

**WorkplaceNL**

Health | Safety | Compensation

# **Sector Council Review**

**Final Report - February 2023**

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## Executive Summary

The Sector Council Program promotes industry-led organizations, with balanced representation from workers and employers, to share responsibility in improving occupational health and safety (OHS) and return-to-work (RTW) outcomes. The program was introduced in 2007. An outline of the Sector Council Program is included in Appendix A.

In 2022, WorkplaceNL invited stakeholders to provide feedback on the Sector Council Program to ensure the program continues to support the needs of workplace parties and industry stakeholders. In general, their feedback suggests that the program is meeting its objective of improving health and safety outcomes in high-risk industries.

The review identified several opportunities for improvements, including replacing the Sector Governance Forum with a different way to share information amongst councils, standardizing the process for financial reporting and reviewing the sector advisor role.

The nine recommendations in this report are intended to ensure sector councils are sustainable and accountable, as well as improve occupational health and safety and return-to-work outcomes throughout Newfoundland and Labrador. This benefits workers and employers in the province, as well as our overall economy.

## Introduction

Industry stakeholders understand the hazards in their respective workplaces. When these partners work together, they are all accountable for improving health and safety in their industries. WorkplaceNL recognizes that safety partners can positively influence health and safety, and early and safe return-to-work practices.

WorkplaceNL formalized a Sector Council Program in 2007 to assist industry stakeholders improve health and safety performance. The program promotes industry-led organizations, with balanced representation from workers and employers, to share responsibility to improve health and safety as well as return-to-work outcomes. Industry stakeholders are subject matter experts and are able to design programs relative to their respective risks.

There are currently four sector councils: 1) Newfoundland and Labrador Construction Safety Association (NLCSA); 2) Forestry Safety Association of Newfoundland and Labrador (FSANL); 3) Newfoundland and Labrador Fish Harvesting Safety Association (NL-FHSA); and Manufacturing and Processing Safety for Newfoundland and Labrador (Made Safe NL). The Sector Council Program also includes two sector advisors with funding provided by WorkplaceNL to both the Newfoundland and Labrador Federation of Labour (NLFL) and the Newfoundland and Labrador Employers' Council (NLEC). The program has been operating for fifteen years.

In 2022, WorkplaceNL invited stakeholders to participate in a review of the Sector Council Program.

## Review Objective

A comprehensive Sector Council Program review was completed in 2017 and included substantive changes in all aspects of the program. Following this review, sector councils were required to incorporate the 14 recommendations into their next cycle of funding proposals and work plans. For example, NL-FHSA's contract was approved in 2020 for 2021-2025 and Made Safe NL's contract was approved in 2019 for 2020-2024. When these contracts were renewed, the 2017 recommendations were included in the business plans and contracts with these organizations. The remaining sector councils have adopted these recommendations into their business planning cycles without any contract changes.

With this perspective in mind, the objective of the 2022 review was to conduct a checkpoint to gather feedback on the 2017 recommendations, to determine what was working well, and if there were further opportunities to improve. The review included consultation with the respective sector council executive directors or CEOs, and the

NLFL and NLEC. In addition, a jurisdictional review of sector councils operating in Canada was completed (Appendix B).

The Sector Council Program Review coincided with the development of the 2023-2028 Workplace Injury Prevention Strategy, the contract renewal of the sector advisor positions and the contract renewal for one safety sector council. Our safety partners expressed concern about their ability to effectively contribute to this level of concurrent activity. In many cases, the same internal resources were required to execute the work.

### **Recommendations**

1. WorkplaceNL should adjust the timing of future sector council reviews, sector council contract renewals and new prevention plan strategy development to allow maximum input from industry stakeholders.

### **Stakeholder Consultation**

WorkplaceNL consulted with stakeholders through a consultation session held on September 28, 2022, followed by a request for written feedback by October 14, 2022. The Executive Directors/CEO of the respective sector councils participated in the consultation session, and the Forestry Safety Association of Newfoundland and Labrador provided written feedback.

During the consultation session WorkplaceNL reviewed safety performance metrics for each industry, and key accomplishments.

