

2020-22 Strategic Plan

Inside Front Cover

The WorkplaceNL 2020-22 Strategic Plan is available in alternate format upon request.
Please email info@workplacenl.ca or call 709.778.1000 or 1.800.563.900 (toll-free).

Message from the Board of Directors

On behalf of the Board of Directors (the Board), I hereby submit WorkplaceNL's Strategic Plan for 2020-22. In accordance with the Provincial Government's commitment to accountability, this strategic plan outlines the goals and objectives established by WorkplaceNL, concluding on December 31, 2022.

The 2020-22 Strategic Plan has been prepared under my direction and in accordance with the **Transparency and Accountability Act** and the Guidelines for Multi-Year Performance-Based Planning for Category 1 Government Entities.

Consideration has also been given to the COVID-19 pandemic in the preparation of the plan. The goals and objectives have been developed in consideration of the challenges arising from the pandemic.

This strategic plan is not intended to describe everything WorkplaceNL will achieve from 2020 to 2022, but focuses on the priorities for the Board. These priorities have been identified in consideration with the strategic directions of the Provincial Government, in accordance with the applicable guidelines.

Results will be achieved by focusing on strategic initiatives of WorkplaceNL, which include: client service, prevention, financial sustainability, and claims management.

My signature below is indicative of the Board's accountability for the preparation of this plan and achieving the goals and objectives outlined herein.

A handwritten signature in black ink, appearing to read "John Peddle". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Peddle".

John Peddle, ICD.D
Chair, Board of Directors
WorkplaceNL

Contents

- Overview of the Organization 1
- Board Governance 2
- Mandate 2
- Lines of Business 3
- Strategic Issues, Goals, and Objectives 5
- Strategic Issue 1: Client Service 6
- Strategic Issue 2: Prevention 8
- Strategic Issue 3: Financial Sustainability 10
- Strategic Issue 4: Claims Management..... 12

Overview of the Organization

WorkplaceNL administers a mandatory, employer-funded, no fault work-injury insurance system. More specifically, WorkplaceNL promotes safe and healthy workplaces, in addition to providing return-to-work programs and benefits to injured workers and their dependents, based on assessments collected from employers.

The Meredith Principles are the foundation of all Canadian workplace compensation systems and include:

- No fault compensation, which means workers are paid benefits regardless of how the injury occurred.
- Collective liability, so that the total cost of the compensation system is shared by all employers.
- Security of payment, with a fund established to guarantee that compensation will be available for injured workers when they need it.
- Exclusive jurisdiction, which means only workers' compensation organizations provide workers' compensation insurance.
- Independent Board, that is autonomous and financially independent of governments or any special interest groups.

Each year, WorkplaceNL serves approximately 17,500 employers and 13,000 injured workers throughout Newfoundland and Labrador. Offices are located in St. John's, Grand Falls-Windsor, and Corner Brook.

Breakdown of WorkplaceNL Positions (2019)

Region	Number of Employees	Vacancies	Total
St. John's	308	23	331
Grand Falls-Windsor	20	0	20
Corner Brook	27	2	29
Total	355	25	380

WorkplaceNL adheres to its funding and investment policies. In 2019, WorkplaceNL's total revenue was \$329.8 million¹. This includes \$128.4 million in assessment revenue from employers, \$197.2 million in investment income, and \$4.2 million in administrative fees paid by self-insured employers and third party reimbursements. WorkplaceNL's Injury Fund remains fully-funded at 123.4 per cent.

¹ The most recent audited financial information at the time this plan was prepared is for the 2019 calendar year.

Collaboration, communication, and sound working relationships with clients, stakeholders, and partners are critical to the success of WorkplaceNL's operations. WorkplaceNL works with the Occupational Health and Safety (OHS) Division of Digital Government and Service NL to make recommendations and develop programs respecting workplace health and safety. WorkplaceNL also works closely with stakeholder groups representing injured workers and employers. In addition, partnerships have been developed with industry associations, government departments, agencies, unions, safety sector councils, community groups, as well as health and safety coalitions at both provincial and national levels.

