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NLEC Seeking Changes to WHSCC



Employers are calling for legislative reform to worker's compensation after a report by an Ontario professor and economist shows what they've have been saying for years --- insurance premiums in this province are excessive. The Newfoundland and Labrador Employers' Council commissioned the report by Dr. Morley Gunderson to determine the impact of the rates. In 2011, insurance premiums were 42 per cent higher in this province than the average of all other Canadian jurisdictions. Since 1993, Gunderson writes, this province has had the dubious distinction of having the highest worker's compensation payroll tax rate in the country. When compared on an industry-to-industry basis, Gunderson found that rates in Newfoundland and Labrador are considerably higher in eight of 10 sectors. Employers left to absorb the costs have two options: to pass it on to consumers, or to pass it on to workers. Gunderson says payroll taxes are either killers of jobs or killers of wages. Regardless of what employers choose, he says communities are impacted by a reduction in employment and an increase in unemployment. Gunderson says the higher rates enjoyed here could actually be discouraging people from going back to work, further adding to the labour shortage. Bringing the premiums down to just the Canadian average

would, in three years Gunderson says, increase GDP, increase investment, decrease inflation, and increase employment.

The Executive Director of the Newfoundland and Labrador Employers' Council, Richard Alexander, says the study is not meant to be an attack on government or the Worker's Compensation Commission. Alexander says the study is meant to be a tool for the on-going statutory review of the system.

He says after 20 years of trying to improve the system, the only reasonable conclusion is that the workers compensation system, as it is currently structured in the legislation, is incapable of providing competitive employer insurance premiums.