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**Subject: Qualified Companies - Current Activities**

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## **Introduction**

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The following provides an overview of current activities in support of Qualified Companies' program development.

## **Background**

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The BC forestry industry has consistently been one of the most dangerous industries in BC. The BC Forest Safety Task Force was established in July 2003 to develop an action plan to eliminate fatalities and serious injuries in the forest industry. The BC Forest Safety Task Force Final Report set out recommendations that will, when implemented, fundamentally change how health and safety is treated in the forest industry.

Qualified Companies addresses the following Task Force Recommendations in the Final Report of the Forest Safety Task Force:

- To provide a financial incentive program to encourage injury prevention and the development of effective workplace health and safety management (Task Force Recommendation #14)
- To make Qualified Companies pre-qualification standard a condition of doing business in the BC Forest sector (Task Force Recommendation #4)
- To contribute to the forest industry safety infrastructure and expand awareness that Unsafe is Unacceptable (Task Force Recommendation #3)

Qualified Companies aims to be the over-arching vehicle for industry leadership, safety accountability, and overall improved safety performance in BC's forests.

## **Current Activities**

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The Qualified Companies is an industry initiative designed to provide forestry companies a clear path to become a SAFE (Safety Accord Forestry Enterprise) Company. By increasing the number of SAFE Companies in BC's forest, it will help ensure every forestry worker returns home at the end of a day's work.

SAFE Companies will be recognized as meeting the industry recognized safety standards, sharing safety information with the sector, committed to the Industry Recognized Practices, and support shared safety responsibilities within the employer structure.

SAFE Companies will be entitled to earn a 5% rebate on WCB Premiums. SAFE Companies also have the opportunity to maximize their Experience Rating

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Adjustments, which further reduce their premiums. As more companies become SAFE, overall industry safety will improve, bringing down general WCB rates for everyone in the industry

With the program in its infancy, coordinated efforts are underway to help bring Qualified Companies into BC's forest. The following provides an overview of the Council's current activities regarding Qualified Companies development.

### ***Phase 1 - Making the Case***

The success of a recognition/incentive program requires industry buy-in. Industry needs to believe that their actions are going to have results and employers need to be incentivized to do so.

To demonstrate to industry that there is a need and benefit of change, the Council is working on a number of projects that will help better understand the safety issues and bring to light the fact that safety is good business sense.

- **The Alberta Experience** – The Alberta Experience reviews how workers in the Alberta petroleum industry faced similar safety challenges, how they created a dedicated health and safety infrastructure, how they developed and used pre-qualification standards, and how this benefits companies through lower costs. The reports also discussed the opportunity for the BC forestry sector to attain similar or better results.
- **The Cost of Unsafe Analysis** - The Cost of Unsafe Analysis will compare real (direct) safety costs incurred over the last 10 year to estimated safety costs if the safety record of best 25% of companies had been achieved. This will provide a basis to estimate potential costs and savings given the level of action by industry on the safety file.
- **Share Safety Responsibility Review** – The evolution of the multi-layered industry (particularly on the Coast) has created ambiguity with respects to health and safety accountability and shared responsibility. The Share Safety Responsibility Review will work with industry in the development of compliance model which will include clear and specific guidelines for each industry group for meeting their safety responsibilities.
- **Understanding Your WCB Rates** - The Council has taken on the role to assist the sector in truly understanding how their WCB rates are calculated and how employers and the sector's safety performance influence rate determination.

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- **Stakeholder Discussions** - Throughout the fall of 2005, the Council will be meeting with industry and will be actively sharing this information through the sector to 1) help the Council understand the sectors requirement for an incentive program and 2) help employers understand the numerous benefits of becoming a SAFE Companies and how SAFE Companies will benefits the entire sector.
- **Communications** - The Council has started actively disseminating information on Qualified Companies throughout the sector to help employers understand the numerous benefits of participating in Qualified Companies and how SAFE Companies will benefits everyone – workers, employers, the entire sector.

### ***Phase 2 - Developing the Structure***

The Council is working on a number of activities to develop the required program infrastructure.

- **Signing on to the BC Forest Sector Health and Safety Accord** - Signing the Safety Accord demonstrates a commitment to safety. Walking the talk of the Safety Accord will help move the sector closer towards a cultural change around health and safety. By signing onto the Accord, companies believe: **1)** that all fatalities and injuries are preventable. **2)** in a culture where the health and safety of all workers is an over-riding priority, **3)** that excellence in health and safety is important to our long-term success. SAFE Companies will need to not only sign on to the accord and commit to the principles, but they must ensure these principles are being carried out into their operations.
- **SAFE AUDIT - Audit Instrument** - One of the main components of Qualified Companies is the audit, the evaluation of an employer's health and safety program against a set of industry recognized standards. By successfully passing the audit, employers receive SAFE Company recognition. SAFE Companies recognition will be equivalent to COR, entitling employers to a 5% rebate on WCB Premiums. The Council is working to establish an industry approved standard to measure large and small companies' OSH activities. The SAFE Audit will be suited for both large and small companies. In its preliminary stages, the SAFE Audit instrument will evaluate a company's health and safety program, focusing on 8 essential areas:
  1. **Management Commitment and Company Policies** - The management programs section of this audit is a measurement and evaluation of how management personnel (supervisors, mid-level management, and up to and including presidents and CEO's) conduct themselves with regards to their health and safety program. While the

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standard requirement for existing commitment by having safety documentation such as policies is intertwined in this audit, more important focus is placed on the requirement for managers and supervisors to “walk the talk”. No health and safety program will be successful if the supervisors and management staff are not involved in its entirety.

