
Corporate Report

2nd quarter 2004



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Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the 2nd quarter Corporate Report for 2004.

The report is intended to provide the Board of Directors with an update on the Commission's progress towards achieving its five strategic goals.

The preface of this report provides an overview of the external economic environment and a summary of internal claim volumes.

The main body of the report is organized around the strategic goals. Beneath each of the strategic goals you will find an account of the Commission's performance, drawing on operational indicators and other data. This data is then analyzed in comparison to that of previous periods. Finally, there is a discussion of the activities the Commission is undertaking pursuant to each goal.

We hope you find this information helpful, and we welcome any feedback you may have.

Corporate Governance

As part of its responsibilities outlined in the Governance Statement, the Board of Directors, completed a risk assessment and new strategic plan in the 2nd quarter. During this process, the Board reviewed the Commission's Vision, Mission, Mandate, Values and Goals.

At the May 26-27, 2004 Board meeting, the Board of Directors amended the Service Goal and confirmed the other four strategic goals.

Our Vision

The Commission's Vision is "Healthy And Safe Workplaces in New Brunswick".

To achieve this, the Commission "promotes a safe and healthy work environment to the workers and employers of New Brunswick, and efficiently provides quality services, just adjudication, and fair administration of the legislation".

Our Goals

In order to achieve our Vision, the Commission has adopted the following five strategic goals:

Safety Goal - Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents.

Service Goal - We will provide prompt, effective, efficient, just, fair, and caring services to our clientele.

Return to Work Goal - We will decrease the time by which injured workers return to pre-accident, modified or alternate employment.

Efficiency Goal - We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.

Staff Satisfaction Goal - Our employees will consider the Commission a good place to work.

The goals and their measures, approved to guide the Commission, are discussed in more detail throughout the report.

Current Environment

The Provincial Context

The Commission delivers services to employers and workers in a continually changing and shifting environment. Several economic and demographic indicators are monitored and evaluated on a regular basis to ensure a continued understanding of that environment and to facilitate future planning.

Economic Indicators

A snapshot of New Brunswick's major economic indicators compared to the previous quarter and year follows:

	Q2 2004	Q1 2004	Q2 2003	Year Change
GDP (Basic Prices, Million \$ - 1997 Base)	19,261	19,040	18,843	↑
# Employed	351,000	350,000	342,000	↑
Unemployment Rate	10.0%	9.9%	11.0%	↓
Housing Starts	3,894	2,400	5,030	↓
Retail Sales (Million \$)	7,403	7,311	7,417	↔

*Source – Conference Board of Canada

Based on a year-to-year comparison (June 2003 to June 2004), the Consumer Price Index (CPI) increased 2.5%, with gasoline prices being the main contributor to the increase.¹

Real Domestic Product in New Brunswick varies significantly by region with different sectors experiencing varying levels of success in different parts of the province. Several selected sectors are compared in the following table.

	Q2 2004	Q1 2004	Q2 2003	Year Change
Forestry	402	390	443	↓
Manufacturing	3,061	3,029	2,865	↑
Transportation, Warehousing, Information and Cultural	1,806	1,801	1,719	↑
Service Industries	13,378	13,254	13,071	↑
All Industries	19,261	19,040	18,843	↑

*Source – Conference Board of Canada

** Real Domestic Product is GDP accounting for the effect of inflation.

To stimulate job creation and economic growth, the Province of New Brunswick implemented a tax cut for small business effective July 1, 2004. The provincial small business income tax rate was reduced from 3% to 2.5%, and the eligibility threshold was increased from \$400,000 to \$425,000.²

New Brunswick's credit rating was upgraded.³ A stronger rating has the potential to increase investor confidence and lead to more attractive borrowing rates for the Province, which in turn could affect the taxpayer's burden on paying down any provincial debt.

Provincial budget cuts have impacted New Brunswickers' access to health care services. Generally, the median waiting time to see a specialist in New Brunswick (4.3 weeks) is longer than the national average (4.0 weeks).⁴ However, the number of New Brunswickers reporting difficulties in accessing routine care (15.5%) was slightly less than the national average (15.8%). In addition, 93% of New Brunswickers reported having a regular family physician, compared to 86% across Canada.