### **Review of the 2017 Recommendations**

The 2017 review outlined 14 recommendations based on input from key safety partners, that were intended to make the Sector Council Program more effective:

1. Implement guidelines for sector council funding
2. Strengthen board governance within sector councils
3. Fund additional health and safety personnel and professional development
4. Ensure sector advisors support prospective or new councils
5. Ensure sector advisors support existing councils
6. Enhance information sharing and analytical services
7. Implement a Sector Governance Forum
8. Promote OHS Key Performance Indicators (KPIs)
9. Offer more safety training
10. Comply with industry safety standards
11. Ensure PRIME Program compliance
12. Increase awareness of early and safe return to work (ESRTW)
13. Create new sector councils
14. Conduct regular program reviews

During the consultation, a review of the recommendations from 2017 was completed, and it was felt that 12 recommendations achieved their intended goal. However, the Sector Governance Forum was not seen as effective, and at the time of the consultation, had not met for some time. Also, the sector councils' focus on early and safe return to work was not consistent, so more emphasis is needed in this area.

### **What we heard:**

Generally, stakeholders felt the way the Sector Governance Forum was established and structured made regular meetings very difficult. Some stakeholders felt the forum was onerous and overstructured. While it was agreed that meeting regularly was important, it was also stated that meetings should have a clear purpose. Furthermore, the forum appeared to be another mechanism of reporting, while reporting mechanisms for the sector councils were already clearly established and outlined in contracts. The use of the term "governance" also created confusion as each of the sector councils have governance mechanisms through their respective Board of Directors.

While the group agreed the Sector Governance Forum should be eliminated, the sector councils felt that meeting as a group was an important mechanism to share information, opportunities and successes.

### **Recommendations**

2. Replace the Sector Governance Forum with purposeful engagement mechanisms.

The sector councils intend to establish a means to meet regularly throughout the year. As a key stakeholder, WorkplaceNL will be engaged in the development of this mechanism of engagement.

### **PRIME Program**

WorkplaceNL, in association with employers and labour organizations, introduced the Prevention and Return-to-Work Insurance Management for Employers and Employees (PRIME) Program in 2005. Under PRIME, employers can impact the assessments they pay and improve workplace safety by implementing OHS and RTW practices in their workplace. Construction companies must also be COR™-certified to qualify for PRIME refunds (as per an agreement between WorkplaceNL and the NLCSA).

In 2020, WorkplaceNL published *Creating Opportunities for Safer Workplaces: A Review of WorkplaceNL's PRIME Program (PRIME Review Final Report)* outlining the results of its 2018 review of the PRIME Program. This review resulted in changes to the program.

The 2017 Sector Council Program Review recommended that “sector councils continue to help increase PRIME compliance across their respective industries”. Now that the PRIME Program is revised, the sector councils can continue to actively promote the PRIME Program within their respective industries and help employers understand any new requirements, such as return-to-work programming.

### **Recommendations**

3. Sector councils should educate their respective industries on the new PRIME Program requirements, which includes return-to-work programming.
4. Sector councils should increase their focus on early and safe return to work and enhance reporting of activities in this area.

### **Coordination of efforts**

Each sector council is responsible for promoting all aspects of health and safety within their specific industry. The sector advisors and WorkplaceNL are active partners that assist with education and program development, and provide insight into injury trends. They participate in public events, such as health and safety conferences, working groups and awareness campaigns. In many cases, the same resources are involved in these activities.

### **What we heard:**

Feedback suggests the current sector council model is a viable option to focus on health and safety improvements within high-risk industries. Stakeholders within the respective sector councils are equipped to recognize and identify health and safety hazards and issues. In addition, the current model, which includes representation from labour and employers, makes all levels of industry accountable, and as such, there is more opportunity to identify health and safety concerns and obtain buy-in from stakeholders to address them.

Sector councils share a common goal to improve health and safety. As a result, there is an opportunity to share information and programming that all sector councils can adapt and apply in their industry. It was also suggested that a regular cadence of communication amongst the sector councils could replace the Sector Governance Forum.

### **Recommendations**

5. Sector councils develop a mechanism to regularly communicate in order to strategically plan activities, and share and develop programs to avoid duplication of effort.

## Sector Council Funding

Under the current Sector Council Funding Guidelines, WorkplaceNL provides five years of operational funding to allow sufficient time for the sector council to develop and implement their business plan. Funding approval is based on the business proposals submitted to WorkplaceNL and is capped at \$350,000 annually. Appendix C contains a 2018-2022 financial summary. Funding disbursements require the sector councils to submit to WorkplaceNL annual work plans, operational budgets, quarterly updates on the business plans, annual report and annual audited financial statements.

