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## **COCA Update on WorkSafeBC Activities #569 November 27, 2013**

The following column appeared in the Journal of Commerce.

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### **A look at the road ahead for workers' compensation**

#### **View from the Board | Grant McMillan**

My previous columns have described the origins of the workers compensation system and the substantial growth in benefits and costs. It is now becoming apparent that the workers' compensation system in B.C. like others across Canada and the USA – will face major financial challenges in the next decade.

Two factors are at work here. One is manageable and the other is beyond our control.

WorkSafeBC takes the money that employers have paid and invests it in various financial instruments. The returns from investment have declined significantly since 2007, after the worldwide recession of 2008.

Previously high returns had been helping support an expanded range of benefits and services and kept costs down. Now, employer assessments face years of increases, unless the benefit expansion stops and the world economy recovers.

There has even been lobbying from some quarters to reverse the reforms of 2002 and 2003. There is pressure to restore the full Consumer Price Index formula for benefit increases and also to bring back the generous calculations for compensation amounts and pension benefits.

The costs for this proposed reversal would be more than \$2 billion and would instantly create a large unfunded liability.

The province is ultimately accountable for WorkSafeBC debt, and a sudden increase in unfunded liability could have a negative impact on the province's credit rating and the interest rate for provincial borrowing.

The manageable factor for costs is the increase average duration of a wage loss or short-term disability claim. After the recession in 2008, the average duration of a construction industry claim has increased from 50 days to 75 days.

The Council of Construction Associations (COCA) has requested that the specific causes of this increase be examined. WorkSafeBC has responded by forming a Duration Committee to determine the causes and the necessary actions to reduce the average duration.

So, what needs to be done in the short and mid-term?

First, any changes to add or delete occupational diseases must be determined by scientific and medical information, not political pressure. The addition of an occupational disease casts a long financial shadow over the system.

Second, any other changes to the Workers' Compensation Act, Occupational Health & Safety Regulations or internally developed policy must be evidence-based. Any changes to the regulation must be based on the best available scientific and medical information.

Regulations should result from real need – and be based on patterns of causes for occupational injury or death – not on high profile accidents that attract media attention.

New regulations add costs and must be based on real need.

The regulation must be designed to safeguard the worker.

There have been instances when the act has been amended to add conditions or diseases with no evidence to support this action – such as the recent addition of “mental disorder,” which can have multiple non-work related causes.

There are other occasions when the regulation has added new requirements when there is no evidence that the requirements will reduce occupational injuries or deaths – such as the regulations on bullying and harassment in the workplace.

Poorly thought out regulation distracts us from the most common workplace hazards and the major causes of injury – falls from elevation, slips and falls from the same level, and strains and sprains. WorkSafeBC has developed a robust, fair and balanced approach to policy changes and this process must be kept intact and allowed to function without political interference.

Third, there is an urgent need for construction companies to develop effective rehabilitation programs that focus on safe, prompt return to work.

The best way to improve return to work performance is to seek help from the WorkSafeBC Construction Nurse Line when needed. The service is available at no extra charge – you already pay for it with your assessments. For help with return to work, disability management, claim updates, call 604-279-8155, or 1-877-633-6233.

For help with claims management in general, contact the BC Construction Safety Alliance for advice and assistance. Vernita Hsu is their injury management co-ordinator and can be reached at 604-636-3686 or [vhsu@bccsa.ca](mailto:vhsu@bccsa.ca).

As financial pressures build within the workers' compensation system, there will be the need for cost containment measures, better diagnosis and treatment, more regional expertise in physical rehabilitation, better incentives for the worker to return to work and for the employer to facilitate this return.

*This column is the third and final installment of a three part series on the past, present and future of worker's compensation in B.C. Grant McMillan is the president of the COCA, which represents the interests of 16 construction associations in B.C. on WorkSafeBC matters. Grant is also a member of the Journal of Commerce Editorial Advisory Board. Send comments or questions to [editor@journalofcommerce.com](mailto:editor@journalofcommerce.com).*