



BUILDING A **SAFE AND RESILIENT CANADA**



Public Safety Canada 2010-2011 Evaluation of the Workers Compensation Program

Final Report

2011-03-17

Table of Contents

Executive Summary	i
1. Introduction.....	1
2. Profile.....	1
2.1 Background.....	1
2.2 Program Objective	3
2.3 Stakeholders and Beneficiaries	3
2.4 Resources	4
3. Focus of the evaluation	4
3.1 Evaluation Objectives	4
3.2 Evaluation Issues	4
3.3 Approach.....	4
3.4 Limitations	5
4. Findings.....	6
4.1 Relevance	6
4.1.1 Continued Need	6
4.1.2 Alignment with Government Priorities.....	8
4.1.3 Consistency with Federal Roles and Responsibilities	8
4.2 Performance	10
4.2.1 Achievement of Expected Outcomes.....	10
4.2.2 Demonstration of Efficiency and Economy.....	10
5. Conclusions.....	11
Relevance.....	11
Performance	11
6. Recommendations.....	11
7. Management Response and Action plan.....	12

Executive Summary

Evaluation supports accountability to Parliament and Canadians by helping the Government of Canada to credibly report on the results achieved with resources invested in programs. Evaluation supports deputy heads in managing for results by informing them about whether their programs are producing the outcomes that they were designed to achieve, at an affordable cost; and, supports policy and program improvements by helping to identify lessons learned and best practices.

What we examined

The Workers Compensation Program is a cost-sharing contribution program administered by Public Safety Canada that includes the participation of the provinces and territories. The WCP provides a 75%-25% sharing of the costs of workers compensation awards to volunteer 'emergency service workers', injured or killed in the course of emergency service training or work.

Provincial/territorial Workers Compensation Board compensation may cover loss of wages and medical aid, or compensation for death. The amount of compensation is determined by the provincial/territorial Workers' Compensation Board. Volunteers must be registered with the provincial/territorial emergency program and be directed to carry out actual and immediate emergency services work.

Over the five-year period 2005-2006 to 2009-2010, \$1,059,221 was disbursed in contributions for an average of about \$211,844 per year. The administrative costs to Public Safety Canada are negligible.

Why it is important

Volunteers are at the heart of emergency response. They do everything from leading air, marine and ground searches to setting up networks of volunteer teams and coordinating services for victims of natural disasters. The objective of the Workers Compensation Program is to encourage the use of volunteers in emergency response work by sharing in the cost of providing compensation.

Emergency management in Canada is a shared responsibility, which relies on ongoing cooperation and communication between all levels of government. Within Canada's constitutional framework, the provincial and territorial governments and local authorities provide the first response to the vast majority of emergencies.

The Minister of Public Safety is responsible for coordinating emergency management activities among federal government institutions and in cooperation with provinces, territories and other entities. This includes developing federal coordination plans, intergovernmental plans, and arrangements; monitoring potential and actual emergencies through the Government Operations Centre; coordinating requests for emergency

assistance; managing regional emergency management offices; and promoting public awareness on matters related to emergency management. Public Safety Canada coordinates federal emergency management activities, and manages the Joint Emergency Preparedness Program and the Public Safety National Exercise Program. The Workers Compensation Program current Terms and Conditions for contributions expire March 31, 2011.

What we found

Since its inception in 1959-1960, the Workers Compensation Program has provided \$3,963,342 to the provinces and territories. Eighty-seven percent of this amount or \$3,448,870 has been allocated to the province of British Columbia. Three provinces (British Columbia, Alberta, and Nova Scotia) have requested reimbursements over the last fifteen years. The review of the claims files indicates that most of the claims are related to ground search and rescue type of emergencies or training.

The administrative costs to Public Safety Canada are very low and almost negligible. Claims are processed much like invoices for professional services with similar account verification and due diligence.

Insurance coverage for ground search and rescue volunteers has been a concern for many years. Attention to the issue was accentuated in 2009 when a British Columbia team was named in a civil action. Many volunteer teams across Canada temporarily withdrew their services over liability concerns.

Evaluators learned that a search and rescue incident is treated as an emergency as lives may be at risk however search and rescue falls outside the legislation and framework of emergency management. Interviewees indicated that it would be in Canada's best interest to maximize opportunities within the National Search and Rescue Secretariat of the Department of National Defence, and Public Safety Canada programs to create synergy and integration for volunteer capabilities and provide sustainability to enhance search and rescue and emergency response in Canada.

