

WORKSAFENB MINISTERIAL TASKFORCE: Public Consultation

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Fredericton Chamber of Commerce
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**FREDERICTON
CHAMBER
OF COMMERCE**

— *The Voice of Business* —

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Discussion Paper:

A. Financial Environment

- Seems clear that the change in WorkSafeNB's financial position has been primarily caused by the 2015 legislative changes.
 - WSNB news release (1 June 2017):
 - *Cost increases in 2016 were largely the result of the WCAT's differing interpretations of legislation affecting standards of evidence to accept claims and subsequently determine continued benefits, especially as it relates to soft tissue injuries.*
 - i.e. not that injuries are up or workplaces have become less safe
 - Employers understand very well the benefits to their business of having a safe environment that limits workplace injuries

Discussion Paper:

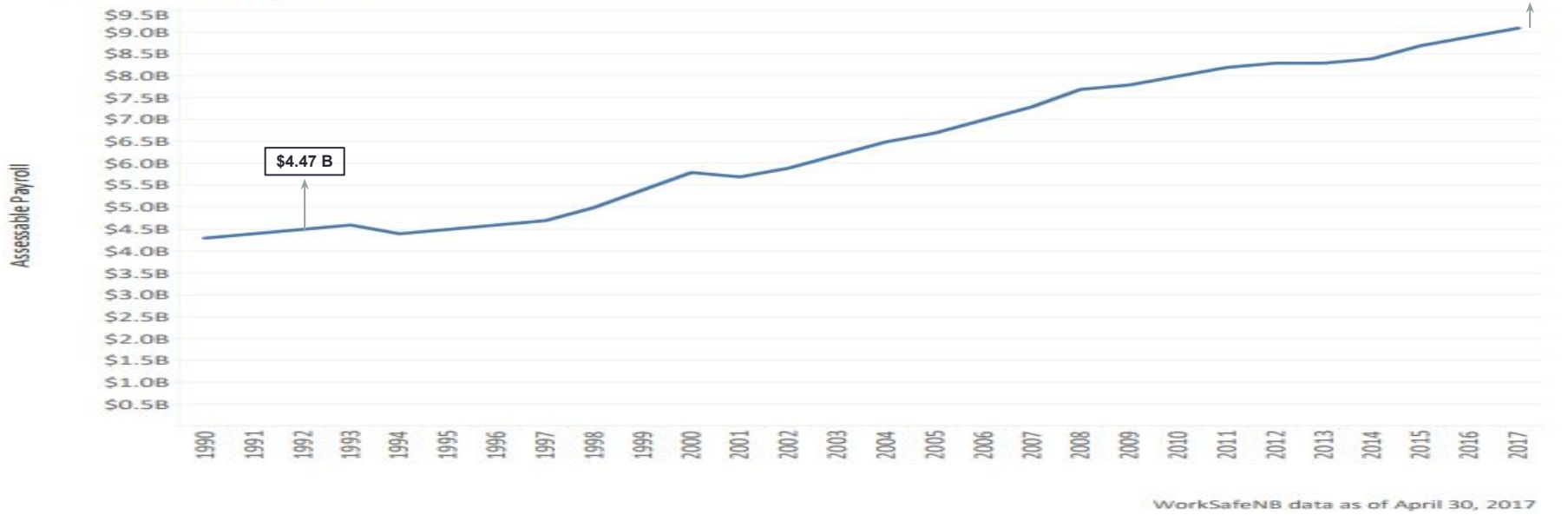
A. Financial Environment

- Lower injury rates (and premiums) mean that employers can reinvest in the business – create jobs, add hours, etc.
- For employers, WSNB increases over the past two years are part of a larger issues with rising costs
 - Gas & Diesel taxes, property tax, land transfer tax, income tax, minimum wage, HST, EI rate, federal tax planning changes (?), carbon tax (2018), new statutory holiday (2018), CPP (2019)

The rate is half of the equation

- The cost to business is not only the rate.
 - The rate may still be lower than in the early 1990s, but assessable payroll has increased by more than 100% since that time.
 - Actual cost to business has risen 30% during that same period.

New Brunswick Assessable Payroll – 1990 - 2017 ⁵



New Brunswick WCB Premium Rate 1990 - 2017



New Brunswick Assessable Payroll and Rate Comparison

Year	Rate	Assessable payroll	\$ paid in Assessments
1992 *	\$2.25	\$4,446,000,000	\$101,250,000
2017	\$1.48	\$9,100,000,000 **	\$131,000,000

30% Increase

* 1992 was the highest premium paid in the past 30 years

** Estimated based on WorkSafeNB projections

Discussion Paper:

B. Appeals Tribunal

- WCAT superseding/setting board policy with decisions
 - In our view, the WSNB board is in the best position to set policy – they have the fullest perspective on the system
 - Impact on employees/employers; history of maintaining a sustainable system; reasoning behind policies
- WCAT interpreting legislation and policy with no regard for the sustainability of the system

Discussion Paper:

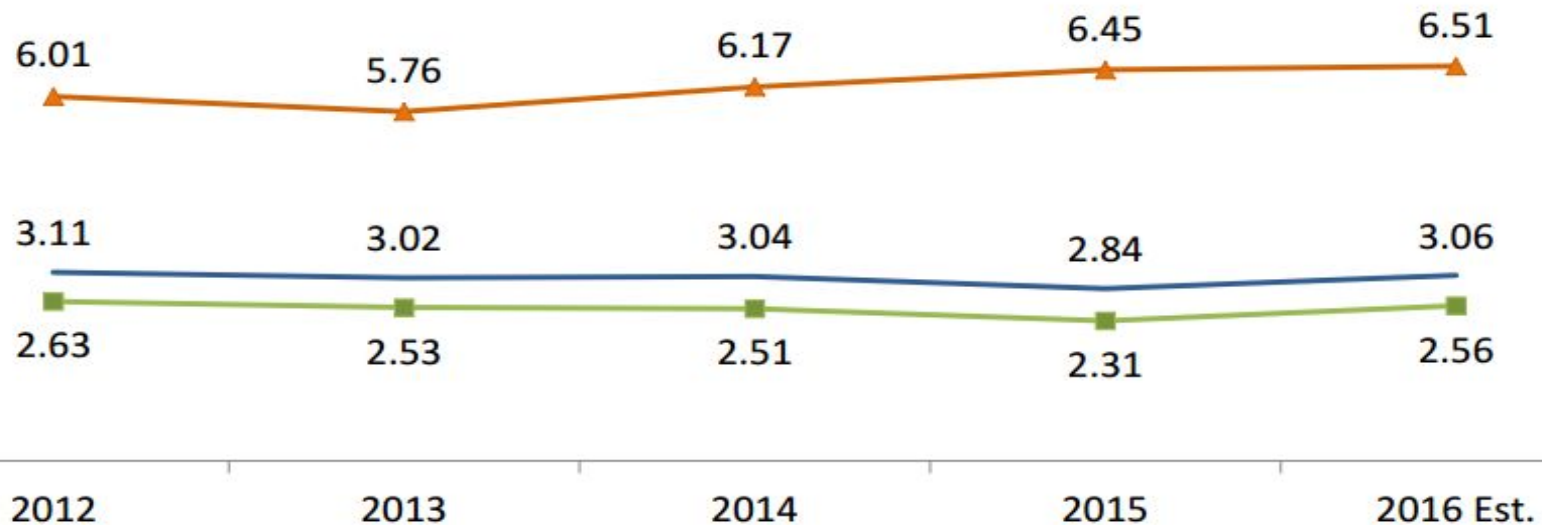
C. Government and the Self-Insured

- An alarming trend with self-insured employers – primarily the Government of New Brunswick
- Frequency rate more than 2.5 times that of assessed employers
- No 3-day waiting period
- Salary paid at 100%
- Concerned about cost to the Province coffers, increased debt - GNB paying more than its 'fair share'

Frequency rate for self insured is more than 2.5 times assessed employers



Injury Frequency



— Assessed & Self Insured Employers ■ Assessed Employers ▲ Self Insured Employers

Frequency is calculated as the number of lost-time and no lost-time injuries occurring per 100 full-time workers in the province.

Discussion Paper:

H. Systems Sustainability & Affordability

- Timing of rate setting - the fall leaves employers little time to prepare
 - Which is more important now than ever given the huge increases in 2017 and pending in 2018.
- Funding level - surprised and concerned with the decision to drop to 100% funding level
 - We want to avoid Nova Scotia's situation, but likely impossible without legislative intervention
- Sustainability - WCAT, the driver of cost increases is specifically unconcerned with sustainability

Discussion Paper:

K. Independance of Administration

- As stated previously, concerned that the WSNB board no longer has final policymaking authority
- How can the body tasked with administering a sustainable and effective workers' compensation system have minimal control over expenses?
 - WSNB's only recourse is to increase their revenue through higher employer premiums
 - it is patently ridiculous to have one organization driving up and responsible for revenue and one driving up expenses
 - especially when they have differing mandates

Discussion Paper:

K. Communication & Stakeholder Relations

- WSNB should continue stakeholder relation meetings started in the spring
- One area where communication seems to be breaking down is between physicians and employers/WSNB
 - We hear from our members that physicians will often put employees off work without a follow-up plan or targets to return to work - or little detail as to the actual problem (terms like 'unable to work')
 - A greater focus on returning to work would help make the system more sustainable

Conclusion

- Workers' compensation must provide fair and adequate compensation to injured workers while not damaging the competitiveness of NB businesses
- The system is predicated on this crucial balance, but it seems that currently in New Brunswick, there is no way for WSNB to ensure this happens
- Along with other recent cost increases, policy decisions and projects falling through, NB appears to outside investors to be closed for business - which is a detriment to all New Brunswickers
- NB employers have been able to take care of their workers while remaining in business for 100 years - we have to seriously think about the next 100