In addition, Third Party Funding Guidelines (Appendix D) outlines what activities and initiatives WorkplaceNL may fund to advance its mandate. With respect to sector councils, WorkplaceNL is extending funding agreements to create safe and healthy workplaces within a viable and sustainable workers' compensation system to help reduce the impact of workplace injuries and illnesses.

Recommendations from the 2017 review strengthened the sector council fiscal and accountability frameworks by including new contractual language. As an organization, WorkplaceNL has increased the transparency and accountability of funding provided to all external organizations. This move is aligned with similar initiatives taken by the provincial government for funding and reporting of contracts with third parties.

Sector council funds must be allocated during WorkplaceNL's annual budget planning cycle. Currently, sector councils submit funding proposals and work plans at different times throughout the year. However, a consistent timeline is needed. For WorkplaceNL to approve funding in its annual budget, funding requests must be received by the end of Q1 of each year for approval for the next calendar year.

### What we heard:

The sector councils expressed concerns with the requirement to retain no more than four months of operating expenditures held in reserve through cash or investments, citing that this makes it more difficult to plan long-term projects and budgets. For example, a delay in receiving the next allocation of funds creates the potential to impact the sector's ability to meet payroll. Additionally, inflation has increased program costs, and four months of operating expenditure may no longer be reasonable. The request was to review this requirement.

It was clarified, by WorkplaceNL, that when knowledge of long-term project costs exists, WorkplaceNL can advance funds based on appropriate information being provided.

### Recommendations

6. WorkplaceNL review its Third-Party Funding Guidelines to ensure they reflect the current inflationary environment.



7. WorkplaceNL create a standardized process for financial reporting for all sector councils.
8. WorkplaceNL adjust the acceptance of sector council funding proposals to align with WorkplaceNL's budget cycle, and it is recommended that proposals be received by the end of Q1 for approval for the next fiscal year's budget.

## **Sector Advisor Position**

WorkplaceNL established the sector advisor positions to support the Sector Council Program in 2007. The role of the sector advisor is to assist with the development and coordination of sector councils. This program is jointly administered by the NLFL and NLEC, with each organization currently receiving \$200,000 per year to fund their respective sector advisor position.

### **What we heard:**

It was evident that the various sector councils do not rely on the sector advisors in the same way. In some cases, this is due to the sector council being firmly established, or the expertise of the current staff at the sector council. A key role of the sector advisors was seen as providing ongoing support for prospective (new) sector councils. Feedback suggests the sector advisor role needs to be reviewed and enhanced.

### **Recommendations**

9. Review the Sector Advisor position with a goal to enhance their role.

The sector advisor contracts are separate from the sector council contracts. The sector advisor contracts were renewed in 2022 for a period of two years, 2023-2024. At the time of renewal, WorkplaceNL committed to reviewing the positions, in consultation with the NLFL and NLEC, to identify where enhancements could be made. In addition, based on the Sector Council Program Review, it was determined a different support model for the sector advisor position is required. Additional feedback and discussions will be needed with the NLFL, the NLEC and the sector councils concerning a revised model for the sector advisor position.

## **Sector Council Performance**

The sector council consultation included an overview of each sector council's key performance metrics and accomplishments. Overall, the sector councils have continued to see positive improvements in their safety performance.

Organization	Year Established	Injury Rate at Inception	Injury Rate (2017)	Current Injury Rate (2021)	Percentage Change (inception to 2021)	Claims Costs (2021)
NLCSA	1996	10.1	2.65	1.85	-82%	\$25,880,897
FSANL	2009	4.1	2.00	1.53	-63%	\$2,538,803
NL-FHSA	2012	3.6	3.70	2.72	-24%	\$12,265,188
Made Safe NL	2019					
Fish Processing		4.14	5.00	3.26	-21%	\$4,801,024
Manufacturing		4.29	3.87	2.40	-44%	\$8,107,352

## Jurisdictional Review

WorkplaceNL conducted a jurisdictional scan of sector council programs with other workers' compensation boards (WCBs) across Canada (Appendix B). For most jurisdictions, the primary method of funding sector councils is an industry-sponsored levy. All sector councils are required to report back to their respective WCB with annual reports, audited financial statements and work plan activity. In addition, some boards require variances reports where outlined activity has not been achieved.