While paid professionals provide primary emergency management capabilities, the system relies heavily on volunteers to provide an immediate and organized capacity to assist authorities. Volunteer "emergency workers" which include ground search and rescue are an integral component of Canada's response capacity and contributes to the resiliency of communities.

While the Workers Compensation Program is used irregularly across Canada it would be premature to consider major changes to the Program before fully assessing the impact a national insurance policy for ground search and rescue would have on the Program. Would the change in coverage reduce the number and value of provincial/territorial claims or will the change draw attention to the Workers Compensation Program and increase its use by other provinces and territories?

Given the interdependence between the programs of the National Search and Rescue Secretariat and Public Safety Canada it appears that there may be opportunities to improve how the Government of Canada can better coordinate and engage the national volunteer associations to improve integration for volunteer capabilities and enhance search and rescue and emergency response in Canada.

The Program design is very efficient and there are no opportunities to reduce administrative costs.

Recommendations

The Evaluation Directorate recommends that the Associate Assistant Deputy Minister, Emergency Management and National Security, ensure that:

1. the Terms and Conditions for the Workers Compensation Program remain as currently approved until such time as the Government of Canada has addressed issues surrounding support for volunteer ground search and rescue organizations; and
2. the Emergency Management and National Security Branch assess the impact the work of the Department of National Defence may have on the ongoing need and demand for the Workers Compensation Program.

Management Response and Action Plan

The Emergency Management and National Security Branch will work with the National Search and Rescue Secretariat (NSS), through the Federal, Provincial, Territorial Senior Officials Responsible for Emergency Management (SOREM) governance mechanisms, on issues surrounding support for volunteer ground search and rescue organizations.

Based on outcomes of the above noted SOREM discussions regarding insurance issues for ground search and rescue volunteers, the Emergency Management and National Security Branch will assess and consult with central agencies on the ongoing need and demand for the Workers Compensation Program.

1. Introduction

This is the 2010-2011 Evaluation of the Workers Compensation Program (WCP). This evaluation provides Canadians, parliamentarians, Ministers, central agencies, and the Deputy Minister of Public Safety an evidence-based, neutral assessment of the value for money, (i.e. relevance and performance) of this federal government program. This Program is administered by the Disaster Financial Assistance and Preparedness Programs Division of the Emergency Management and National Security Branch of Public Safety Canada (PS).

The Program is a cost-sharing contribution program established originally in 1959-1960 to share compensation payments with the provinces/territories for injury or death to Civil Defence Workers. It has evolved over time, and in the late 1980's, new agreements were signed with the provinces/territories to compensate volunteer emergency service workers, injured or killed in the course of emergency service training or work.

Program managers determine that the WCP represents a low risk for the Department because:

- it is not a new program,
- it represents a relatively modest investment,
- the recipient class is provinces and territories, with whom the program is cost-shared, and
- claims are reimbursed, not advanced.

Evaluators considered this assessment of program risks as well as other factors to determine the nature and depth of evaluation that was needed in order to ensure that this evaluation supports evidence-based decision-making.

2. Profile

2.1 Background

The WCP is a cost-sharing contribution program administered by PS that includes the participation of the provinces and territories.

In 1959, the federal government entered into agreements with the provinces, providing that in the event of injury or death to an enrolled 'Civil Defence Worker', the federal government would reimburse half of the compensation, medical disbursements and allowances made and Compensation Board levied pursuant to the Provincial Workers' Compensation Acts. Later that year it was decided that the federal government would be prepared to accept 75% of these costs.

The Government of Canada modified the Program in 1986 to provide a 75%-25% sharing of the costs of workers compensation awards to volunteer 'emergency service workers', injured or killed in the course of emergency service training or work.

Provincial/territorial Workers Compensation Board compensation may cover loss of wages and medical aid, or compensation for death. The amount of compensation is determined by the provincial/territorial Workers' Compensation Board. The WCP also reimburses all reasonable out of pocket expenses incurred by a WCB in dealing with each claim.

