

Section Title: Prevention and Research
Subject: Funding Industry-Based Safety Programs
Effective Date: March 1, 2015

POLICY PURPOSE

Under section 54.1 of the *Workers Compensation Act* (the Act) the WCB has a mandate to "promote safety and health in workplaces and to prevent and reduce the occurrence of workplace injury and illness." Under this mandate the WCB must:

- a) promote public awareness of workplace safety and health and injury and illness prevention;
- b) promote an understanding of and compliance with this Act and The Workplace Safety and Health Act;
- c) foster commitment to workplace safety and health and to injury and illness prevention among employers, workers and other persons;
- d) work with organizations engaged in workplace injury and illness prevention to promote workplace safety and health;
- e) provide training and education about preventing workplace injury and illness;
- f) develop standards for workplace safety and health and training programs, including certification processes for providers; and
- g) publish reports, studies or recommendations about workplace safety and health and injury and illness prevention.

Section 97.1 of the Act authorizes the WCB to fund programs that promote workplace injury and illness prevention through a levy collected from those employers to whom the program relates.

Recognizing that Industry-Based Safety Programs (IBSP's) can be an effective channel for delivering such programs, this policy sets out the principles and the general criteria for providing levy-generated funding for IBSP's.

The specific criteria and processes for providing funding, as well as the roles and responsibilities of the parties involved, are set out in the Administrative Guidelines appended to this policy.

A. POLICY

1. Basic Principles

Funding of IBSP's under this policy is based on the following key principles:

- Strong support for and participation in the programs by employers and workers.

- Maximum efficiency and effectiveness in the use of funds that employers pay to support IBSP's.
- A high level of transparency, accountability and inclusiveness as determined by appropriate reporting, evaluation and governance measures.

2. Approval of Levy Funding

The factors that the WCB considers in deciding whether to provide levy-generated funding for IBSP's include evidence that:

- a) The IBSP deliverables supported by the funding will contribute to reducing workplace injuries and illnesses.
- b) There is sufficient support for the required levy from those employers who would pay the levy.
- c) The IBSP to be supported would be available to all employers who would pay the levy.
- d) The IBSP will provide opportunities for representation and involvement by workers in the development, delivery and evaluation of the program.
- e) The IBSPs to be supported will be an effective and efficient use of funding, and there will be a high level of accountability and transparency in the use of funds.
- f) The IBSP must have a strategy for meeting the needs of small businesses.
- g) The IBSP governance structure is such that it will contribute to support the above principles.

3. Maintaining Levy Funding

Once levy funding of an IBSP is initially approved, continuation of funding for the duration of the agreement will depend on evidence that the conditions outlined above continue to be met, along with providing annual reports on:

- program results;
- program activities;
- financial matters; and
- other matters as requested.

4. Renewing Levy Funding

At the conclusion of a funding agreement, the factors that the WCB will consider in deciding whether to renew funding through a new agreement include those outlined in Section 2.

B. REFERENCES

The Workers Compensation Act, sections 54.1, 82(6), 97.1

WCB Policy 31.05.05, *Rate-Setting Model for Class E Employers*

History:

1. This policy was approved by Board Order 40/14 on November 27, 2014 effective March 1, 2015. It replaces the formerly repealed Policy 52.20 *Funding Industry-Based Safety Programs*.
2. Reference section of the policy was updated by adding in Policy 31.05.05 on September 18, 2017.

ADMINISTRATIVE GUIDELINES

Roles and Responsibilities

For the purpose of this policy, the WCB collects and disperses a levy from employers to support approved IBSP's.

SAFE Work Manitoba (SWMB), an arms-length organization of the WCB responsible for promoting and delivering prevention services, supports the development of IBSPs, receives and approves IBSP applications, negotiates and confirms contracts, and provides oversight of IBSP's to ensure accountability and effectiveness.

The Prevention Committee of the WCB Board of Directors provides oversight of the prevention activities of SWMB and makes recommendations to the WCB Board of Directors.