² New Brunswick Department of Finance.

³ Moody's Investor Services upgraded the rating from A1 to Aa3 with a stable outlook.

⁴ Access to Health Care Services in Canada 2003, Statistics Canada, June 2004.

¹ Statistics Canada.

Overall, growth in employment throughout the province at the end of the 2nd quarter of 2004 was fueled predominantly by Agriculture, Educational Services, and Transportation and Warehousing.⁵

Business support contact centres experienced some losses and gains in the second quarter of 2004. The creation of 600 new jobs in Fredericton and 440 jobs in Saint John and Moncton helped offset the loss of 700 jobs in Oromocto, resulting in an overall employment gain in this industry. This industry is continuing to evolve and develop at varying rates in the different regions of the province.

The number of dropouts in New Brunswick for the 2002/03 school year was 1,659, representing a rate of 2.8%, which was the lowest level since the Department of Education began calculating the rate in 1991. Over the past decade, the rate has dropped 25%, from a rate of 3.8% in 1993, when a total of 2,212 students dropped out.⁶ With more young people graduating each year, New Brunswick employers have access to a more educated and skilled workforce. Many municipalities and economic development agencies have announced programs and incentives to encourage young New Brunswickers to stay in the province following graduation.

Economic Outlook

Prospects for the construction sector in the near term will vary by region. The \$500 million Irving Liquefied Natural Gas Terminal and Pier project near Saint John is undergoing a Provincial Environmental Impact Assessment review, and is expected to begin construction in late 2005 or early 2006. Construction of a new fly-ash plant near Belledune will begin in the third quarter of the year and begin production in March of 2005.

Moncton is continuing to lead the province with the value of building permits for the year soaring toward the 2002 record of \$145 million. The retail boom in Moncton is anticipated to continue

driving commercial development as well as the related residential infrastructure that accompanies it.⁷ However, a decline in residential housing starts of 4.9% for 2004 and 1.2% in 2005 is projected overall for the construction sector⁸ in the province.

Manufacturing, fiber, wood, paper, and seafood products are expected to provide growth for the economy, with the forestry, fishing, and mining industries advancing with the improvement in market conditions. As an indicator of improving conditions, the Norbord i-joist plant in Juniper has announced the addition of a third shift for the third quarter of 2004, increasing their employment levels by approximately 35 full-time positions.⁹ Improvement in manufacturing should also have a positive spin-off effect on the transportation and warehousing sector.

Although the tourism sector is typically strong during the third quarter, high gasoline prices could limit provincial tourism revenue next quarter. However, waterfront upgrades in Saint John and events planned throughout the province to mark the 400th anniversary of French settlement in New Brunswick should help minimize revenue loss.

For Further Information...

- 50% of New Brunswickers live in rural communities, third highest in Canada. Statistics Canada – Catalogue No. 21-006-XIE
- Health Canada has announced the new Determinants of Health Centre of Excellence will be based in Atlantic Canada. www.hc-sc.gc.ca in the Public Health Agency section.
- 16.2% of New Brunswickers report having high blood pressure; the Canadian average is 14.4%, placing New Brunswick 11 out of 13 nationally. www.hc-sc.gc.ca/pphb-dgspsp in the Publications section.

⁵ New Brunswick Department of Training and Employment Development

⁶ New Brunswick Department of Education.

⁷ Times & Transcript, July 23, 2004.

⁸ Conference Board of Canada.

