

# COALITION OF NEW BRUNSWICK EMPLOYERS

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## COALITION DES EMPLOYEURS DU NOUVEAU-BRUNSWICK

New Brunswick residents are accustomed to paying a little more for goods and services each year; it's called inflation and it's a natural by-product of our economy.

But how would you feel if the cost of a service you were obliged to pay nearly tripled within three years? How would you react if the cost of your car insurance tripled over three years? What hard choices would you have to make if the cost of electricity tripled?

That's what New Brunswick businesses are facing with last week's announcement by WorkSafeNB that it will raise the 2019 average rate charged to employers from \$1.70 to \$2.92 per \$100 of assessed payroll. The average rate was \$1.11 as recently as 2016. The series of substantial rate hikes is needed to cover the growing cost of workers' compensation in the province.

WorkSafeNB stated last week that compensation claims have doubled from \$199 million in 2014 to a projected \$400 million in 2018 and that future liabilities (the funds required to pay for future claim costs) have also increased by \$800 million.

These new costs have nothing to do with increases in workplace injuries and everything to do with a system that is out of control. Workplace injuries have not increased. New Brunswick businesses have no ability to reduce these new costs.

Simply put, increases of this magnitude are not sustainable for either employers who fund the system or employees who rely on it when accidents happen in the workplace.

The workers' compensation system in New Brunswick is broken and it needs immediate attention. If we want a stable system that can continue to fund workplace injuries, the remedy is both legislative and administrative.

An independent task force was created by the previous provincial government to review the Workers' Compensation System and bring forward recommendations to ensure the long-term sustainability of the system. Employer and employee representatives on the task force worked together and unanimously adopted 28 recommendations. These recommendations provide a roadmap for government to follow to put workers' compensation back on solid ground.

That roadmap includes a series of legislative changes needed to correct the unintended consequences of legislation passed in 2015 when the provincial government modified the rules governing the Workers' Compensation Appeals Tribunal. Since then, the Tribunal has overruled or not applied WorkSafeNB policies and left it unable to control benefits costs for injured workers' claims.

The task force also recommends changes to the way WorkSafeNB is administered to curb growing costs.

The task force report was presented to government in July, 2018 but the legislative action called for by both employers and employees was not heeded prior to the Sept. 24 provincial election. The best time to act was then, the second-best time is now. Thankfully, it appears Premier Blaine Higgs and his new government are listening and have set their legislative GPS to find the solution so urgently needed. At a press conference soon after the 2019 rates were announced last week, Premier Higgs said he was "very shocked" by the size of the hike.

"We want employees to be assured they have the protection they need, and employers must be assured that they can still afford to stay in business," he said.

Exactly.

The new premier has pledged change could come in two stages, starting with legislation passed before Christmas that may enable rates to come down mid-way through 2019.

The undersigned organizations, representing thousands of New Brunswick businesses and tens of thousands of their employees, are encouraged by Premier Higgs' pledge. We unanimously applaud the new government for its decisive intent. We are equally united in our call for swift legislative action.

We urge all four parties represented in the legislature to support the task force recommendations and for the PC government to follow through on their commitment to act quickly.

The sustainability of the workers' compensation system in New Brunswick is at stake. The prescription for what ails it has been written. It's now time to administer the legislative medicine so both employers and employees will have a stable system we can all rely on for many years to come.

*Sincerely,*

***The Coalition of New Brunswick Employers***

Atlantic Building Supply Dealers Association

Atlantic Chamber of Commerce

Atlantic Provinces Trucking Association

Canadian Federation of Independent Business

Canadian Manufacturers & Exporters

Chaleur Chamber of Commerce

Conseil economic du Nouveau-Brunswick

Forest NB

Fredericton Chamber of Commerce

Merit Contractors Association of New Brunswick

New Brunswick Business Council

New Brunswick Roofing Contractors Association

Restaurants Canada

Retail Council of Canada

Road Builders Association of New Brunswick

SPARK - New Brunswick Metal Workers Association

The Chamber of Commerce for Greater Moncton

The New Brunswick Automobile Dealers Association

The Saint John Region Chamber of Commerce

Tourism Industry Association of New Brunswick

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