HEALTH AND SAFETY

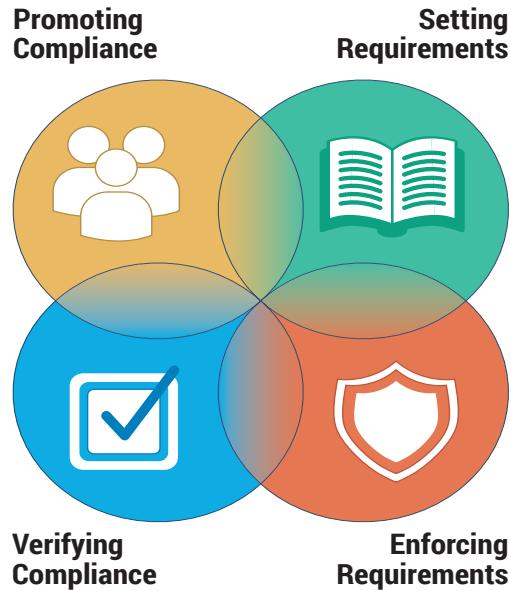


IN 2017,
87%
OF SURVEY RESPONDENTS INDICATED THAT **HEALTH AND SAFETY IS CRITICALLY IMPORTANT OR IMPORTANT**.

Initiatives

In 2017 key departmental initiatives at NS Labour and Advanced Education were initiated and advanced to enhance service delivery within the System.

The Safety Branch has been working to help Nova Scotians understand the province's health and safety regulations. This work is critical as we build a stronger health and safety culture. **The Pathways to Compliance approach** recognizes and supports the four pathways that are helping to effectively achieve awareness and compliance.



These pathways include:

SETTING REQUIREMENTS

Before setting a new rule, we are committed to engaging with workers and employers. We will consider what impact the new rules will have, including cost effectiveness and efficiency.

- Examples include sector-specific codes of practice and or deviations that detail the specific requirements that a workplace can follow to meet a safety need.

PROMOTING COMPLIANCE

We want to ensure that workers and employers understand our legislation, codes, and standards. We offer presentations and programs to educate and inform. We want workplaces to understand the benefits of each rule and to know how to comply. Some of our recent initiatives include:

- Supporting the establishment of two new safety associations in the commercial diving industry and aboriginal communities.
- Continuing to work closely with associations representing the fishery, agricultural and construction industries to address areas of concern, and how compliance can be achieved.
- Hosting two OHS Symposiums to engage Nova Scotians on priorities for our work.
- Sponsoring and participating in various trade shows and conferences such the 36th Annual Safety Services Nova Scotia Conference in Halifax and the 6th Annual Cape Breton Safety First Symposium.

VERIFYING COMPLIANCE

We monitor and inspect workplaces to ensure and encourage workers and employers to follow all safety rules, which also helps to establish a level playing field for all workplaces.

We consider several factors when setting our inspection frequency for equipment, workplaces, and public spaces, including:

- risk-level
- safety maturity of sector/industry
- history of compliance

With that in mind, we conducted 1394 planned inspections and 1332 unplanned inspections in 2017.

ENFORCING REQUIREMENTS

Our focus continues to be on encouraging voluntary compliance. When that is not enough, we have enforcement tools to regulate the safety of people and equipment and to ensure that safety standards are met. Health and safety is always our top priority. In 2017 we completed four prosecutions and initiated 11 prosecutions.

The WCB is undergoing a significant modernization to provide better service and reduce red tape. In June 2017, new, convenient and secure online channels were introduced for workers and service providers, and enhancements were added to the MyAccount employer portal. The WCB also removed the requirement for employers to obtain Special Protection Coverage for workers who are family members living at home. At the same time, the WCB continued to prepare for the implementation of Guidewire, an industry-leading cloud-based software platform that will power its claims and assessment systems. This new system will enable even more digital service options for workers and employers, and more streamlined business processes.

The quality of service provided by the System is also measured by the number of decisions overturned by appeals.

Over the past five years, the number of appeals per year received by WCB Internal Appeals decreased 27 per cent. However, in 2017, there was an increase in the number of decisions rendered and this also led to an increase in the number of appeals received at the Workers' Compensation Appeals Tribunal.

Appeals at the Nova Scotia Court of Appeal decreased 14 per cent, with 12 new cases brought before the Court.