The development of key performance indicators varied among jurisdictions. In some cases, the sector council identified targets, while in others, the occupational health and safety branches were involved. In all but one jurisdiction, sector councils were associated with some mechanism of certification for its membership, with the majority focused on achieving COR™ certification.

One area where Newfoundland and Labrador is unique is the use of WCB-funded sector advisors. No other jurisdiction uses this approach; instead, they use WCB staff to support and guide the sector councils.

## Specific Accountability for the Newfoundland and Labrador Construction Safety Association

WorkplaceNL and the NLCSA have a structured agreement that outlines each party's respective roles and responsibilities. Since 2001, the NLCSA has been provided funding via a special assessment, or levy, on members (all registered employers with WorkplaceNL in a construction-related classification code are considered members). The levy is currently set at \$0.10 per \$100 of assessable payroll. WorkplaceNL collects the levy from construction firms on behalf of the NLCSA, and remits to the NLCSA.

The Agreement has evolved, and both organizations have seen positive results. Therefore, the recommendations outlined in this report apply to new sector councils, or those currently receiving grants from WorkplaceNL. The NLCSA will be encouraged to abide by the spirit and intent of the recommendations arising from this sector council review, especially in relation to transparency and accountability. WorkplaceNL believes that the NLCSA and its members will benefit from initiatives such as continued focus on promoting PRIME as well as regularly sharing and coordinating injury prevention initiatives with other sector councils.

## **Conclusions**

Sector councils are positioned to assist workers and employers in high-risk sectors. The industry-led groups benefit from their stakeholders' collective expertise to focus on health and safety and return-to-work programs and have the necessary skills to deliver and execute their respective business plans.

The sector councils provide an opportunity for groups with similar challenges to develop common programs or adapt similar programs to suit their industry. Since the program started in 2007, all sector councils have seen a reduction in their industry's injury rate, which means fewer workers are injured or develop an occupational illness. Although significant work has been achieved, there are opportunities to continue to eliminate workplace injuries and illnesses, and help workers safely get back to pre-injury employment.

The Sector Council Program Review has provided an opportunity to engage our stakeholders, review sector councils in other jurisdictions and review indicators of success. The recommendations in this report are intended to enhance the program to achieve the goal of improving workplace health and safety as well as help workers return to work in the high-risk workplaces represented by the sector councils.

## **Appendix A – Safety Sector Council Program (2017)**

### **Introduction**

WorkplaceNL and its Board of Directors support the concept of Safety Sector Councils as a means for industry to promote all aspects of occupational health and safety and return to work in Newfoundland and Labrador. Therefore, WorkplaceNL may provide development funding to assist interested parties to establish a Safety Sector Council in Newfoundland and Labrador.

Funding may be approved at the discretion of the Board of Directors.

### **Funding for Establishment of Safety Sector Councils**

WorkplaceNL provides funding to eligible applicants to assist with the establishment of a Safety Sector Council. To assist WorkplaceNL in assessing funding requests, the applicant must submit a detailed business plan, containing the required elements outlined below, to WorkplaceNL's Chief Executive Officer.

### **Business Plan - Required Elements**

The detailed business plan must include the critical elements, described in the sections below. These elements with supporting detail will help mitigate any unnecessary delay in the review and approval process.

The business plan will include sufficient information to determine that:

1. The primary objective and purpose of the Safety Sector Council is the promotion of all aspects of occupational health and safety and return to work in the industries in which employers and workers are engaged.
2. The Safety Sector Council represents the interests of the employers and workers in that industry in Newfoundland and Labrador covered by the Workplace Health, Safety and Compensation Act.
3. The Safety Sector Council has the support of employers and worker representatives in represented industries. The business plan must include:
  - a. Letters of endorsement from key employer and worker organizations, as applicable, representing the membership. If the full extent of support is not known initially, the business plan is to include a plan clearly outlining the actions to achieve that support.
  - b. An outline of the Safety Sector Council's governance model. The Safety Sector Council is to include representatives from each major employer association active within the member industries. The Safety Sector Council is to include worker representatives appointed either on a volunteer basis or selected

by organized labour. It will include representation from WorkplaceNL and from the Occupational Health and Safety (OH&S) Branch of Service NL.

