

1 May 2017

Hon. Brian Gallant, Premier  
Province of New Brunswick  
P.O. Box 6000  
Fredericton, NB E3B 5H1

Hon. Donald Arseneault, Minister  
Department of Post-Secondary Education, Training and Labour  
P.O. Box 6000  
Fredericton, NB E3B 5H1

Re: WorkSafeNB Rates

Dear Premier Gallant and Minister Arseneault,

We are jointly writing today on behalf of New Brunswick's three largest chambers of commerce due to the seriousness of the situation with WorkSafe New Brunswick's escalating costs over the past two years. Our members are becoming increasingly nervous that 2017 is only the beginning and they may receive similar hikes in premiums indefinitely without a solution implemented by your government in the coming weeks.

Following a WorkSafeNB stakeholder meeting April 19 in Fredericton, it is apparent to us that urgent action is required to protect the sustainability of the workers' compensation system in New Brunswick. Immediate action is the only way the system can be maintained fairly for both employers and employees. In this spirit, our chambers of commerce, along with other business groups in the province are launching a letter-writing campaign on May 1, 2017 in which we are encouraging our member businesses to inform the government how these large rate hikes and uncertainty are negatively impacting their business.

Specifically, we are requesting the following actions be taken by your government:

- Require WorkSafeNB to provide full and transparent reasons for the rapid spike in both monthly caseloads and lost-time claims cash payments between January, 2016 and January, 2017.
- Enact legislative and policy changes recommended by the WorkSafeNB board of directors this spring to restore balance to WorkSafeNB and reduce rate increases.
- Suggest a value-for-money audit by the Auditor General to shed light on systemic problems at WorkSafeNB and the Workers Compensation Appeals Tribunal that have led to this unsustainable situation. Employers who fund 100 per cent of WorkSafeNB

need transparency and accountability.

We believe government has the ability and responsibility to address the sudden increase in claims, cash payouts and WCAT decisions that have fueled this situation. The cost uncertainty that has been infused into WorkSafeNB premiums has left New Brunswick employers nervous and hesitant to make investments in their business. Typically with an increase in a payroll tax, the first area an owner cuts is employee hours, positions and/or cancels planned hiring.

The Canadian Federation of Independent Business in New Brunswick recently conducted a member survey that suggests additional premium costs in 2017 alone for small and medium-sized businesses will add up to \$18 million in payroll costs. A second significant increase will further add to the tax burden. It cannot be reasonably expected that employer premiums will continue to raise to pay for what is quickly becoming a social program, rather than a compensation-based workers' insurance plan.

We remain ready to contribute to the discussion to build a better and sustainable WorkSafeNB system for employers and employees.

Yours truly,



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cc: Tim Peterson, Acting President & CEO, WorkSafeNB