Board Governance

In accordance with the **Workplace Health, Safety and Compensation Act** (the Act), the Board of Directors consists of ten members appointed by the Lieutenant-Governor in Council, including the chair and representatives of employers, workers, and the public. Members continue to serve until re-appointed or replaced. The Board is also required to have two non-voting members: the Chief Executive Officer of WorkplaceNL and a Provincial Government employee, designated by the Minister responsible for WorkplaceNL.

As of August 31, 2020, the Board of Directors included:

Chair:	John Peddle
Members representative of employers:	Victoria Belbin David Loveys Gregory Viscount
Members representative of workers:	Greg Pretty Wayde Gerald Rowsell Jerry Vink
Members representative of the public:	Lana Collins Paula Corcoran Anne Fagan
Non-voting members:	Dennis Hogan, Chief Executive Officer, WorkplaceNL Alan Doody, Assistant Deputy Minister, Government Services Branch, Digital Government and Service NL

Mandate

Under the authority of [sections 5 and 20.2 of the Act](#), WorkplaceNL:

- Promotes workplace health and safety in order to prevent and reduce workplace injury and illness.
- Strives to ensure injured workers receive the best care possible and the benefits to which they are entitled.

- Facilitates injured workers' recovery, and early and safe return to work.
- Administers an employer classification and assessment system.
- Ensures adequate funding for services through sound financial management.

Lines of Business

WorkplaceNL is organized along four functional areas:

- 1) Worker Services
- 2) Employer Services
- 3) Corporate Services
- 4) Financial Services

These functional areas support three lines of business:

1. Education on the prevention of workplace injury, illness, and occupational disease

WorkplaceNL designs, develops, delivers, coordinates, monitors, and evaluates workplace health and safety education, as well as injury, illness, and occupational disease prevention initiatives. Specifically, WorkplaceNL:

- Promotes public awareness of, and fosters commitment to, workplace health and safety.
- Educates and provides advice to employers, workers, and others about workplace health and safety.
- Promotes and funds workplace health and safety research.
- Develops training standards for certification under the **Occupational Health and Safety Act**, certifies people who meet these standards, and approves training programs for certification.
- Promotes the importance of health and safety education and training, and develops strategic partnerships, as appropriate, in its delivery.
- Collaborates with and makes recommendations respecting workplace health and safety to the OHS Division of Digital Government and Service NL.

Achieving safe and healthy workplaces requires the cooperation of all workplace parties and stakeholder groups. Therefore, WorkplaceNL fosters a collaborative approach to support positive safety cultures in workplaces, helps injured workers return to work early and safely, reduces the impact of workplace injury, and lowers claim costs.

2. Claims management for injured workers

WorkplaceNL proactively manages all aspects of an injured worker's claim relating to workplace injury, illness, or occupational disease. Specifically, WorkplaceNL:

- Registers injured workers' claims and determines their entitlement to benefits.

- Provides active case management and health care planning.
- Helps ensure injured workers' access to appropriate programs, such as wage-loss benefits, early and safe return-to-work (ESRTW) plans, labour market re-entry, and retirement benefits.

The goal of claims management is to assist an injured worker's recovery and minimize their loss of income through appropriate health care intervention and proactive implementation of ESRTW. This is accomplished by working in partnership with injured workers, employers, and health care providers. In the case of a fatality due to a workplace incident or an occupational disease, WorkplaceNL provides programs and services to dependents of the deceased worker.

A primary component of claims management is planning, as well as coordinating health support and advisory services from health care professionals within WorkplaceNL. This ensures that injured workers receive optimal, cost-effective health care. In addition, WorkplaceNL continuously establishes and maintains partnerships with external health care providers.

3. Employer assessments (insurance coverage)

The Act requires employers performing work in the province to register with WorkplaceNL and pay assessments for workplace injury coverage for their workers. The assessment revenue collected from employers is used to pay the cost of injured workers' claims and associated costs to administer the workers' compensation system.

Mandatory registration and insurance coverage applies to two groups of employers: assessment-based employers and self-insured employers. Assessment-based employers are insured through collective liability and contribute to WorkplaceNL's Injury Fund through assessment premiums based on their annual payrolls. The Injury Fund is comprised of the funds collected from experience-based assessment rates for employers. Self-insured employers (such as the Provincial and Federal Governments) are individually liable. In this circumstance, WorkplaceNL pays the actual cost of claims, and then invoices that amount to the employer with the applicable administration fee.