4. The Safety Sector Council has developed its vision and mission and has well-supported and credible goals, objectives, plans, and budgets sufficient to provide effective education and training to its members on all aspects of the objectives of the Safety Sector Council. For example, the business plan could:
  - a. Include strategies to achieve the goals identified for the funding period.
  - b. Reference industry injury trends, nature and impact of workplace injuries, employer practices with respect to safety and return to work, cost of injuries to employers, workers and the industry. Background information may be obtained from OH&S Branch of Service NL and WorkplaceNL.
  - c. Provide a summary of programs to support the identified strategies, identifying approaches to facilitate participation of all levels and types of business operations, safety audits, partnerships, PRIME, training or any other injury reduction initiatives.
  - d. Provide a breakdown of costs and revenues outlining:
    - salaries and benefits;
    - consulting costs;
    - travel;
    - cost of facilities;
    - supplies and materials;
    - specific program-related expenditures;
    - capital expenditures and amortization;
    - any revenues from courses, publications, special services or other sources;
    - revenues and expenses outside Newfoundland and Labrador; and,
    - commitments beyond the current year.
5. The Safety Sector Council has identified measures to demonstrate achievement of objectives. WorkplaceNL has a responsibility to ensure that funds disbursed to industry Safety Sector Councils are achieving the intended results as defined in WorkplaceNL's mandate. For example, the Safety Sector Council could outline in the business plan a schedule for providing information to WorkplaceNL regarding the outcome of strategies and programs. The Safety Sector Council is encouraged to conduct and present the results of representative membership surveys, to determine member expectations for training programs, participation rates, members' perceptions of program value and injury reduction effectiveness.
6. The Safety Sector Council has provided evidence sufficient to demonstrate that it will achieve sustainability over the long term. For example, the business plan may

include funding strategy scenarios and accompanying financial projections over a three to five-year period showing the timeframe when the Safety Sector Council expects to be self-sustaining (including any underlying assumptions). Where financial sustainability is not achievable, the Safety Sector Council should clearly outline their position on securing funding from long-term grants or an industry levy.

WorkplaceNL will consider an industry levy, where applicable, for Safety Sector Councils after five years under the following conditions:

- a. Satisfactory completion of specific key performance indicators and business plans during the initial operational funding period;
  - b. Adequate evidence of employer consultation and support for paying a levy, including support of employers representing 51 percent of assessable payroll in the group. The Safety Sector Council will provide WorkplaceNL with evidence of this support.
    - WorkplaceNL may support Safety Sector Councils in determining the level of employer support for a levy after the levy is established. Sector Councils, including existing Councils, will have to demonstrate continued industry support for a levy every six years as outlined above;
    - The levy amount to be based on annual operational budget requirements and other revenue streams collected by the Sector Council;
    - The Sector Council will have to request the levy annually;
    - The revenue from a levy to be capped at a level to be determined in consultations with relevant stakeholders;
  - c. WorkplaceNL may consider alternative revenue models where an industry can demonstrate long-term financial sustainability;
  - d. The levy cannot impose significant financial hardship on a small group of employers and must take into consideration the respective sector viability and overall economics;
  - e. A levy may not be approved when alternate employer funding models currently exist, such as membership and other associated fees; and
  - f. Sector Councils must be not-for-profit entities and not compete directly with the private sector.
7. The Safety Sector Council is committed to accessing and sharing resources with other Safety Sector Councils and safety associations. Safety Sector Councils are established to provide service to their member industries. Recognizing that training programs are tailored to different industrial sectors; Safety Sector Councils are encouraged to make every effort to avoid duplication of effort in the development of standard programs. All

Safety Sector Councils are encouraged to share information and resources in order to avoid inefficient spending practices.

**Safety Sector Council Access to Existing Resources:** When identifying the need for a training program, the Safety Sector Councils shall review the products of other Safety Sector Councils /safety associations to determine if an existing program is available for adaptation. Where training programs are identified in the business plan, assurances are to be provided that if suitable external programs can be adapted the Safety Sector Council will not commence original program development. If an existing program is acquired and adapted, the Safety Sector Council should provide written credit to the source industry sector in course materials.

**Safety Sector Council to Provide Access to Existing Resources:** The Safety Sector Council business plan will include a commitment to make established programs available for adaptation by other industry sectors.

### **Review Process**

All business plans will be reviewed by the Safety Sector Governance Forum before submission to WorkplaceNL. The Safety Sector Governance Forum is chaired by the Newfoundland and Labrador Employers' Council and the Newfoundland and Labrador Federation of Labour and includes the Executive Directors from each respective safety sector Council, and officials from WorkplaceNL and OH&S Branch of Service NL.

