
WORKSAFENB'S CURRENT FINANCIAL SITUATION AND TASK FORCE RECOMMENDATIONS

1. Why is it necessary that the Task Force recommendations are implemented?

The workers' compensation system in New Brunswick is founded on The Meredith Principles, and at their core is a simple idea: compromise. Based on the Meredith Principles, workers are eligible for benefits when injury occurs, but in exchange, employers cannot be sued. This historic compromise plays an important role within New Brunswick's workforce, the lives of our workers and employers, and in the province's prosperity.

The annual cost of workers' compensation claims has doubled from \$199 million in 2014 to a projected \$400 million in 2018, as well as creating an additional \$800M in liabilities. The liabilities reflect the estimated value of future payments for all claims and exposure based on the latest claim patterns and economic assumptions.

Without legislative change, the workers' compensation system may become unsustainable and the historic compromise is at risk.

2. If implemented, what impact will the Task Force recommendations have on workers?

The Task Force recommends providing enhanced support to injured workers by eliminating a three-day waiting period before benefits begin. Eliminating the wait period will provide wage loss benefits to all workers from the day following an accident, which will have a direct impact on New Brunswick's most vulnerable injured workers who might not have access to sick leave benefits during this timeframe.

The Task Force also recommends several changes that will create safer workplaces for New Brunswick workers. These include improved access to health and safety resources, enhanced training and follow-up for joint health and safety committees, and better awareness of compliance requirements and violations.

3. If implemented, what impact will these recommendations have on employers?

The full implementation of the Task Force recommendations would help employers create safer workplaces for their employees, foster a better understanding of the workers' compensation system, and would strengthen employers' ability to promote safe and timely return-to-work for their workers following an injury.

Concurrently, WorkSafeNB costs and benefits would become more aligned with comparable provinces and jurisdictions. The rapid increases in workers' compensation assessment rates paid by New Brunswick employers in recent years will stabilize and should begin to decline.

4. Will these changes mean the workers' compensation system will revert back to the way it was before April 1, 2015, when new legislation was effective?

No. The role of the Workers' Compensation Appeals Tribunal is valued as an external and independent organization. The recommendations support the continued independence of the Appeals Tribunal that was established through legislation on April 1, 2015.

These recommendations would create a relationship between WorkSafeNB and the Appeals Tribunal that would be aligned with nearly all other compensation boards across Canada. By returning policy deference to WorkSafeNB's board of directors, decisions made regarding policy can be debated, discussed and weighed with all information at hand: worker and employer perspectives, legal implications, best practices from across Canada, and costs analysis.

5. What impact will the Task Force recommendations have on future rates?

Workers' compensation rates are established annually based on a number of factors, including the cost of claims, investment returns, and administration costs. While future rates cannot be predicted, provided there are no severe fluctuations in markets or in accident rates, the legislative changes recommended by the Task Force should provide greater stability and closer align WorkSafeNB's rates and benefits with other provinces and jurisdictions.

6. How does the public sector (self-insured) differ from the assessed employers in terms of safety? What changes would we see following the implementation of the Task Force recommendations?

The workers' compensation costs for self-insured employers are increasing at a rate of 150% greater than the rate of assessed employers. Much of this increase is due to a rise in sprain, strain and pain lost-time claims, and longer duration for civil servant employees to return to work.

The Task Force report offers several recommendations to improve safety, specifically within the public sector, such as conducting safety meetings at the beginning of each shift to outline a safety plan for the day's work. It also recommends that organizational leaders assume greater accountability to ensure health and safety regulatory compliance and that best practices are followed within their teams.

Additionally, as the public sector does not currently contribute to WorkSafeNB's costs to provide prevention and compliance, education, training and awareness, they are unable to take full advantage of the available resources. The Task Force recommends a review of costs associated with providing this service to public sector employers and that they are required to pay for these necessary services offered by WorkSafeNB or other service providers to improve their safety record.

7. The Task Force discusses WorkSafeNB's Rehabilitation Centre but does not provide a conclusion on its effectiveness. What's next for the Centre?

WorkSafeNB strives to continuously improve our services. The Task Force has recommended that WorkSafeNB review the Grand Bay-Westfield Rehabilitation Centre, comparing service delivery options and results to those in other jurisdictions, and publicizing these comparisons. WorkSafeNB is committed to having an external, third party complete this review and is looking forward to sharing the results with New Brunswickers in 2019.

8. The Auditor General of New Brunswick has been asked to complete an audit of WorkSafeNB. When can we expect these results?

The Auditor General opted to complete the audit in two phases:

- Phase 1 focused on the Governance of WorkSafeNB
- Phase 2 focused on the WorkSafeNB's Claim Management

The results of the Governance audit were released in June 2018. WorkSafeNB takes these recommendations very seriously and has been working in partnership with the Department of Post-secondary Education, Training and Labour to advance several of the recommendations that require a joint effort. With regards to the recommendations presented solely to WorkSafeNB, we have been taking action to implement all proposed recommendations and we are committed to a path of accelerated improvement. For example, we've increased transparency by posting online the expenses and salaries of our staff and board members and we've increased efficiencies through process changes to staff travel.

The results of the Claims Management audit are scheduled to be released later this year which may also include comments or recommendations related to WorkSafeNB's Rehabilitation Centre.