The WCP defines an "Emergency" as an abnormal situation that, in the opinion of both Canada and the Province or Territory, requires prompt action beyond normal procedures to prevent or limit injury or death to persons or damage to property, public services, or the environment.

"Emergency Services Work" is defined as work, for no compensation, authorized by, or otherwise under the control of a Provincial Emergency Services Co-coordinator in the event of an Emergency including training carried out under normal circumstances or in connection with operations arising out of an Emergency.

"Emergency Services Worker" is defined as any person who has volunteered "for Emergency Services Work, has registered with the Provincial authority and has been directed to carry out actual and immediate Emergency Services Work, by a Provincial Emergency Services Co-coordinator or a responsible official designated by a Provincial Emergency Services Co-coordinator.

The WCP disentitles provincial/territorial claims for volunteers who are officers, servants, or employees of Canada, the province/territory, or any municipality, that suffers personal injury or death while engaged in Emergency Services Work in the course of regular employment, and for which he/she is entitled to compensation by virtue of such employment other than under this Agreement. The WCP also disentitles claims for any person other than an Emergency Services Worker who suffers personal injury or death for which compensation is payable under the Workers' Compensation Act or any other like Act.

There is no application per se for WCP funding. Instead, it is based on signed federal-provincial/territorial agreements under which claims for WCP are submitted by the province or territory to PS for reimbursement. The Workers Compensation Program current Terms and Conditions for contributions expire March 31, 2011.

A description of the process and respective roles and responsibilities is provided below:

1. The volunteer "emergency services worker", or their representative, submits a claim for compensation to the provincial/territorial emergency services office, which is then forwarded to the provincial WCB with the report of the accident.

2. The WCB reviews the claim and decides if the claim is accepted and the level of compensation.
3. The WCB submits the claims for WCP to the provincial/territorial Emergency Measures Organization.
4. The claim or a claims summary report is submitted by the province/territory Emergency Measures Organization to the regional representative of PS, at least annually, with information on:
 - summary of particulars of the claim submitted to the province (worker name, WCB claim #, description of incident, amounts paid)
 - statement of a duly authorized representative of the provincial/territorial emergency services coordinator, verifying the claim and that the worker(s) were registered
 - copies of all relevant reports related to the injury or death that are submitted to WCB
 - details on the compensation paid by WCB and decisions made by WCB
 - statement of administrative costs (if being claimed).
5. A formal review of each claim is done at the Public Safety Regional level to verify amounts claimed and the completeness of the claim. It may be sent back to the province/territory for further information, if required.
6. Once recommended in the Region, claims are forwarded to the Director of Disaster Financial Assistance and Preparedness Programs at the headquarters level who authorizes the claim and then sends it to Finance for processing. The federal government then pays 75% of the compensation already paid by the WCB and the administrative expenses.

2.2 Program Objective

The objective of the WCP is to encourage the use of volunteers in emergency response work by sharing in the cost of providing compensation.

2.3 Stakeholders and Beneficiaries

The recipients are provincial and territorial governments. Claims are reimbursed not advanced. The ultimate beneficiaries are volunteer “emergency services workers” who are not government employees or officials and/or already covered by the Workers' Compensation Act or any other like Act, who suffer personal injury or death.

2.4 Resources

Over the five-year period 2005-2006 to 2009-2010, \$1,059,221 was disbursed in contributions for an average of about \$211,844 per year. The administrative costs to PS are negligible. The WCP is an unfunded program. Contributions are made from lapsed contribution funding from the Joint Emergency Preparedness Program. PS would have to seek additional funding should the amount of claims exceed the amount of lapsed contribution funds from the Joint Emergency Preparedness Program.

3. Focus of the evaluation

3.1 Evaluation Objectives

This Evaluation supports:

- accountability to Parliament and Canadians by helping the Government to credibly report on the results achieved with resources invested in this program;
- the Deputy Minister of Public Safety in managing for results by informing him about whether this program is producing the outcomes that it was designed to produce, at an affordable cost; and,
- policy and program improvements.

