November 30, 2021

Workers' Compensation Act – Committee of Review
Attention: Ms. Greenberg, Chairperson

Dear Ms. Greenberg,

Re: 2021 WCB Committee of Review Submission

Thank you for extending the opportunity to provide feedback for the 2021 WCB Committee of Review. This submission is focused solely on the funding administration of provincial safety associations and the essential role of the memberships they represent. I represent a Saskatchewan employer and am a member of Service Hospitality.

The Gold Eagle Lodge is a 110 room hotel in North Battleford, Saskatchewan and has been open for 15 years.

Safety Associations in Saskatchewan are funded entirely by the membership they represent. As such, each association is governed by an independent board of directors made up of representatives from that membership. These boards are elected by the membership, and accountable to the membership. Until recently, the WCB and Safety Associations operated under a funding agreement that allowed the WCB to collect the funds from employers annually and provide them to the safety associations quarterly. Other general requirements were included, such as the submission of an annual funding request, and the sharing of injury and injury cost data from the WCB to that safety association.

According to Section 146 of *The Workers' Compensation Act, 2013,* these associations have been established "…for the purpose of injury prevention and safety…" All further guidelines for Safety Associations come from the internal WCB policy, "Safety Associations (POL 06/2020)."

Over the past two years, the WCB Administration has modified these guidelines to create further barriers for the associations. This has led to control being shifted to the WCB from the members that make up and pay for these associations. WCB's move to stricter governance has all but completely removed the authority of the association's membership, as well as has removed the association's ability to be accountable to that membership. The change has also taken away the association's abilities to shift focus and delivery in alignment with the membership's needs. As we are all aware, the last two years have been full of change, and under the current structure, our safety association will not be able to make appropriate moves to continue to service their memberships in further times of change.

In addition to the removal of authority from the safety associations themselves, the amount of administration now required is an undue hardship on many of the safety associations. Completing the incredibly prescriptive requirements requires resources and costs far beyond what is reasonable. Those costs will not be borne by the WCB, but by the members represented by the associations. As a result, those funds will be used for WCB administration instead of injury prevention and safety.

WCB's increased authority also allows them to decide, at the individual program level, whether or not funding will be provided. Again, this now takes away the strategic direction coming from the safety association's membership and puts it in the hands of WCB. Already they have threatened to strip away

funding from member-driven programs so they could divert it to programs and activities that are politically based. They have taken full control of employer's money and are making decisions based on their own interests and priorities, instead of those of industry.

At the time of the development of the new Funding Agreement, the WCB Administration was disingenuous about the rationale for the new agreement. During the 4-5 years it took to develop this new agreement, WCB has put out the pretense of consultation, but never actually consulted. Since then, they have gone out of their way to fight a propaganda campaign to discredit Safety Associations. They have also shown their willingness to abuse their authority to punish Safety Associations who have sought out legal advice.

Each safety association was created by industry to be experts in health and safety for that industry. The resources that have gone into cultivating that expertise cannot be replicated by the WCB administration. The industry has entirely lost confidence in WCB's ability to manage these funds.

Based on the above feedback regarding the WCB's Safety Association policy, I, as a member Service Hospitality, recommend removing WCB's oversight of the industry funded safety associations. This responsibility should be moved to an industry-based safety council who will appropriately support the safety association's purpose and the membership it represents. The industry-based safety council will work directly with the WCB Board and not the administration, to ensure proper accountability mechanisms are in effect and industry needs are met. We further recommend that a third-party fund administrator be put in place to ensure unbiased decisions are being made regarding industry funding.

I truly appreciate the opportunity to provide insight on topics that concern the business community in Saskatchewan and look forward to the results of your review. If you are interested in discussing further, please do not hesitate to contact Kelly Fluney, General Manager at kelly@goldeaglelodge.com.

Sincerely,

Kelly Fluney

Kelly Fluney
General Manager