Under this line of business, WorkplaceNL registers employers; administers and monitors employers' payroll reporting; sets assessment rates; and collects and audits payroll.

For more details on WorkplaceNL and its programs and services, please visit www.workplacenl.ca. Please visit www.workplacenl.ca/about/board-and-executive/ for WorkplaceNL's primary clients, vision and values.

Strategic Issues, Goals, and Objectives

The strategic plan identifies four priority areas, also described as strategic issues, which will be addressed over the next three years. Focus areas include: client service, prevention, financial sustainability, and claims management.

To address these strategic issues, three-year goals, along with corresponding annual objectives, have been developed. The strategic issues are not listed in order of importance; all are interrelated.

These priorities have been identified in consideration of the strategic directions of the Provincial Government and support:

- A better economy.
- Healthier people.
- Better living.
- A bright future.
- A more efficient public sector.

Strategic Issue 1: Client Service

Business Modernization and Continuous Innovation

WorkplaceNL is committed to fostering a strong client service culture and to delivering high-quality services and programs to meet the needs of clients. Service excellence and continuous improvement are key underpinnings of this culture. To meet its commitments, WorkplaceNL continuously strives to find opportunities to innovate programs and service delivery to keep pace with the changing needs and preferences of clients served. WorkplaceNL has an established business framework to support the client service culture and service excellence. However, a revised framework is needed to reflect more modern service delivery methods, changing needs and expectations, while utilizing a continuous innovation approach.

WorkplaceNL has begun a multi-year initiative, spanning several planning cycles, to implement and leverage new technologies and business processes. This includes new technology solutions to support improved work practices for human resource and finance functions. In addition, WorkplaceNL will continue to facilitate more digital and online interactions with its clients to enhance service delivery, consistent with the Provincial Government's Digital Government initiative. Over time, WorkplaceNL is moving away from less efficient paper-based processes, automating routine business transactions, and improving data quality for better decision making.

These service improvements will continue to be informed by engaging those most responsible for delivering, and impacted by, WorkplaceNL's programs and services. Employees, stakeholders, and community partners will be engaged in the modernization process to improve operations and the delivery of services. Given the degree of change, a strong change management capability will be required. WorkplaceNL will continue to support skilled and engaged employees, improved work approaches, enhanced communications, as well as support leadership development and continuity of corporate knowledge.

Strategic Issue 1: Client Service

2022 Goal: By December 31, 2022, WorkplaceNL will have introduced technology to modernize service delivery.

Goal Indicators:

- Automated select routine business transactions.
- Improved service delivery channels.
- Strengthened relationships with key partners to support changes in service delivery.

2020 Objective: By December 31, 2020, WorkplaceNL will have developed a modernized client service framework.

Objective Indicators:

- Reviewed the existing client service framework.
- Developed a plan to digitize services for clients.

2021 Objective: By December 31, 2021, WorkplaceNL will have introduced digital service delivery options for clients.

2022 Objective: By December 31, 2022, WorkplaceNL will have implemented technology solutions to support business modernization.

Strategic Issue 2: Prevention

Leadership in Prevention through Collaboration and Innovation

WorkplaceNL and its partners have two substantial mechanisms to influence safety cultures in provincial workplaces: a workplace injury prevention strategy and an incentive program for employers.

In consultation with safety partners and stakeholders, WorkplaceNL and the OHS Division of Digital Government and Service NL jointly developed a five-year strategy entitled **Advancing a Strong Safety Culture in Newfoundland and Labrador, A Workplace Injury Prevention Strategy 2018-2022** (Prevention Strategy). It provides guidance towards injury prevention and creating a stronger workplace safety culture in Newfoundland and Labrador, while meeting the needs of a changing labour force. Newfoundland and Labrador reached its lowest lost-time incident rate in the history of the province in the three years leading up to 2018. The slight increase to 1.6 per 100 workers in 2018 and 2019 could be attributed to a combination of economic, regulatory, and demographic variables. New mining and oil and gas developments, the resurgence of the groundfish industry, changing demographics, and new technologies all speak to the changing nature of work and bring both unique challenges as well as new opportunities in the management of workplace health and safety. WorkplaceNL continues to monitor and assess health and safety risks in workplaces and will continue to develop leading injury prevention programs to protect workers. As a result, the prevention strategy calls for employers, workers, the Provincial Government, WorkplaceNL, and safety partners to continually work collaboratively to:

- Reduce the risk of workplace injury, illness, and disease.
- Reduce the human and financial costs of workplace injury, illness, and disease in workplaces.
- Raise awareness of safety and health risks to help change safety attitudes and behaviour, and support a strong safety culture.
- Support safe workplace re-integration for injured workers.