3.2 Evaluation Issues

As required by the *Directive on the Evaluation Function*, the evaluation addresses the following five core issues:

- continued need
- alignment with governmental priorities
- alignment with federal roles and responsibilities
- achievement of expected outcomes
- demonstration of efficiency and economy

3.3 Approach

Evaluators took into account the following factors in order to determine the evaluation effort, including the approach, scope, design, and methods, required for this evaluation:

- Risks

- Quality of past Evaluations
- Soundness of Program Theory
- Longevity of Program
- Contextual Stability

The Program has been in existence since 1959-1960 with little or no change to the program theory, design, and implementation. Program managers have indicated that they consider the program risks to be low. The Program was thoroughly evaluated in 2004 and conclusions were that the program was well managed and performance was good. Based on this analysis, and to ensure that this evaluation was conducted in accordance with the *Standard on Evaluation for the Government of Canada*, the following lines of evidence were used:

- Thirteen interviews with program and policy officers located in PS Regional Offices and at PS headquarters;
- Two interviews with senior officials of the National Search and Rescue Secretariat;
- Document review - examination of claim files; and
- Document review - examination of program administrative files including briefing notes, minutes, and/or notes from meetings, and correspondence.

3.4 Limitations

As indicated in section 3.3 Approach, evaluators determined that given the risks, longevity and contextual stability of the Program it was not necessary to seek multiple lines of evidence in order to maximize the effective use of evaluation resources.

4. Findings

4.1 Relevance

4.1.1 Continued Need

Most provinces and territories do not use the WCP. Three provinces (British Columbia, Alberta, and Nova Scotia) have requested reimbursements over the last fifteen years.

Interviewees indicated the following reasons why in their opinion the WCP was not used:

- compensation is better through other channels such as employer health plans or insurance;
- there have been no situations where volunteers have been seriously injured or killed in those jurisdictions;
- it is not worth the administrative effort to claim small amounts; and
- volunteers do not know the program makes them eligible for WCB claims.

Although use or take up is usually an indicator of performance, it can also provide insight into the ongoing need of a program. Since its inception in 1959-1960, the WCP has provided \$3,963,342 to the provinces and territories. Eighty-seven percent of this amount or \$3,448,870 has been allocated to the province of British Columbia. The review of the claims files indicates that most of the WCB claims are related to ground search and rescue type of emergencies or training.

Contributions totalled \$1,059,221, between 2005-2006 and 2009-2010 inclusively:

- \$961,868 to British Columbia
- \$91,356 to Alberta
- \$5,998 to Nova Scotia

The British Columbia claims include an amount of about \$10,000 monthly for pensions/survivor benefits for five long-term disability cases that occurred in 1966, 1974, 1983, 2002 and 2005, and three incidents that resulted in four deaths that occurred in 1983, 1991 and 1996.

Evaluators learned that at the federal level, and in some provinces/territories, search and rescue is a distinct, public safety “emergency” service to Canadians that converges with emergency management, but falls outside of its legislation and framework. More on the legislation and framework for search and rescue is presented in section 4.1.3 Consistency with Federal Roles and Responsibilities.

Search and rescue prevention promotes education and awareness, while search and rescue response can range from localized events to large-scale calamities such as major air/marine disasters. The fundamental difference between a search and rescue event and a public safety emergency is the intensity, magnitude, and duration which drives the type and number of public safety and search and rescue organizations involved. These organizations use the same resources, structures and command & control structures that are required for larger disaster or emergency events (Pine Lake Tornado or SwissAir 111 are prime examples of the convergence of search and rescue and emergency management). With over 10,000 annual search and rescue incidents, search and rescue provides an excellent training platform for a seamless, all-hazards approach to emergency management. It is estimated that there are about 12,000 ground search and rescue volunteers across Canada representing about 340 individual teams.

Insurance coverage for ground search and rescue volunteers has been a concern for many years. Attention to the issue was accentuated in 2009 when a British Columbia team was named in a civil action. Many volunteer teams across Canada temporarily withdrew their services over liability concerns.

The provinces and territories raised the issue of funding support for third party liability insurance for ground search and rescue volunteers through the Senior Officials for Emergency Management meetings. Federal officials and their provincial and territorial counterparts are examining options to support ground search and rescue volunteers and their national association.

The Search and Rescue Volunteer Association of Canada has negotiated a comprehensive insurance program with a private provider to cover injuries, death, and liability. British Columbia, Alberta, and Nova Scotia have enabled coverage for the ground search and rescue volunteers of their respective jurisdictions. Some other volunteer teams across Canada that have the financial capacity, have also bought individual policies of this comprehensive insurance program. Evaluators were informed that additional savings could amount to as much as 27% if a single national policy covering all ground search and rescue organizations was put in place instead of individual policies.

