

Workers' Compensation Board Coverage for Farm and Ranch Workers

Issue

The Enhanced Protection for Farm and Ranch Workers Act (Bill 6) has implemented changes on how farms and ranches operate, specifically mandating coverage from the Workers' Compensation Board (WCB) for all paid workers. The specified timelines for implementation do not allow these businesses to make the adjustments to their operational structure in accordance with the competitive and volatile nature of this industry.

Background

With 43,000 farms and ranches across the province, these operations are vital to the economic success of Alberta. Aiding in the success of these operations are more than 60,000 farm and ranch workers that have traditionally been exempt from WCB coverage. The variety of operational capacities in farm and ranch work requires specific risk management solutions because of their working environments.

Industry representatives have expressed their concern that the government has not given them adequate information and involvement in the preparation of this mandated transition. These same representatives continually state that insurance coverage for workers needs to be put in place with adequate time for producers to account for these costs. The stipulations of Bill 6 state that all farms and ranches must be registered with WCB by April 30, 2016. This timeline allows for a four month implementation period, which based on the experiences of other industries in Alberta, most prominently construction, will not be an adequate timeframe.

Industry has repeatedly highlighted the financial pressure that increased regulatory control can put on Alberta farming operations. Additionally, there is concern that some may be required to quickly renegotiate private insurance coverages prior to the April 30th deadline, while others will not be able to meet this target. The costs of allocating additional time and resources further exasperate the abilities for farm and ranch operators to successfully coordinate their yearly operations.

As business operations, farms and ranches are not unique in their need to set long term financial and strategic plans. Pressuring businesses to implement new strategies that affect these outlooks can put a strain on resources. It is important to note that as of November 27, 2015 there were approximately 1,400 farms and ranches registered with the WCB. At this capacity, the rate of registration with WCB would require an increase of 10,400 farms and ranches per month to reach the goal of all 43,000 farms and ranches by April 30. This would require massive administrative mobilization not only for industry, but the WCB regulatory body as well. We are concerned WCB will not be in a position to efficiently process the required volume of new registrations in an effective and timely matter, resulting in the further frustration and distraction for those within the agriculture industry.

Further, in addition to injury prevention, it is understood proper disability management and return to work programs are essential for an employer to effectively manage WCB cost and control premiums.

Currently, throughout the agriculture industry there is a limited understanding of these programs, specifically: the implementation process, available resources, employer obligations and rights, and the financial impact of an unmanaged claim on an employer's WCB premiums. Starting May 1, 2016, this sector will not only be required to pay WCB premiums, but also have designed, implemented and begun to manage these programs. Failure to do so, may result in increased premiums for 3-5 years.

Therefore, as the Voice of Business, the Lethbridge Chamber of Commerce understands the strain that increased regulatory control can have on the agriculture sector. These regulations need to account for the time and resources required for successful implementation. The following recommendations are the result of thorough consultation with industry representatives and experts in the fields of WCB coverage.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Waive the 2016 premiums, while continuing the WCB coverages already in place for farm and ranch workers, with consideration of the following:
 - a. The appropriate time needed to obtain the required knowledge to effectively implement and manage the WCB premiums;
 - b. Time to renegotiate private insurance plans;
 - c. Reduce overlap of duplicate premiums for private insurance plans and WCB;
 - d. Time to train staff to understand workplace safety, and their responsibilities in the process;
 - e. Implementation of disability management and return to work programs;
 - f. Reduce interference and impact to this year's production season.
 - g. The need for WCB account representatives with experience and knowledge related to the agriculture industry.
2. Provide a twelve month grace period before individual employer injury experience affects their individual WCB rate fees.