The five-year Prevention Strategy focuses on eight injury and illness priorities: (1) musculoskeletal injury (MSI); (2) occupational disease and illness; (3) falls; (4) serious injuries; (5) young workers; (6) workplace violence; (7) traffic control; and (8) psychological health and safety. WorkplaceNL is developing innovative relationships with its safety partners to increase the capacity of the system to deliver effective injury prevention programs for each of these priorities.

The Prevention and Return-to-Work Insurance Management for Employers and Employees Program, also known as PRIME, is a customized program for employers in Newfoundland and Labrador. The program is a financial incentive system to recognize employer claim costs as well as compliance with certain health and safety and return-to-

work practices. As PRIME was implemented in 2005, a review was completed during the previous planning cycle. Within the spirit of continuous improvement, an incremental implementation approach is planned in order to identify impactful changes. This approach will include additional collaborations as needed.

WorkplaceNL will advance toward safe and healthy workplaces by continuing to implement the Prevention Strategy; evolving programs, partnerships, and tools that support compliance with the **Occupational Health and Safety Act and Regulations**; as well as modifying PRIME.

Strategic Issue 2: Prevention

2022 Goal: By December 31, 2022, WorkplaceNL will have enhanced occupational health and safety education in the province.

Goal Indicators:

- Enhanced certification training standards.
- Developed a new online reporting system for OHS committees.
- Implemented enhancements to occupational health and safety within the PRIME Program.

2020 Objective: By December 31, 2020, WorkplaceNL will have developed new resources to enhance safety cultures.

Objective Indicators:

- Developed new safety-culture learning resources.
- Implemented a safety-climate assessment tool for workplaces.

2021 Objective: By December 31, 2021, WorkplaceNL will have supported the development of industry-led safety programs and initiatives.

2022 Objective: By December 31, 2022, WorkplaceNL will have delivered education to protect workers from health and safety risks.

Strategic Issue 3: Financial Sustainability

Adherence to Funding and Investment Policies

The Injury Fund remains fully-funded as the new planning cycle begins. The stakeholder-agreed Funding Policy defines the Injury Fund as being fully-funded when accumulated assets are 10 per cent greater than total liabilities. The desired range for the funded position is 100 to 120 per cent, with a target of 110 per cent. The funded ratio will change over time due to variability in the assessment rate revenue collected from employers, investment returns or losses, payments to workers, as well as other costs of the workers' compensation system including administration costs.

The Funding Policy helps to ensure sufficient funds will be available for existing injured workers for the duration of their claim. WorkplaceNL closely monitors the financial stability due to:

- Uncertainty surrounding the increasing number of claims and their duration.
- Potential costs due to recent changes to benefit policy and legislative changes.
- Downward trends of assessable payrolls due to changing economic factors.
- The changing nature of injuries.
- Potential changes in the financial market.

Over the past five years (2015 to 2019), the average assessment rate paid by employers to fund the system has decreased by 45 per cent, primarily due to lower costs and positive investment returns. A temporary \$0.21 discount, which was announced in 2018, was applied to the average assessment rate in 2019 in accordance with the Funding Policy. This reduced the average assessment rate from \$1.90 to \$1.69 per \$100 of assessment payroll – the lowest rate in over 35 years. This discount was announced again in 2019 for the 2020 average assessment rate and is intended to remain in place until the Injury Fund reaches the targeted funded position of 110 per cent. Currently, Newfoundland and Labrador's average assessment rate is 23 per cent lower than the other workers' compensation boards in Atlantic Canada and 3.8 per cent lower than the National average. The COVID-19 pandemic has introduced significant volatility into the financial markets and has negatively impacted the value of the Injury Fund. Further, the economic impact of the public health measures on employers is yet to be determined. It is anticipated that employer payrolls and consequently assessment revenue will be lower than originally projected and will further negatively impact the funded ratio.