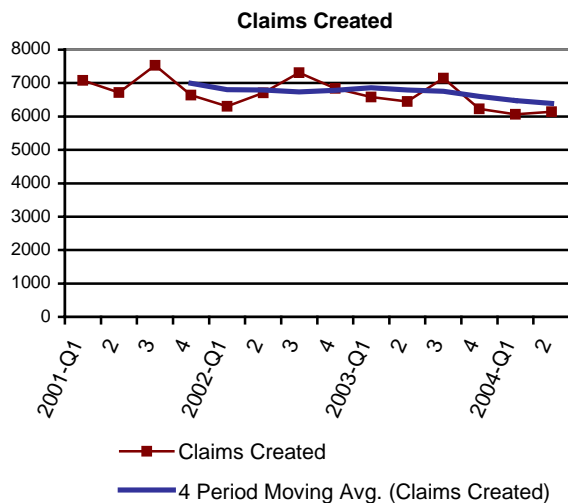
⁹ Telegraph-Journal, July 13, 2004.

At the WHSCC

Work Volumes

Newly Reported Claims

“Claims created” represents all claims reported to and recorded by the Commission. In the majority of cases, claims are created as new, pre-adjudication claims. These claims are counted by the date the claim was created.



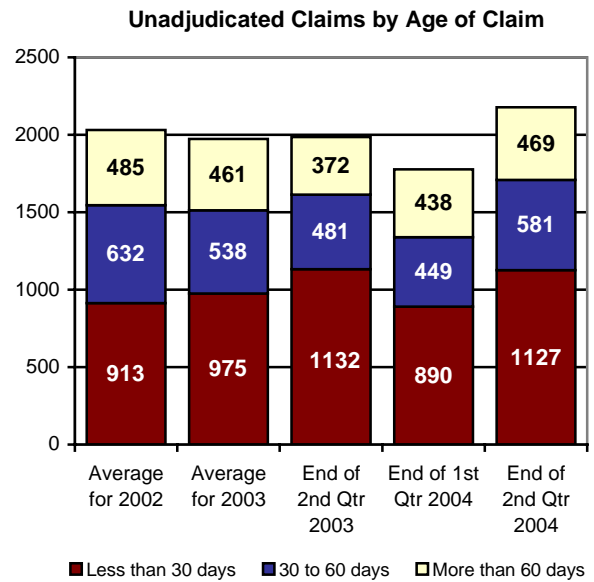
In the second quarter of 2004, the number of claims created was 6,137. This is:

- 1.3% more than in the 1st quarter of 2004 (6,060); and
- 4.9% less than in the 2nd quarter of 2003 (6,452).

Overall, based upon the trend, the number of claims created has steadily decreased over the past few years, despite an increase in the third quarter of each year.

Unadjudicated Claims

An important factor in injured worker satisfaction is how long injured workers wait to find out if the Commission will accept their claims. The following chart shows the age of the claim and number of claims in the backlog.



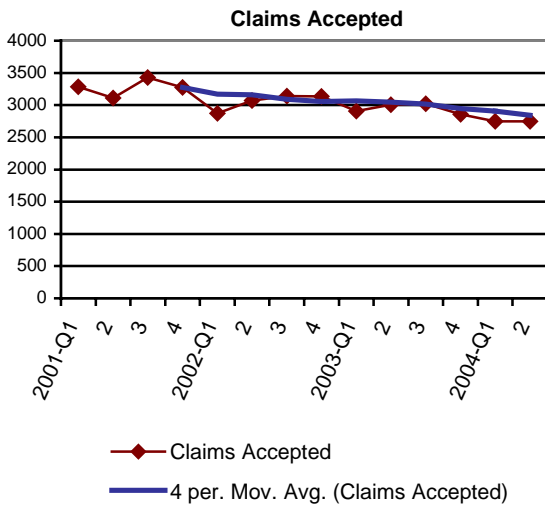
There were 2,177 claims in the backlog at the end of the second quarter of 2004. This is:

- 22.5% more than the 1st quarter of 2004 (1,777); and
- Up 9.7% from the 2nd quarter of 2003 (1,985).

Typically, the number of reported accidents increases with higher levels of employment. Since employment tends to rise midway through the 2nd quarter of each year, this leads to a higher number of reported accidents, and a higher number of unadjudicated claims at the end of the quarter. The province’s employment for this period is stronger than in the same period last year.

