

Modernizing the Workers' Compensation Board

Background

In March 2016, Alberta Labour Minister Christina Gray announced a formal review of Alberta's Workers' Compensation Board (WCB). This review is being carried out by a three-person review panel (the panel), and is expected to present a final report in Spring 2017. The panel released a progress report (the progress report) in November 2016, outlining the issues being examined.

Alberta's WCB system functions well in many aspects. In 2015, 93.4% of injured workers returned to work, while surveys show that 92.6% of workers reported feeling respected by their case manager.¹ Financially WCB is very well funded, having posted surpluses every year since 1994.²

Board Governance Structures

The progress report outlines a potential policy shift which would see members of the Board of Directors selected from stakeholder groups, like unions or employer associations.³ This could lead to an adversarial, employer-vs-worker, Board of Directors. We strongly recommend that members of the Board be selected according to their abilities and competency – not to represent the perspective of a specific stakeholder group. This will allow them to participate in a manner that adequately balances worker and employer interests, within a holistic context of the WCB's operations.

Reform Vocational Rehabilitation

When a worker is injured, and the nature of their injury prevents that worker from returning to their date-of-accident position, WCB will pay for vocational rehabilitation to train the worker for a new position.⁴ If the new position pays less, WCB will provide a top-up to cover the salary difference until the worker reaches retirement age. The panel identified vocational rehabilitation as a major issue in its progress report, as injured workers tend to be retrained in the same limited number of occupations. As noted by an anonymous WCB staff member in the progress report, "we deemed more workers as dispatchers each year than there were dispatchers in the province."⁵ This model leaves little flexibility for workers and employers to collaborate and find a new career path whether within or outside the original workplace. Furthermore, if workers can find more meaningful and higher-paying work, the long-term wage supplement payments paid by WCB could be decreased. We encourage the WCB to implement practices

¹ https://www.wcb.ab.ca/assets/pdfs/public/annual_report_2015.pdf

² *ibid*

³ <https://www.alberta.ca/documents/WCB-Review-Working-Together-Progress-Report.pdf>

⁴ https://www.wcb.ab.ca/assets/pdfs/workers/WFS_Vocational_rehabilitation.pdf

⁵ <https://www.alberta.ca/documents/WCB-Review-Working-Together-Progress-Report.pdf>

that allow workers to better explore their skill sets and to create more choice and flexibility in retraining, thereby providing greater opportunity for both employers and workers.

Mental Health

The progress report also suggests that WCB could do more to address the mental health aspects of workplace injury, such as depression due to injury and the resulting loss of employment.⁶ In some instances, these psychological difficulties can pose a serious roadblock for injured workers, who could otherwise find gainful employment. Addressing the mental health aspects of workplace injury in these instances would reduce workers' long-term reliance on wage top-ups, and lessen the burden on WCB.

Expand Employer Support for Small Businesses

While large employers often have dedicated staff and resources to navigate the WCB process, small businesses have neither the time nor the necessary financial resources. If a small business has a serious workplace accident, the costs resulting from the WCB process may seriously hamper their ability to continue to operate. The Employer Appeals Consulting Service is an important service for small businesses and should be expanded to ensure that small businesses can access this service when they need it.

Maintain Current Premium Levels

Alberta businesses are already facing cost increases from higher taxes, the carbon levy and minimum wage increases, all during an economic downturn. Now is not the time to further undermine Alberta's competitive advantage. Given that the WCB is already well-funded, with annual surpluses spanning over two decades, policy changes should be achieved through a re-allocation of existing resources, not by increasing premiums.

The Alberta Chambers of Commerce recommend the Government of Alberta:

1. Select members of the Workers' Compensation Board of Directors according to their abilities and competencies – not to represent the perspective of a specific stakeholder group.
2. Improve the clarity and frequency of communication between employers and the Workers' Compensation Board.
3. Reform vocational rehabilitation services, allowing more choice and flexibility in retraining.
4. Expand supports for small businesses, including the Employer Appeals Consulting Service.
5. Maintain current employer premium levels and limit the direct costs that are assessed back to an employer when a claim is made

⁶ *ibid*