



## **Making New Brunswick a better place to work and do business**

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COMMENTARY

If I said you could cut a major component of local businesses' costs by 22 per cent, while delivering better benefits to employees, wouldn't you be excited?

This scenario is happening, thanks to recently announced changes at WorkSafeNB. It's a good news story, and everyone – from employers to employees to government – has had a hand in achieving it.

When people rank the qualities that make a province more appealing to live and do business in, workplace compensation premiums probably don't spring immediately to mind.

But the fact is, you can't have a strong provincial economy unless the rewards of doing business outweigh the financial risks. Both employers and employees need to know they can count on earning money and enjoying the benefits of their labour, or growth will stall and talent and capital will leave.

And that's exactly what began to happen between 2017 and 2021, when WorkSafeNB premiums climbed, and climbed, and climbed.

To give some sense of the competitive disadvantage that those years of increases created for New Brunswick businesses, consider that from 2016 through 2018, all provinces except New Brunswick saw their workers' compensation rates decrease. The average decrease for the other nine provinces was 8.3 per cent.

In stark contrast, rates increased by 53 per cent in New Brunswick during the same period. And with continued increases, New Brunswick was the highest-cost jurisdiction in Canada for workers' compensation by 2021.

This negative trend has now been reversed, thanks to a collaborative effort that began with effective lobbying by Chambers of Commerce across the province.

WorkSafeNB recently announced that the average workers' compensation assessment rate for 2023 will drop 22 per cent – to \$1.31 from the current rate of \$1.69.

In addition, WorkSafeNB's board of directors is pursuing legislative changes that would improve the benefits provided to injured workers and their families. These changes have the potential to bring greater stability to assessment rates while ensuring employees receive fair compensation.

The impact of this year's rate reduction and WorkSafeNB's proposed changes will be felt in every New Brunswick business. For small- and medium-size enterprises, the cost reduction will make it easier to maintain existing staff and hire new employees. For businesses operating at the national or global scale, the lower rates will increase competitiveness, putting New Brunswick in the middle of the pack among the provinces.

Our Chamber has worked hard, alongside other Chambers of Commerce, to bring this matter to the attention of WorkSafeNB and the government. We have written to the premier and ministers responsible; we have raised awareness through commentaries and public events; and we have tried to bring the issue into focus for New Brunswickers by highlighting the impact to individual businesses, so people can see the human scale of public policy decisions.

It is very gratifying to see these efforts pay off, but we cannot take full credit for the change.

Employees and employers worked together to deliver the lowest injury frequency rate in 13 years, coupled with improved return-to-work outcomes for injured employees, while strong investment returns and legislative changes introduced in 2018 have improved the financial outlook of the workers' compensation fund.

These changes include common-sense adjustments to governing legislation, such as clarifying that workers' compensation is for work-related injuries only and that WorkSafeNB's board of directors is exclusively responsible for setting compensation policy.

After all the hardship that people have endured over the past two and half years, this rate reduction is a welcome relief. It's also an inspiring affirmation that our regional and provincial economies can grow if we identify the obstacles to growth and work together to overcome them.

To foster economic development, provinces must strike a compelling balance between risk and reward.

Thanks to this province's workers, employers, government and WorkSafeNB board and staff for their continued commitment to creating a strong workplace health and safety culture in New Brunswick, we have a better balance today, one that will result in a more sustainable workplace health and safety compensation system as well as a more exciting and dynamic economy.

*David Duplisea is Chief Executive Officer of the Saint John Region Chamber of Commerce. His commentary appears monthly.*