

Control workers' comp rate hikes

DAVID A. DUPLISEA COMMENTARY

In New Brunswick we have a choice - to manage growth or manage decline. We choose growth. Growth in jobs, growth in population and growth in prosperity. Chambers of Commerce and business associations in our province have a mandate to champion business and help to create an environment for business to succeed and prosper. Success breeds success, so new business start ups, and investment are naturally connected.

However, one place where growth is not desirable, is in workers compensation rates. Last week we received alarming news that workers compensation rates would again be increasing.

In 2016, the average premium for New Brunswick businesses was \$1.11 per \$100 of assessed payroll. In 2017, the rate increased to \$1.48 and the 2018 rate is \$1.70, a 53 per cent increase in just two years. The rate for 2018 would have been higher had it not been for Worksafe's decision to reduce the funding ratio to minimize the rate shock.

For 2019, we have been told that rates are expected to increase to between \$2.69 and \$2.95 per \$100 of payroll. That's up nearly 75 per cent over last year alone. New Brunswick will now have the highest worker's compensation rates in the country. Clearly this is not sustainable for the businesses in our province.

The negative consequences of this skyrocketing payroll tax will dramatically affect the competitiveness of New Brunswick businesses and our ability to fund the compensation system for our workers in the event of workplace illness or injury. We need sustainability, balance, transparency and accountability to continue as a 100-per cent employer-funded system.

A ministerial task force was established by government to look at the system in its entirety and suggest ways to improve it through legislative and policy changes. The report is now complete. We believe the minimum requirements that must be implemented immediately, to restore balance to the system and decision-making authority of the board, are as follows:

- Make legislative changes immediately to keep a sustainable system that continues to provide good benefits to injured workers.
- Enhance WorkSafeNB's exclusive jurisdiction to establish and enforce policies, and establish WorkSafeNB as the final authority on benefit entitlement.

The report suggests 28 changes in total and concludes that the WorksafeNB accident fund will be further compromised if changes are not made. As WorkSafeNB itself has stated, the system suffers from some unintended consequences from the gaps in the legislation dating back decades.

We urge all parties in the upcoming provincial election to commit to implement the recommendations of the Ministerial Task Force and specifically ask each party:

2. Will your government implement changes unanimously endorsed by both employer and employee representatives on the task force?

2. Will your government commit to enacting changes in the first session of the new government?

We know that WorkSafeNB is working diligently with the Department of Post-Secondary Education, Training and Labour to better understand the suggestions in the Task Force report. We are eager to work with government and Work-SafeNB to enhance the system, so it continues to provide a solid set of benefits for our workers while balancing and considering the effect on business.

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