

Partnerships Update

AASP Annual General

Meeting

Alberta Labour

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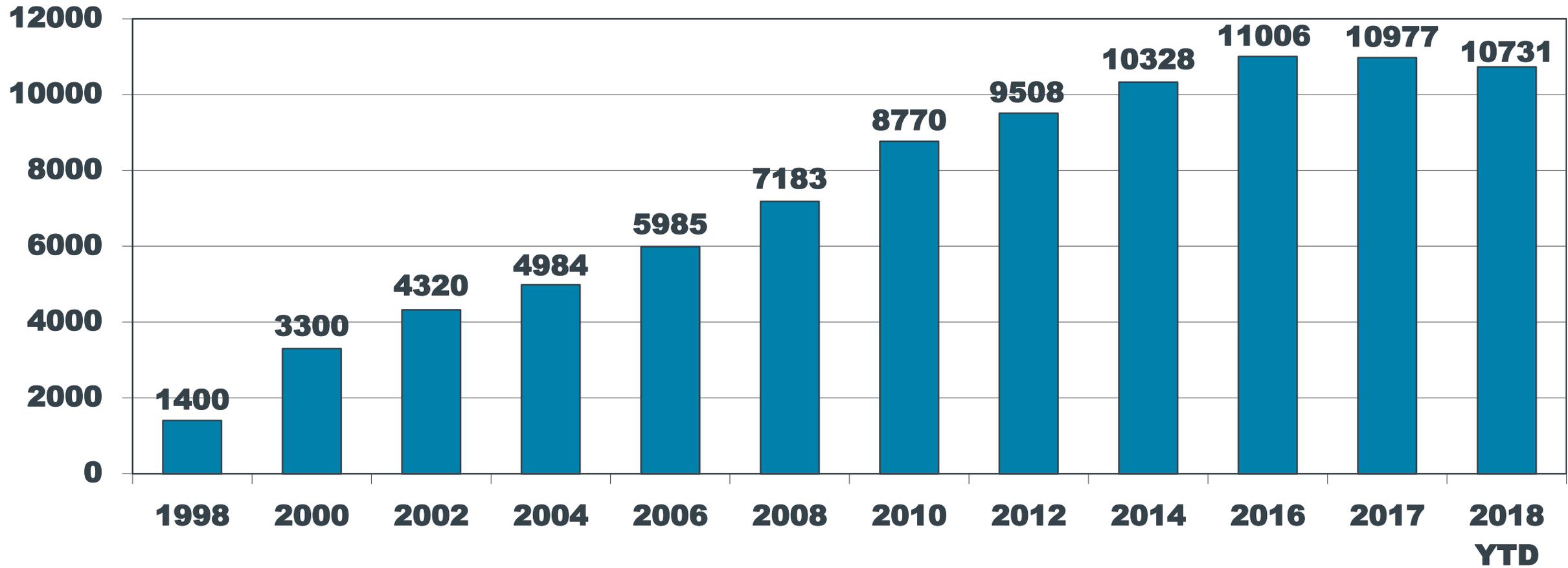
September 28, 2018

Topics

1. COR Statistics
2. New Audit Standard for January 1, 2019
3. COR Redesign

1. COR Statistics

Total COR Holders to September 24, 2018



COR Holders by Type to September 24, 2018

Audit Type	Number of CORs	% CORs by Type
Regular Certificate of Recognition (COR) <i>- any size but typically more than 10 employees</i>	6,800	63.4%
Partnerships Audit Standard Equivalency (PASE) <i>- multi-national organizations with over 400 employees in Alberta</i>	12	0.1%
Total CORs	6,812	63.5%
Small Employer Certificate of Recognition (SECOR) <i>- up to 10 employees</i>	3,897	36.3%
Medium Employer Certificate of Recognition (MECOR) <i>- 10 to 30 employees</i>	22	0.2%
Total SECORs	3,919	36.5%
Total	10,731	100%

Alberta Workers Covered by COR

For 2017, COR holders covered an estimated 858,885 workers = 46.2% of the total Alberta workforce reported to WCB.

- Regular COR = 842,878 (98.1%) estimated workers under COR
- SECOR = 16,007 (1.9%) estimated workers under SECOR

Alberta Labour 2017 Data

COR Holder Performance and WCB Refunds

- Loss Ratios compare the claim costs of a group of employers to the premium they pay.
- PIR COR holders out-performed non-COR holders as measured by comparing their loss ratios by the following percentages:
 - 35.1% lower in 2015
 - 36.8% lower in 2016
 - 33.2% lower in 2017
- PIR Refunds to COR Holders issued by WCB
 - \$76.2 million for 2015
 - \$72.7 million for 2016
 - \$72.3 million for 2017

Source: WCB - Alberta, April 2018

AASP COR Statistics

- Second Largest CP by number of CORs
 - 1,141 COR Holders
 - 1,142 SECOR Holders
 - Total 2,283 = 21.3% of all CORs
- Second Largest CP by estimated number of workers covered
 - 233,460 estimated workers under COR
 - 4,469 estimated workers under SECOR
 - Total 237,929 = 27.7 % of all workers under COR
- 2017 PIR Refunds for AASP Members = \$9,102,558

2. New 2019 Audit Standard

Development of new Partnerships Audit Std.