The Minister of Public Safety met representatives from the Search and Rescue Volunteer Association of Canada in November 2009, regarding the organization's need for an operating budget and funding for accident, death, and liability insurance for all ground search and rescue volunteers.

Evaluators who conducted the 2004 Evaluation of the WCP spoke to representatives of national volunteer organizations. They spoke to representatives from the Canadian Coast Guard Auxiliary (CCGA), Canadian Aviation Search and Rescue Association (CASARA), Canadian Red Cross, St. John's Ambulance, and the Salvation Army.

In summary, interviewees from the CCGA and CASARA noted they have arranged for private comprehensive insurance coverage for their volunteers. They did so because the

provincial WCB programs do not provide adequate coverage and protection for their volunteers who willingly take risks to save others. The CCGA and CASARA receive federal contributions from Fisheries and Oceans, Transport Canada and DND respectively to support the costs of their private policies.

National representatives from the Red Cross, Salvation Army and St. John's Ambulance, did not feel their volunteers were adequately covered, despite the fact that some purchased insurance that provides a minimal coverage which is not deemed to be sufficient. They would have liked to see volunteers receive the same benefits as the government employees beside whom they often work in emergencies. They were not aware of the existence of the WCP. They indicated that their key emergency planning contacts are with health related representatives who may not know of this program.

Persons interviewed as part of this evaluation indicated that the views expressed above continue to demonstrate the views of these organizations.

4.1.2 Alignment with Government Priorities

Interviewees indicated that volunteer "emergency workers" are key in terms of reach and surge capacity. These volunteers are most often the first responders to emergencies and they have a good understanding of the command and control aspects of emergencies.

The Emergency Management Framework for Canada states: "All Canadians are involved in emergency management. Individual citizens, communities, municipalities, and federal, provincial, territorial governments, First Nations, emergency first responders, the private sector (both business and industry), volunteer and non-government organizations, academia, as well as international allies may be involved in emergency management. Good partnerships based on effective collaboration, coordination and communication are a key component of federal, provincial and territorial emergency management systems."

4.1.3 Consistency with Federal Roles and Responsibilities

Emergency management in Canada is a shared responsibility, which relies on ongoing cooperation and communication between all levels of government. Within Canada's constitutional framework, the provincial and territorial governments and local authorities provide the first response to the vast majority of emergencies.

Provincial and territorial government Emergency Measures Organizations, or their equivalents, are assigned responsibility for search and rescue and emergency management. They normally delegate the appropriate response to public safety organizations such as the police force of jurisdiction. However, they are also capable of calling upon federal resources should additional support be required. There is no specific legislated mandate for this program. The basis for the program can be found in the *Emergencies Management Act*.

Each province and territory has emergency management legislation. Generally, these acts and regulations set out the common roles of the provincial and territorial ministers, and municipalities that are responsible for dealing with emergency management in each jurisdiction, and specify the extraordinary powers and declarations of emergencies that may be implemented. The provincial and territorial legislation also identifies the extraordinary powers that provincial and territorial authorities may use and the circumstances and safeguards under which those powers may be exercised.

The *Emergency Management Act* is the legislative foundation for an integrated approach to federal emergency management activities. Under the *Emergency Management Act*,

- all federal Ministers are responsible for developing, maintaining, testing and exercising emergency management plans to address risks in their area of responsibility.

The Minister of Public Safety is responsible for coordinating emergency management activities among federal government institutions and in cooperation with provinces, territories and other entities. This includes developing federal coordination plans, intergovernmental plans, and arrangements; monitoring potential and actual emergencies through the Government Operations Centre; coordinating requests for emergency assistance; managing regional emergency management offices; and promoting public awareness on matters related to emergency management. Public Safety Canada coordinates federal emergency management activities, and manages programs such as the Joint Emergency Preparedness Program and the Public Safety National Exercise Program.