1. Approval of Levy Funding

(a) Initial Documentation

As indicated on the attached application, the initial documentation SWMB requires to consider a request for levy-based funding of an IBSP includes:

- Evidence of the applicant's status as an incorporated, non-profit entity.
- A long-range (three-year) Strategic Plan that identifies the IBSP's mission/vision and outlines how the workplace safety and health services and programs to be offered will reduce specific injuries and illnesses.
- A description of the industry group, as delineated by WCB industry rate code(s) that the applicant intends to serve through the IBSP.
- Evidence of support for levy-based funding of the IBSP by employers who would pay the levy, representing at least 50% of the relevant assessable payroll, as determined through a survey, a vote, letters of support, or other means at the discretion of SWMB.

(b) Additional Criteria

Further criteria SWMB will consider in evaluating such a request include whether there is sufficient evidence that:

- The applicant has the capacity to successfully implement a high quality IBSP, including whether the staff or contractors have the necessary training, experience and qualifications in the industry to be served.
- The applicant will comply with legislated safety and health requirements and the promotion of industry best practices through delivery of the IBSP.
- The applicant will provide opportunities for involvement by workers in the development, delivery and evaluation of the IBSP.
- The funding to be provided from the WCB levy and other sources will be adequate to achieve the stated objectives of the IBSP.
- The applicant will include SWMB representation as a non-voting member on the IBSP governance body.
- The applicant will represent and serve all employers in a particular industry, class, or grouping defined by WCB industry code classifications, including a strategy for meeting the needs of small business.
- The applicant will participate in discussions, as arranged by SWMB, with SWMB, Manitoba Workplace Safety and Health Branch, and other IBSP's regarding the sharing of materials and programs and working in partnership to the mutual benefit of all Manitoba workplaces.
- The applicant will minimize duplication of resources by adapting suitable existing programs where available, with appropriate credit provided to the owner of the original material. This may include reciprocity agreements with other IBSP's.

Once the above conditions are met to the satisfaction of SWMB, successful applicants will be required to enter into a funding agreement with SWMB. The agreement will set out the terms and conditions of the levy funding arrangement, including but not limited to the applicant maintaining the requirements set out in 1(b) above.

The maximum term of a funding agreement will normally be six years.

2. Maintaining Levy Funding**(a) Annual Requirements**

To maintain levy-based funding over the course of a funding agreement, the IBSP must meet the terms and conditions set out in the funding agreement, including but not limited to providing SWMB with the following on an annual basis:

- Audited financial statements for the previous year.
- Work plans and budgets for the upcoming year as approved by the IBSP board of directors.

- A three-year strategic plan as approved by the IBSP board of directors.
- A description of key IBSP activities and an evaluation of the outcomes of those activities, as measured against pre-determined performance indicators.
- Names of the members and terms of reference of the board of directors and any of its committees.
- A summary of services provided to employers other than those paying the levy to support the IBSP, including the employers served and the remuneration received.

(b) Additional Requirements

In addition to the requirements set out in 2(a), maintaining levy-based funding over the course of a funding agreement will depend on the following:

- Results of Strategic Plan evaluations conducted every three years.
- Results of evaluations or audits carried out or required by SWMB.
- Evidence that the provision of IBSP services to employers other than those whose levy funds the IBSP does not diminish the quality or availability of services to the levy-paying members.
- Evidence of opportunities for worker involvement in the IBSP as per the provision under 1(b) above.
- Evidence that levy-based funding is being used exclusively for delivering the IBSP for which it is provided and not for capital expenditures or administrative costs that are considered by SWMB to be unwarranted.
- Evidence from other information or documentation that may be requested at the discretion of SWMB.

3. Renewing Levy Funding

At the conclusion of a funding agreement, an applicant may re-apply for IBSP funding. The factors SWMB will consider in evaluating such an application are those outlined in Part 1 (a) and (b) above, as well as the applicant's record over the previous funding term in fulfilling the requirements set out in Part 2 (a) and (b) above.