WorkplaceNL's Management Committee will review all business plans submitted for Safety Sector Council funding and will provide a recommendation to the Board of Directors on the request.

Funding is approved at the discretion of the Board of Directors.

### **Funding Approval**

Where funding for the establishment of a Safety Sector Council is approved by the Board of Directors, the group making the request must establish the Safety Sector Council as outlined in their business plans.

Funding payments will be dependent upon Sector Councils submitting to WorkplaceNL an annual work plan, operational budget, quarterly updates on activities under the business plan, an annual report, and annual audited financial statements;

Audited financial statements, work plans, review reports, KPIs, and the business plans, salaries and annual reports should be made public on each Sector Council's respective website; and

Entities cannot retain more than four months of operating costs including overhead. Surplus funding amounts, whether provided through a grant or levy, will be adjusted for the next year. Refunds to employers can also be used as a mechanism to adjust surpluses.

For an existing sector Council, an independent accounting firm suitable to WorkplaceNL can provide a recommendation for WorkplaceNL consideration on what constitutes a reasonable surplus.

Safety Sector Council need to adhere to WorkplaceNL's Third Party Funding Guidelines.



## Appendix B – Jurisdictional Scan

Province	Funding	Accountability	Sector Advisors	KPI's	Certification Program or Financial Incentive
<b>Alberta</b>	WCB Levy  Supplemented by funds from memberships and training revenue.	Quarterly financial reports, annual business plans, outcomes achieved, and audited financial statements.	No	Driven by OHS  Training courses, registration in courses, LT claims in funded sector, COR support to employers.  Tracks engagement with students and employers in giving feedback to association.	Partnership in Injury Reduction (PIR) Program (by delivering COR)
<b>BC</b>	WCB Levy  Supplemented by funds from other grants, conference revenue, membership dues, etc.	Service plan linked to KPIs, annual work plan, annual budget, annual audited financial statements, annual activity report for deliverables and KPI commitments.  Awareness survey and service plan evaluation conducted by WorkSafeBC every three years.	No, internal WCB teams support and provide guidance.	Targets identified by safety associations to achieve KPI's vary by association.	Partners Program (also known as COR). Encourages OHS management system development beyond legal requirements.
<b>New Brunswick</b>	WCB Levy	Annual report to include audited financial statements, results of	No	Mandate to provide industry-specific education and training.	COR

Province	Funding	Accountability	Sector Advisors	KPI's	Certification Program or Financial Incentive
	Typically, no other sources of funding but can charge for certain services and programs.	<p>program commitment, explanation for variances, and objectives and activities planned for the coming year.</p> <p>Submit half-yearly financial reporting showing budgeted and actual expenses and revenues along with explanation of major variances.</p> <p>Required to have annual meeting to report results to members.</p>		Produce annual business plans that include measures that will be used to demonstrate achievement of stated objectives.	<p>National Construction Safety Officer (NCSO)</p> <p>Construction Safety Coordination Designation Program (CSC) Provincial Standard</p> <p>Health and Safety Designation Program (HAS)</p>
<b>Nova Scotia</b>	<p>WCB Levy</p> <p>Supplemented by funds from conference revenue and training. Can also obtain other grants.</p>	<p>Annual report of activities and annual audited financial statements. Validation of 50% support from industry for the association.</p> <p>Semi-annual meetings of safety association leaders, facilitated by the Board, to share best practices and issues of mutual interest.</p>	No	N/A	COR – NS Construction Safety Association
<b>Saskatchewan</b>	WCB Levy	Annual report against plan based on the approved strategic plan.	No, internal teams	KPI's submitted on funding application. No KPI's triggers	COR for five of seven associations.