The Minister of National Defence (National Search and Rescue Secretariat and Canadian Forces) is the lead Minister for search and rescue and is supported by four federal Ministers and their respective departments and agencies:

- Minister of Fisheries and Oceans (Fisheries and Oceans Canada, and the Canadian Coast Guard);
- Minister of Environment (Environment Canada, Meteorological Services of Canada, and Parks Canada);
- Minister of Public Safety (Public Safety Canada, and the Royal Canadian Mounted Police); and,
- Minister of Transport, Infrastructure and Communities (Transport Canada).

The RCMP provides multi-tasked resources, including investigative, ground search, air, and marine assets, in support of federal search and rescue incidents. The RCMP is the contracted police force in eight provinces and three territories and is responsible for a large portion of ground search and rescue.

4.2 Performance

4.2.1 Achievement of Expected Outcomes

The objectives and expected outcomes of the WCP were not known to many interviewees. Some interviewees believed the program's purpose was to provide assistance to the provinces and territories in meeting the cost of compensating injured workers or the heirs of workers killed. Most interviewees understood that one of the ultimate outcomes was to get people to volunteer during emergencies, however most did not understand how the program could achieve this, when in their opinion, very few people know of the Program's existence.

Evaluators were told that the relationship between search and rescue and emergency management exists on functional, geographical, and organizational levels. At the local level, regardless of whether an emergency concerns an individual or an entire community, both search and rescue and emergency management volunteers (which in many provinces or territories are the same people) mobilize to offer assistance.

Interviewees indicated that the volunteer ground search and rescue community is concerned with the quality of insurance coverage especially with respect to liability coverage which in many cases is making them reconsider their engagement. A few interviewees indicated that the average age of volunteers was increasing and that there does not seem to be any younger recruits joining their ranks.

Evaluators were made aware of the complementarities of search and rescue and emergency management. A few interviewees indicated that it would be in Canada's best interest to maximize opportunities within the National Search and Rescue Secretariat and Public Safety Canada programs to create synergy and integration for volunteer capabilities and provide sustainability to enhance search and rescue and emergency response in Canada.

4.2.2 Demonstration of Efficiency and Economy

All PS program managers indicated that the administrative costs of the program are very low and almost negligible. Headquarters provided a checklist of required information to all regional offices. The provinces of Alberta and Nova Scotia submit their claims annually. British Columbia submits its claims quarterly. Claims are processed much like invoices for professional services with similar account verification and due diligence.

5. Conclusions

Relevance

While paid professionals provide primary emergency management capabilities, the system relies heavily on volunteers to provide an immediate and organized capacity to assist authorities. Volunteers are at the heart of emergency response. They do everything from leading air and ground searches to setting up networks of volunteer teams and coordinating services for victims of natural disasters. Volunteer “emergency workers” which include ground search and rescue are an integral component of Canada’s response capacity and contributes to the resiliency of communities.

While the WCP is used irregularly across Canada it would be premature to consider major changes to the Program before fully assessing the impact a national insurance policy for ground search and rescue would have on the Program. Would the change in coverage reduce the number and value of provincial/territorial claims or will the change draw attention to the WCP and increase its use by other provinces and territories?

Performance

Given the interdependence between the programs of the National Search and Rescue Secretariat and Public Safety Canada it appears that there may be opportunities to improve how the Government of Canada can better coordinate and engage the national volunteer associations to improve integration for volunteer capabilities and enhance search and rescue and emergency response in Canada.

The Program design is very efficient and there are no opportunities to reduce administrative costs.

6. Recommendations

The Evaluation Directorate recommends that the Associate Assistant Deputy Minister, Emergency Management and National Security, ensure that:

1. the Terms and Conditions for the Workers Compensation Program remain as currently approved until such time as the Government of Canada has addressed issues surrounding support for volunteer ground search and rescue organizations; and
2. the Emergency Management and National Security Branch assess the impact the work of the Department of National Defence may have on the ongoing need and demand for the Workers Compensation Program.

7. Management Response and Action plan

The Emergency Management and National Security Branch will work with the National Search and Rescue Secretariat (NSS), through the Federal, Provincial, Territorial Senior Officials Responsible for Emergency Management (SOREM) governance mechanisms, on issues surrounding support for volunteer ground search and rescue organizations.

Based on outcomes of the above noted SOREM discussions regarding insurance issues for ground search and rescue volunteers, the Emergency Management and National Security Branch will assess and consult with central agencies on the ongoing need and demand for the Workers Compensation Program.