- CP subcommittee was formed in 2013 to begin work on developing an new audit standard
- A new audit standard was approved in September 2015:
 - Stronger emphasis on supervisor responsibilities, and senior management involvement
 - Added field level hazard assessments
 - Raised minimum score on all-or-nothing questions to 70%
 - All elements must include range-of-points questions
- Standards for Auditor Training and OHSMS Building Course were revised in 2016 to correspond to the new audit standard

Alignment with the New OHS Act

- To align with the requirements of the new OHS legislation, the Partnerships Audit Standard, Auditor Training and OHSMS Building Standards were further revised in June of 2018 to include the following:
 - Health and Safety Committees and Representatives
 - Additional content from mandatory Health and Safety Programs for employers with 20 or more workers.
- CPs must revise their audit instruments and courses, seek approval from Partnerships, and complete implementation by January 1, 2019.

Implementation Status - AASP

- ✓ Participated in the development and adopted the new Partnerships Audit Instrument for 2019
- ✓ AASP's new Health and Safety Management System Building Course was approved by Partnerships
- ✓ AASP's new Auditor Training Course and Exam was approved by Partnerships

3. COR Redesign

Background Information

- Feedback provided by stakeholders for the Workers' Compensation Board (WCB) Review Panel and OHS System Review indicated the COR program (established in 1989) was in need of modernization

Background Information

- Alberta Labour's approach to the review of COR
 - An internal review that assessed the design and delivery, including alignment with GoA strategic priorities
 - Prairie Research Associates (PRA) was contracted to survey both internal and external program stakeholders
 - Labour organizations were also contacted to obtain their feedback on the COR program, and
 - OHS Futures research grant program funded a University of British Columbia study to examine the effect of COR participation on injury rates, and the relationship between audit scores and injury rates

PRA Study Findings

- COR means different things to different stakeholders
 - some say it is an entry-level or basic health and safety system and others think it is the gold standard
- While there are tools to change the outcomes of poor performers, many stakeholders say more tools are needed
- SECOR holders reported that they lack the ability to devote resources, struggle to meet the requirements, and do not receive the training required to create a program that makes it easier to manage
- Without COR, it is unlikely that workplaces would be able to easily construct an effective health and safety management system

Labour Organizations' Feedback

- Labour organizations recommended that both PIR and CPs take a greater role in ensuring audit transparency
- Both PIR and WCB should ensure that rebates are used for continuous improvement of health and safety programs
- Labour organizations want to be involved in COR by ensuring audit transparency, advocating and providing education for workers

Labour Organizations' Feedback (continued)

- COR is a necessary program although several modifications are suggested to improve efficacy
 - Encourage continuous improvement of health and safety programs
 - Improve information sharing between stakeholders to proactively identify poor performers, and
 - Expand the role of CPs and ensure they are held accountable

UBC Evaluation Study

- Overall, COR is associated with lower injury rates especially over the 2011- 2015 period
 - 21% lower lost time claim rates than non-COR holders
 - 13% lower disabling injury rates than non-COR holders
- However SECOR had little or no effect in reducing injuries
- Differences observed in COR effectiveness by CP and sector
- Lower audit scores, for most CPs and sectors, are associated with higher injury rates
- No association was found between audit scores and injury rates for SECOR

Overall Themes

- The COR program needed to be relevant, although there were differences as to what that meant
 - The integrity of the COR program needs to be based on a proven system of procedures, processes and other measures that employers implement, but also promote continual improvement in health and safety

Overall Themes (continued)

- In general, there was a prevailing theme through all feedback that the COR Program plays a valuable role in workplace health and safety in Alberta
 - Through certification, effective occupational health and safety practices are recognized and encouraged

Recommendations

- The PRA evaluation concluded that the current governance model for COR has been stifling key changes by requiring consensus on every program modification
- PRA recommended changing the model from consensus model to
 - one where a majority rules, or
 - where Alberta Labour can make changes that are considered essential

Recommendations

- Government sets the direction and standards for the program (e.g., the policy), CPs deliver the program and employers are the target audience
- Government leverages other national and international standards for OHS management systems as equivalent to COR

Program Governance

- Establish defined roles and responsibilities for the department, CPs, auditors and include administrative tools
- Move the current governance model from consensus based to one lead by the department in consultation with CPs

Program Outcomes

- Reduction in injury, illness and fatalities in Alberta workplaces
 - Worker health and safety improves with OHS system certifications
 - New COR Program will perform for employers of all sizes and industries
 - Certification will lead to a reduction in claims and claim costs

Program Design

- Redesign COR certification to provide a suite of options for businesses depending on size (minimum standard, enhanced and small business certification)

Proposed Changes

1. The department will focus on program policy and ensuring the system operates as intended. Certifying Partners will focus on program delivery ensuring that employers and auditors meet specified criteria.
2. Strategic vision/direction for the program will be set by a department led committee and constitute the larger CPs with representation for smaller CPs.
3. SECOR and MECOR will be discontinued and a new, effective and simpler SECOR developed.
4. End the formal Partners program.

Proposed Changes

5. The department will end employer reviews for employers with health and safety issues. This needs to be replaced by a system that ensures employers with poor health and safety records do not maintain their COR (CP driven).
6. Introduce a new enhanced COR that denotes excellence in health and safety.
7. Automatically recognize CSA and ISO certification as equivalent to COR.

Next steps

- Proposal presented to CPs on September 14, 2018
- CPs have provided feedback
- Phased implementation plan

Questions?

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