WorkplaceNL created and utilizes PRIME to help focus employers on worksite occupational health and safety, as well as early and safe return to work. Employers that focus on these two areas tend to have fewer injuries and lower claim costs. Lower injuries and lower costs directly translate into improved financial performance of the

Injury Fund. Therefore, engagement and consultation findings will guide an assessment of the financial components of PRIME.

In addition, publicly accountable insurance companies, including workers' compensation boards, are required to adhere to International Financial Reporting Standards (IFRS). WorkplaceNL will continue to monitor upcoming changes to financial accounting standards which may materially impact WorkplaceNL's financial statements. For example, adopting IFRS 17 (i.e., insurance contracts) will change how WorkplaceNL recognizes, measures, reports, and presents insurance contracts.

WorkplaceNL will continue to assess the Injury Fund with professional advice from external financial advisors and independent actuaries to ensure factors, pressures, and patterns are considered in setting assessment rates and benefits.

Strategic Issue 3: Financial Sustainability

2022 Goal: By December 31, 2022, WorkplaceNL will have assessed financial management policies and practices to support financial sustainability.

Goal Indicators:

- Maintained the funded ratio within the targeted operating range.
- Assessed the financial components of the PRIME model.
- Assessed the impact of new accounting and actuarial standards.

2020 Objective: By December 31, 2020, WorkplaceNL will have initiated a review of its financial management policies and practices.

Objective Indicators:

- Monitored the financial impacts resulting from the COVID-19 pandemic.
- Assessed the Funding Policy.

2021 Objective: By December 31, 2021, WorkplaceNL will have continued the review of its financial management policies and practices.

2022 Objective: By December 31, 2022, WorkplaceNL will have furthered the review of its financial management policies and practices.

Strategic Issue 4: Claims Management

Facilitating Injured Worker Recovery and Safe Return to Work

In order to balance costs to the Injury Fund while responding to the needs of the labour market and injured workers, several claims management program changes are proposed over the next three years.

In early 2000, WorkplaceNL introduced the Labour Market Re-entry (LMR) Program, a return-to-work model. This service has traditionally been offered later in a claim, when other options for returning to the pre-injury employer were exhausted. In the spirit of continuous improvement, this model has been assessed and modified following two previous statutory reviews of the workers' compensation system. For cases where return to work is not progressing or a return to the pre-injury employer is unlikely after maximum medical recovery, a renewed LMR program will result in additional supports to injured workers.

The PRIME Program recognizes employer claim costs as well as compliance with certain health and safety, and return-to-work practices. By enhancing PRIME audits to reflect required elements of disability management, return-to-work programs will be enhanced. Creating additional interactions between the existing LMR, and ESRTW Programs, will result in a proactive and dynamic approach to claims management. Enhancements will respond to many challenges and factors, such as the changing workforce (i.e., vulnerable workers, an aging workforce, young workers, and increasing diversity); the expanding nature of workplace injuries; supporting traumatic psychological injuries; shifting economic and societal factors (i.e., contraction of large-scale construction projects); and fluctuating demands for skills.

WorkplaceNL is collaborating with community partners to provide a broad scope of support to injured workers. These collaborative relationships with the health care community, service providers, and various associations will present an opportunity to strengthen responsiveness.

Strategic Issue 4: Claims Management

2022 Goal: By December 31, 2022, WorkplaceNL will have implemented program changes that support early re-integration into the workforce.

Goal Indicators:

- Enhanced policies and procedures to support labour market re-entry.
- Strengthened service delivery for traumatic psychological injuries.
- Incorporated disability management practices into PRIME audits.

2020 Objective: By December 31, 2020, WorkplaceNL will have commenced enhancements to support early re-integration into the workforce.

Objective Indicators:

- Commenced a review of existing operational resources that assist with workforce re-integration.
- Developed an approach to enhance communications between workplace parties.
- Commenced implementation of changes to service contracts that provide employment readiness assessments.

2021 Objective: By December 31, 2021, WorkplaceNL will have continued enhancements to support early re-integration into the workforce.

2022 Objective: By December 31, 2022, WorkplaceNL will have furthered enhancements to support early re-integration into the workforce.

WorkplaceNL

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