Newly Accepted Claims

A claim that is accepted is one that has been adjudicated and benefits are due to be paid. The following graph shows the count of new workplace claims accepted by the Commission.



The Commission accepted 2,747 claims this quarter. This is:

- On par with the 1st quarter of 2004 (2,749); and
- 8.6% less than in the 2nd quarter of 2003 (3,006).

To date in 2004, the Commission has accepted 5,496 claims, which is 7.0% less than the number of claims accepted to date at this time last year (5,911).

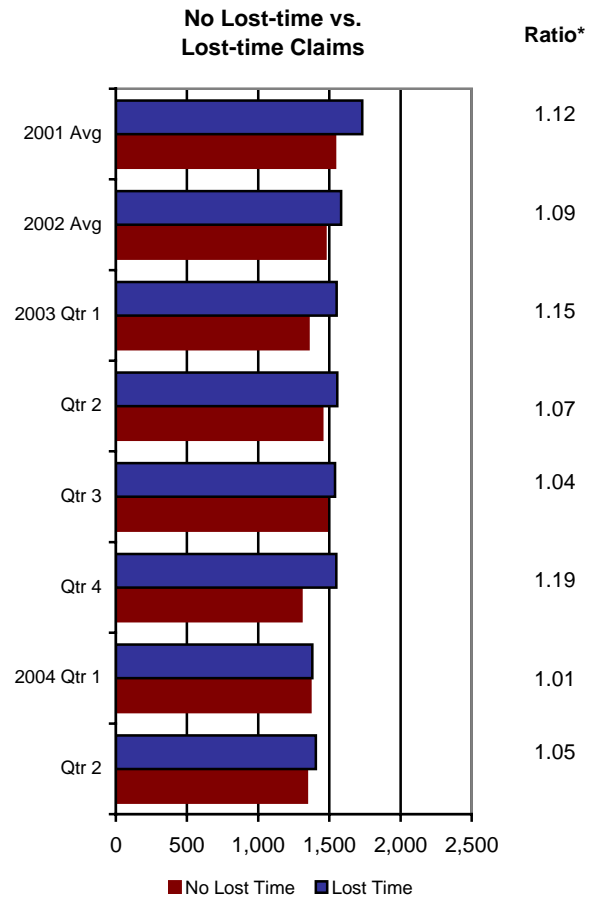
Types of Newly Accepted Claims

Newly accepted claims are broken down by wage loss type (no lost-time and lost-time) to analyze the nature of new workplace accidents.

No Lost-time / Lost-time

Lost-time claims are those in which injured workers miss time from work, including claims in which no benefits are paid due to the 3-day waiting period. No lost-time claims are claims in which there is no loss of time from work and therefore, no payment of loss of earnings benefits. However, in both cases, injured workers are entitled to health care benefits.

The next chart compares the number of lost-time and no lost-time claims accepted since 2001.



* The ratio of 1.05 means that for every 100 no lost-time claims, there were 105 lost-time claims.

The Commission accepted 1,405 new lost-time claims in the second quarter of 2004. This is:

- 1.8% more than in the 1st quarter of 2004 (1,380); and
- 9.7% less than in the 2nd quarter of 2003 (1,556).

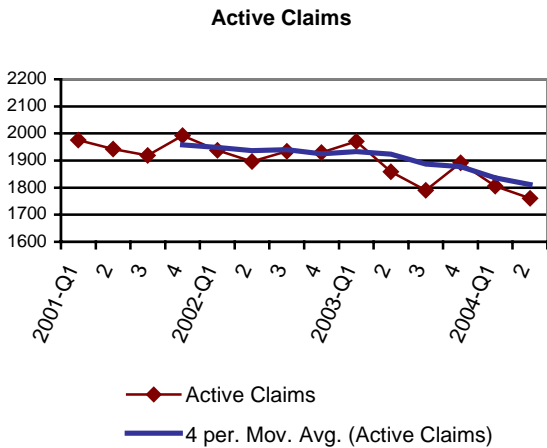
There were 1,342 no lost-time claims accepted in the second quarter of 2004. This is:

- 1.9% less than in the 1st quarter of 2004 (1,368); and
- 7.4% less than in the 2nd quarter of 2003 (1,449).