TABLE 2 – SYSTEM APPEALS, 2012 TO 2017

Year	WCB – Claims		WCB – Internal Appeals			WCAT			NS Court of Appeal
	Received	Time Loss	Received	Decisions	Allowed/ Allowed in part	Received	Decisions	Allowed/ Allowed in part	
2017	23,952	5,906	1,418	1,139	198 (14%)	744	526	253 (48%)	12
2016	24,311	5,847	1,450	1,080	182 (17%)	639	519	267 (51%)	14
2015	23,933	6,014	1,313	1,119	259 (23%)	720	587	250 (43%)	14
2014	24,974	5,953	1,524	1,482	308 (21%)	740	582	270 (46%)	9
2013	25,050	6,034	1,670	1,392	309 (22%)	774	655	308 (47%)	9
2012	26,422	6,341	1,937	1,536	405 (26%)	777	710	321 (45%)	15

SYSTEM GOAL – Ensure Financial Sustainability of the System

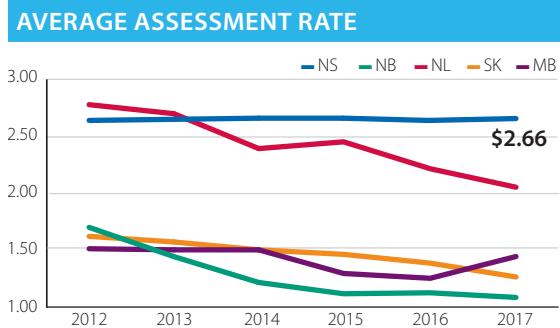
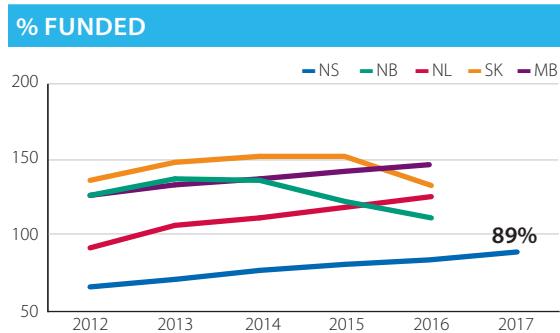
Financial stability of the System is linked to a number of factors – the number of people who get hurt on the job, how long they are off the job and in receipt of benefits, investment returns and the health of the Nova Scotia economy.

The System has much more direct influence on some of these stability factors than others.

Last year, there was progress in moving the System closer to financial sustainability. For the fifth consecutive year, the WCB reported comprehensive income which moved the System closer to retiring the unfunded liability. The shortfall between invested funds and liabilities was \$217.3 million for 2017.

As of December 31, 2017, the System was 89.4 per cent funded, and the funding strategy indicates the unfunded liability should be eliminated between 2020 and 2024.

While this is positive, it is important to keep in mind that Nova Scotia continues to be among the least funded systems in Canada. All other provinces, other than Ontario – which is in a lower funded position than Nova Scotia – are “fully funded”. In these jurisdictions, reserves are held over 100 per cent to ensure long-term sustainability.



The assessment revenue collected by WCB funds the entire workers' compensation system, including the Workers' Advisers Program, Workers' Compensation Appeals Tribunal, the OHS Division and aligned organizations.

In 2017, WCB Nova Scotia's actual average assessment rate was slightly higher than the targeted rate of \$2.65 per \$100 of payroll, at \$2.66. The variance indicates the mix of payroll amounts submitted by employers in high-rate industries was slightly higher than the amounts submitted by industries in low-rate industries.

The WCB's Strategic Plan 2016-2020 includes a commitment that toward the later years of the Plan, stakeholders will be engaged in defining and agreeing to what financial stability for the workers' compensation system means, and what opportunities a fully funded system may provide for workers and employers. When contrasted to other jurisdictions, Nova Scotia's benefits regime is lower than other jurisdictions, as shown in the table on the next page.

WHEN CONTRASTED TO OTHER JURISDICTIONS.

NOVA SCOTIA'S BENEFITS REGIME IS

LOWER

THAN OTHER JURISDICTIONS.

TABLE 3 – COMPARISON OF COMPENSATION BENEFITS, SELECTED CANADIAN JURISDICTIONS

Index Area	NS	NB	NL	MB	SK
Percentage of the Workforce Covered (2016)	75%	91%	98%	77%	71%
Waiting period	2/5ths	3/5ths	No	No	No
CPP offset for earnings loss benefit	Yes, 50% is offset	Yes, 50% is offset	Yes, 75% of net CPP benefits is offset	Yes, 100% offset	Yes, after 12 months of loss of earnings capacity, 50%
Percentage of earnings covered: Long-term	85% of net	85% loss of earnings	80% of net	90% of net	90% of net
Fatal benefits other than pensions – immediate lump sum	\$15,000 at date of death	An amount equal to 50% of the New Brunswick Industrial Aggregate Earnings 2015: \$20,307.50	\$15,000 or 26 times the worker's average weekly net earnings at time of injury, whichever is greater	\$76,530	None
Maximum Earnings Covered (2016)	\$58,300	\$62,700	\$63,420	\$127,000	\$76,086
Average New Impairment Award (2015)	7.93%	7.10%	15.18%	4.86%	7.43%
Annuity	Yes, 5% of extended earnings replacement benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity	Worker paid a pension replacement benefit at age 65 if loss of a pension benefit due to compensable injury can be proven.	Yes, up to 7% of 'long term earning loss' benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity
CPI Index or AIW index	Yes, 1/2 of CPI	Yes, 100% of CPI	Yes, 100% of CPI	Yes, AIW	Yes, 100% of CPI
Supplementary Benefits	Yes, for claims prior to 1990	No	No	No	No



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