2. **Hazard Identification and Control** - This section measures whether or not the risks of the operation have been evaluated, if the hazards have been identified, and if appropriate controls are in place to reduce the possibility of the hazard meeting an event, and impacting a target (a person, equipment, or the environment).
3. **Rules and Work Procedures** - Despite all the training, education, and programs that management and jurisdictional bodies can put in place, there is a time when we must ensure that the worker has the information, and is applying this knowledge in a consistent and diligent manner. This section of the audit will examine whether or not this is an ongoing practice with the company.
4. **Safety Communication** - One of the key elements with health and safety programs is that there needs to be an effective method of communication between management, employees, and contractors. This section evaluates the existence of a communication system, and measures its effectiveness.
5. **Training** - This section essentially asks the question “does the workforce know all the aspects of the task for which they are being asked to perform, and can the company show this?”
6. **Incident Reporting/Investigations** - This section of the audit is asking the questions on whether or not the incidents are being reported, and if reported, are being properly investigated. More to the point, is a system in place to report and investigate incidents which occur? Does the company have a methodology to this? Do the workers, supervisors, and managers understand why this is important?
7. **Licensee/Tenure Holder/Contractor Shared Responsibility** - This section will evaluate the existence of shared responsibility within the licensee, contractor, and subcontractor relationship. In the forestry sector, an important piece to the puzzle will be better understanding and implementing a shared between the licensee and the contractor’s relationship around safety.

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8. **Disability Management** – This section will evaluate if a disability management program is in place and being supported and utilized by management.

- **Auditor Requirements** - The need for an auditor infrastructure has been identified as a requirement for the audit process to function effectively. To qualify for SAFE Company recognition, the audit must be carried out by a qualified auditor, using an audit instrument that is: **1)** approved for WCB Partnerships use, **2)** is appropriate to the industry and operations of the employer, **3)** and is accepted by The Council. There will be two auditor options (external and internal auditors) based on audit type and annual requirement.

Other Responsibilities of SAFE Companies - In order for a forestry employer to be a SAFE Company, they also must be active in other safety initiatives:

- **Safety Information Sharing Through Safety Alerts** - The Council has been very active in improving the safety information in the sector. We are focusing on a safety alerts notification system. Safety Alerts provide notification of incident and investigation results to industry in a timely manner. SAFE Companies will actively share safety information across the industry through Safety Alerts, which will create a web of communication, information, and sharing-by example that will collectively fuse to change the safety culture of the industry as a whole.
- **Industry Recognized Practices (IRP)** - IRP's are industry approved standardized operating procedure for areas of practice within BC's forests. The objective of an IRP is to provide interpretation of the employers' and worker's responsibilities measured up to regulatory requirements and industry recommendation, ensuring that all work is performed in a safe, consistent manner. Creating an IPR involves total industry participation – from the worker to the employer to the policy maker. The IRP development process is an excellent way for industry to cooperate for everyone's benefit.

### ***Phase 3 - Refining the Structure***

The Council is working on a number of activities to facilitate industry involvement in the program development, as it is fundamental in making a program that benefits all parties.

- **Qualified Companies Advisory Committee** - The creation of a Qualified Companies Advisory Committee (QCAC) is underway to guide the development of Qualified Companies. The QCAC will be an important group that is mainly comprised of line operators from all regions, all types of

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employers in BC, who will act as a sounding board and a group to vet ideas regarding program and policy development.

- **TAC Team** - There also is a need for technical expertise from all sectors to regularly assemble to assist in the development and review of program instruments (i.e., audit tools, Industry Recognized Practices). A Technical Advisory Committee (TAC Team) will also be established to assist in the development of these program components. The TAC Team will be invaluable in ensuring that all sector's have a voice in the development of the program's technical components. Representation from all association is optimal.
- **SAFE Audit Pilots** - With any new initiative, there are many program aspects that need to developed, tested, and revised. Once SAFE Audit program components have been developed, BASE and SEBASE pilot audits will be conducted in various forestry activities throughout all regions of the province.
- **Training – Tools and Resources** - Capacity Building within all types of employers is required because of the varied and fragmented nature of the sectors health and safety systems. Some larger employers have the expertise and capacity in house to become a SAFE Companies. Other employers, usually, smaller employers, face challenges in meeting that safety standard due to limited internal resources and in many cases, just don't have the tools or know where to begin. To help provide a means for all companies who want to become SAFE companies can, various training tools, resources will be developed to help employers build their capacity to deliver effective health and safety programs.
- **Engagement with the WCB's Certificate of Recognition (COR) Program** - The WCB's COR program is the program under which Certifying Partners will advise the WCB which employers are entitled to a 5% rebate on WCB premiums. The Council will be the Certifying Partner for the forest industry in BC and will be responsible for assessing the quality of health and safety programs. The program in which BC forest companies gain eligibility for a 5% rebate on WCB premiums is Qualified Companies and the recognition is the SAFE Companies stamp of approval. Currently, the WCB has conducted three COR pilot programs in BC (Construction, Agriculture, Oil/Gas) and they are very interested in extending the COR program to other sectors in BC. The safety performance of the sector needs improvement, the Council has been designated as a change agent to implement the recommendations of the task force – it is only a matter of time before the COR program comes to BC's forests.

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