Overall, there were 1.05 lost-time claims for every no lost-time claim in the second quarter of 2004.

Active Claims

Active claims are those for which loss of earnings benefits are currently being paid. Despite fluctuations between quarters, the number of active claims has steadily decreased since the 1st quarter of 2001. The number of active claims at the close of the second quarter of 2004 was 1,761, the lowest since 2001.



Safety

Accident Frequency

Goal

“Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents.”

Measure

This goal is measured by examining the accident frequency rates:

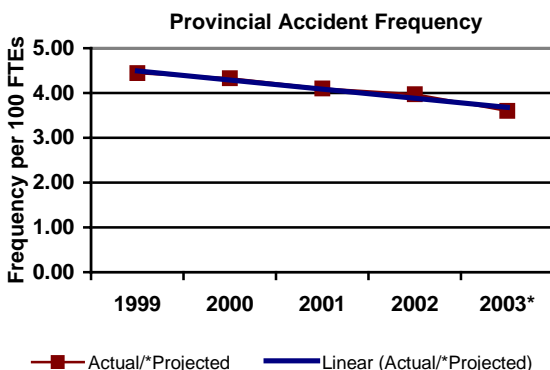
- Within the province;
- By payroll;
- By industry sectors; and
- By focus industries.

Indicators & Analysis

Provincial Accident Frequency

The Commission uses the number of accidents per estimated 100 full-time equivalent workers (FTE) to track the frequency of accidents in the province.

The following graph illustrates the number of claims accepted by the Commission for insured employers since 1999, divided by the estimated number of workers insured.

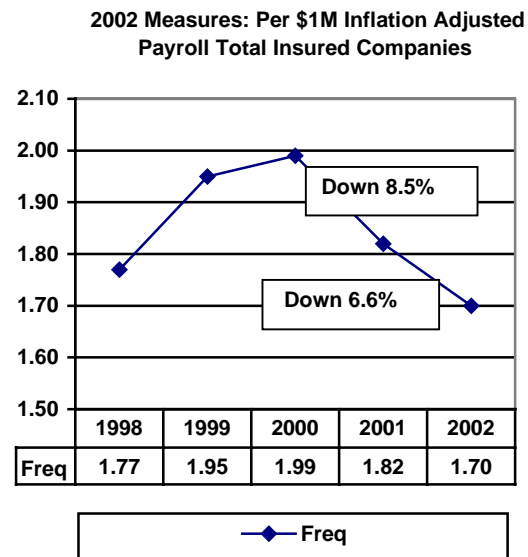


*These figures have been revised to reflect updates to the number of FTEs in the province, and to the number of claims recorded against any given year.

The 2002 accident frequency rate was 3.97 accidents per 100 FTEs. Based upon preliminary statistics, the provincial accident frequency rate is projected to decline in 2003, reaching 3.60 accidents per 100 FTEs. This number will be updated in the 3rd quarter. The Commission continues to focus prevention initiatives at reducing accident frequencies.

Accident Frequencies for \$1M Inflation Adjusted Payroll for Total Insured Companies

The next graph shows the decline in the accident frequency per \$1 million of payroll for all insured companies. This measure examines the accident frequency based upon actual assessed payroll, and therefore, does not require an estimation of the number of FTEs. There was a decrease of 6.6% from 2001 to 2002, part of a steady decline since 2000.



*Note – this is a new measure and will require further examination to confirm its usefulness and accuracy. Final payroll figures for 2003 will not be available until mid-2004.