Province	Funding	Accountability	Sector Advisors	KPI's	Certification Program or Financial Incentive
<b>*Currently making changes to their program.</b>	Supplemented by funds from conference revenue and training. Can also obtain other grants.	Quantified progress towards program objectives, budgeted/actual expenditures for the previous year, explanation of significant variances, audited financial statement.  Compliance audit every contract cycle. External agency/provider conducts audit.	support and provide guidance.	meeting/conversation with sector.	One offers financial incentive.
<b>Manitoba</b>	Funded in part by a levy with some additional revenue provided WCB.  Supplemented by funds from training courses, safety audits, events, and merchandise sales.	Annual reports that include program results, program activities, financials, and other items as requested.	No	Specific performance measures are included in the funding agreements.  Performance results are assessed in four areas; engagement and awareness, training, consulting and certification.	Employers can apply for SAFE Work Certification (SWC) after they have developed and implemented a workplace health and safety management system.  This certification is the primary eligibility criterion employers must meet to qualify for the rebate under the Prevention Rebate

Province	Funding	Accountability	Sector Advisors	KPI's	Certification Program or Financial Incentive
					Program. Other criteria include legislative compliance and assessment requirements.
<b>Ontario</b>	WCB Levy  Can supplement funds, i.e., training but must be outlined in audited financial statements and annual reports.	Annual Report and audited financial statements.  Quarterly financial and operating updates.  Funding request for the following year by October 7.  Other reports as requested by the province.	No	Developed by Ministry of Labour, Immigration, Training and Skills Development	Sectors are designated service providers for the WSIB Health and Safety Excellence program.
<b>Quebec</b>	Annual subsidy by the WCB to sector-based associations.	Annual report of its activities containing the following; number of meetings held by the board of directors during the year, a summary description of the general objectives set for the last fiscal period, program of activities carried and positive or negative factors that influenced program	No	When reviewing applications and planning/programming prevention activities, the Board oversees compliance with its strategic prevention planning objectives and priorities.	None

Province	Funding	Accountability	Sector Advisors	KPI's	Certification Program or Financial Incentive
		<p>activities, the evaluation of the program of activities with regard to the general objectives, the number of health and safety committees in the sector and the number of committees in which the association intervened.</p> <p>Financial audit is carried out each year by an independent auditor.</p>			

## Appendix C – Financial Summary

### Sector Council Funding

<b>Organization</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
NLCSA <sup>1</sup>	\$1,108,700	\$963,302	\$786,418	\$1,005,044	\$1,041,294	\$4,904,758
FSANL	\$92,991	\$175,000	\$179,375	\$183,859	\$188,456	\$819,681
NL-FHSA	\$168,931	\$350,000	\$350,000	\$350,000	\$350,000	\$1,568,931
Made Safe NL	\$0	\$75,000	\$250,184	\$323,700	\$230,000	\$878,884
NLFL	\$200,000	\$200,000	\$200,000	\$198,934	\$200,000	\$998,934
NLEC	\$200,000	\$200,000	\$200,000	\$200,000	\$199,240 <sup>2</sup>	\$999,240
<b>Total</b>	<b>\$1,770,622</b>	<b>\$1,963,302</b>	<b>\$1,965,977</b>	<b>\$2,261,537</b>	<b>\$2,208,990</b>	<b>\$10,170,428</b>

Notes

1. The NLCSA have been provided funding through an industry levy. The levy is currently set at \$0.10 per \$100 of assessable payroll for all construction firms registered in a construction-related industry classification.
2. 2022 Q4 invoice outstanding, assuming \$50,000 as per grant

## Appendix D – Third Party Funding Guidelines

### FUNDING GUIDELINES

WorkplaceNL may provide funding from time to time to third parties to undertake activities and initiatives which advance the vision of WorkplaceNL, namely one of “safe and healthy workplaces within a viable and sustainable insurance system which reduces the impact of workplace injuries by providing the highest level of service to workers and employers.” Some examples would include: the establishment of safety sector councils; research on topics related to occupational health and safety; and funding of worker and employer advisors and stakeholders.

The following provides guidance to ensure the prudent use of funding and that accountability is established for the accomplishment of the goals and objectives of funded activities.

#### PROPOSAL AND BUDGETING

Support is based on the submission of a work plan with clearly defined timelines and measurable outcomes. Budget items are to be related to the objectives and requirements of the proposed project or service and demonstrate the link between the activities/work-plan and the funding requested. Overall costs will also be a factor in providing support to any proposal.

Applicants must also demonstrate that the grant and/or any financing from other sources will provide adequate financial support to achieve the objectives of the proposal. Resources to be provided to the project from the requestor are to be reflected in the budget as ‘in-kind’ contributions and are not subject to reimbursement (i.e., accommodation within existing office space, incidental use of administrative resources/items). WorkplaceNL reserves the right to request additional information during the assessment process in order to fully evaluate the project.

