Department of Human Resources, Labour and Employment

3.2.9 Workplace Health, Safety and Compensation Commission (2002 Annual Report, Part 2.21)

Introduction

In our 2002 report item, we provided information on the history of the Workplace Health, Safety and Compensation Commission's unfunded liability from 1993 to 2001 and concluded that the unfunded liability had to be closely monitored, on a priority basis, by the Commission and Government to ensure the continued viability of the workers' compensation system.

In its response to the 2002 report item, the Commission indicated it had developed a strategic planning process to ensure that issues raised by the Task Force are effectively addressed. While the Board did not set specific annual dollar reductions in the unfunded liability, the strategic direction of the Commission was to eliminate the unfunded liability by 2020. The Commission's Strategic Plan, which is being implemented in five-year increments, sets annual goals to 2006. It was expected that at the end of the initial five-year period the Commission's funding position will reach 80%.

Update

In October 2004, we contacted the Workplace Health, Safety and Compensation Commission requesting an update as to the progress on the comments included in our 2002 report. The information provided by the Commission in response to our request is outlined below.

The Commission indicated that, in response to its precarious financial situation, it developed a five-year strategic plan for the years 2002 to 2006. The Commission's key financial objectives in the plan were to increase the funded ratio to 80% by the end of 2006 and totally eliminate the unfunded liability by 2020. By 31 December 2003, the Commission had reduced the unfunded liability to $178.6 million and achieved a 74.1% funded ratio compared to its interim target of 70% for the same period.

The Commission's current projections indicate the unfunded liability will be reduced to $119.3 million by the end of 2006. The funded ratio at that time is expected to reach 83.2%.

The Commission also indicated that its ability to achieve these financial targets is predicated on the continued support and participation of all stakeholders in the workers' compensation system in the areas of accident prevention, early intervention and return to work programs for injured workers.