Industry Sectors

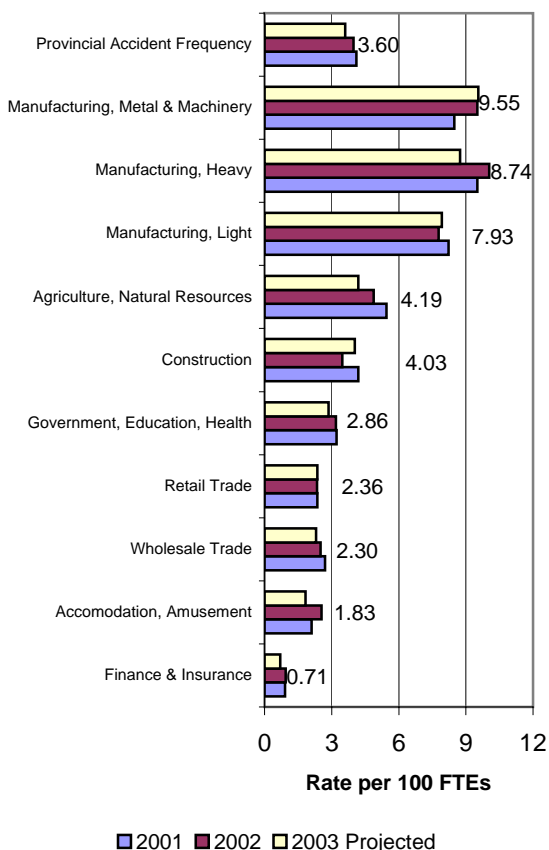
The Commission has made a conscious decision to concentrate its greatest efforts on those indus-

tries and workplaces that were identified through statistical analysis as being above the norm for number and severity of workplace injuries.

The following chart shows the accident frequency for each of the 10 major industry sectors. The sectors were analyzed and the following four were chosen for further analysis because of the number of claims and high claim costs in their sector:

- Manufacturing;
- Agriculture & Natural Resources;
- Construction; and
- Government, Education, & Health.

Industry Sector Accident Frequency (2003 Projected)



Focus Industries

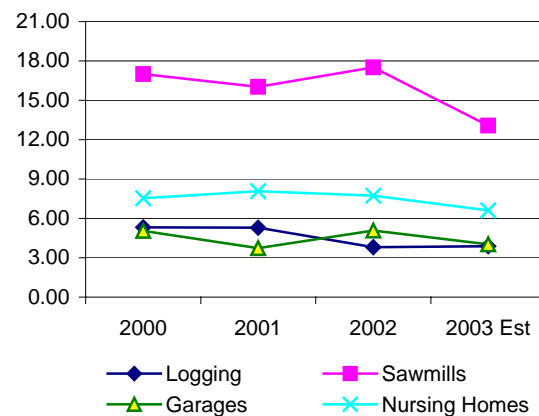
From these four sectors, WorkSafe Services has selected four industries as part of their focus prevention initiative:

- Logging;
- Sawmills;
- Garages; and
- Nursing Homes.

For each focus industry, a comprehensive strategy was designed to address the health and safety issues in the industry across the province. Each strategy deals with awareness, and work at the industry or association level, with penetration down to the workplace level.

The following graph shows the accident frequency of the four focus industries selected. Based on preliminary data, there was a notable decrease in accident frequency in sawmills as a result of this strategy, with the other focus industries' accident frequencies declining or remaining flat.

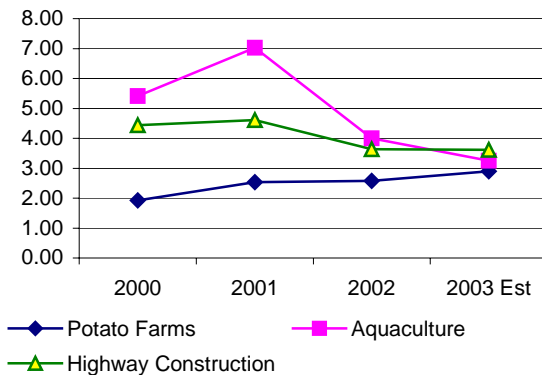
Accident Frequency per 100 FTEs - Major Focus Industries



Other Industry Initiatives

In addition to the four major focus industries, a number of other industry groups have been identified for initiatives on a smaller scale. These are usually chosen as a result of changes in the industry, emergence of new industries, or other significant regional issues. For 2004, aquaculture, potato harvesting, and highway construction have been identified, and the accident frequencies for these industries are illustrated in the following graph.