The applicant must provide a description and a justification for each budget item essential for the conduct of the project or provision of service. WorkplaceNL will support the direct and incremental costs of the project including:

- salaries, benefits (i.e., CPP, EI premiums)
- consultants
- travel (transportation, accommodations, and meals)
- materials & supplies
- facilities
- equipment
- other costs

#### LEVEL OF DETAIL REQUIRED FOR EACH EXPENSE CATEGORY:

##### Salaries and Benefits

This category should include the following:

- The number, titles of people to work on the project
- The hourly or annual wage

- Details of benefits and applicable rates (CPP, EI, other)
- The percentage or # hours of time staff will devote to the project

**Consultants**

Indicate for each person:

- The person's job title and tasks
- The cost related to the project (hourly rate, # hours)

**Travel**

The description must mention:

- Who will travel (e.g., staff, participants, consultants)
- Travel expenses related to this person (including the means of transport)
- The places of departure and arrival, if possible
- Frequency of trips

**Materials and Supplies**

- Indicate the reason for the purchase of materials or supplies
- Indicate the items to be purchased

**Facilities**

- Indicate the daily rental costs and all related expenses

**Office Equipment** Indicate:

- The item purchased/leased
- The quantity
- The unit prices

**Other**

- Indicate the type of expense
- Indicate the # of units, unit price and total cost

**Management/  
Administrative  
support**

- For salaries & benefits or professional fees, state the annual salary and percentage of time or total hours general management and/or support staff will devote to the project.
- Office space: specify the square footage, rate and/or percentage of space to be utilized by the project.

Rates for salaries, benefits, consulting fees, rental charges and other costs will be assessed according to regional standards and other related norms.

Reimbursement of travel costs are to be at rates no greater than those permitted by the Provincial government for the public service, which are available on their website: [http://www.exec.gov.nl.ca/exec/hrs/working\\_with\\_us/policies.html#4h](http://www.exec.gov.nl.ca/exec/hrs/working_with_us/policies.html#4h)

No more than 20% of the amount granted to the applicant can be used for administrative expenses/overhead. Administration costs could include, but are not limited to, indirect salaries and



benefits of administration and managerial supervision; office supplies, professional fees (e.g. accounting); office equipment (i.e. photocopiers and computer equipment); postage/courier; telephones/fax/internet; lease of office space, and utilities.

For funding less than \$100,000, successful applicants may receive a 90% advance for the approved project contribution.

For grants above \$100,000, successful applicants can receive quarterly payment advances based on the approved annual budgets and work plans submitted by the organization. Disbursements of funds will only be provided based on satisfactory quarterly progress reports.

In all cases, there will be a holdback of 10% of the approved contribution pending receipt and approval of a final report and financial statements, as applicable.

## **GOVERNANCE**

Funding recipients will enter into a contract with WorkplaceNL which will detail the rights and obligations of the respective parties, including the right of WorkplaceNL to audit the use of funds by the recipient, and provisions regarding requirements for information security, privacy and confidentiality.

Funding recipients must exercise due regard for the efficient and prudent use of funds. Goods and services are to be obtained using a fair and competitive process. Funding recipients will be required to submit their policies governing conflicts of interest.

## **REPORTING**

Recipients must submit quarterly reports detailing funds spent to date and details of progress in execution of the business plan and accomplishment of the stated objectives.

All projects must be completed, and a final report submitted within six weeks of completion of the project. Failure to submit the final report within this time frame may result in a forfeiting of the final payment.

### **Financial records**

- a) Funding recipients are required to maintain books and records of accounts for the duration of the contract.
- b) Industry associations or funded groups shall ensure that their annual financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). All funds provided by WorkplaceNL must be segregated.
- c) WorkplaceNL reserves the right to audit the use of funds by the funding recipient. The audit may be performed by either WorkplaceNL staff, or an independent auditor contracted by WorkplaceNL. The nature of the audit may be financial, operational, compliance and/or value-for-money.

**Financial statements**

Industry associations and funded groups are expected to submit to WorkplaceNL (or make available via websites) on an annual basis, financial statements that meet the following criteria:

- a) Audited financial statements are required if the funding is greater than \$500,000 per association or funded group. This is a cumulative amount for all projects.
- b) Unaudited financial statements prepared by an independent qualified accountant are sufficient for funding that is less than \$500,000 per association or funded group.

WorkplaceNL should receive financial statements no later than three months after the end of the fiscal year of the association or funded group.