Accident Frequency per 100 FTEs - Minor Focus Industries



The accident frequencies for the minor focus industries have remained flat between 2002 and 2003.

Focus Workplaces

WorkSafe Services staff identifies workplaces to focus on, based on the accident history of the industry group as well as the accident record of the individual firms. Intervention is done at three levels.

- **Primary Workplaces** – Workplaces with higher cost and/or accident frequency for priority intervention, with primary objectives being injury reduction and infrastructure building.
- **Secondary Workplaces** – Workplaces with higher cost and/or accident frequency for priority intervention, with initiatives directed toward rapid cycle injury reduction, and some infrastructure building.
- **Tertiary Workplaces** – Workplaces chosen from selected Standard Industrial Classifications (SIC's), with initiatives addressing basic compliance and issues identified within the industry.

The combination of primary, secondary, and tertiary interventions in workplaces helps achieve a penetration into the specific industry groups to ensure a better impact in addressing industry-wide health & safety issues.

Activities

General

The WorkSafe Services Division of the Commission administers New Brunswick's *Occupational Health and Safety Act (OHS Act)* and promotes workplace health and safety through accident prevention. The division offers a variety of services, including:

- Awareness education;
- Consulting to provide in-depth safety programs for employers;
- Health and safety inspections; and
- Investigations and arbitration hearings under the *OHS Act*.

Legislation / Regulatory Review

The Fall Protection Technical Committee reconvened in the 2nd quarter of 2004 to resolve any remaining issues concerning proposed recommendations for legislative amendments. These recommendations will be reviewed by the Board of Directors in the fall.

Bill 15, which amended the *Occupational Health and Safety Act*, received Royal Assent during the 2nd quarter of 2004. The amendments further protect employees of contracting employers. However, in response to concerns about home owners' liability in contracting, these amendments make it clear that a private home is not to be considered a *place of employment* when liability is assigned to such a *contracting employer*.

With these amendments, employees may also appeal any *advice* given by a health and safety officer regarding a refusal of dangerous work. This clarifies the previous situation where only *orders* of a health and safety officer could be appealed.

General Education

The WorkSafe Services Division provides province-wide public workshops. A focus this year is the 3-day Joint Health & Safety Committee (JHSC) Core Training. Sessions have been or will be held in Woodstock, Grand Falls, Dalhousie, Campbellton, Bathurst, Moncton, Sussex, Saint John, St. George, and Fredericton.

The 43 workshops through to the end of June were well attended, with 633 participants attending. In addition, there are 307 registrations to date for the fall sessions. The Commission anticipates that over 1,000 participants will have attended a public workshop by year-end.

Communications

Events

The Commission marked the Annual Day of Mourning on April 28, 2004, with activities designed to raise awareness and reduce accidents. A national poster initiative was undertaken by the Communications Committee of the Association of Workers' Compensation Boards of Canada. The Commission distributed 2,500 posters to workplaces and associations in the province. A letter signed by Commission President and C.E.O., Douglas C. Stanley, and the New Brunswick Federation of Labour President, Blair Doucet, was issued to workplaces and union groups. A fact sheet relating to the history of the Day of Mourning was posted on the Commission website.

In honour of the North American Occupational Safety and Health week, the Commission sponsored five breakfasts throughout the province, hosted by the Canadian Society of Safety Engineers.

In the second quarter, Commission staff spoke on 21 occasions at various events and conferences including the Open House at WRC.

Plans are underway for the annual WHSCC Health and Safety Conference, which will be held in Moncton from October 17-19, 2004. All venues and speakers have been confirmed.

Publications

A number of publications were finalized and issued in the second quarter, including the Commission's newsletter, which was published in April and sent to 13,000 employers.

Work continued on the 2003 *WHSCC Report to Stakeholders*. Other items included:

- WHMIS Symbol cards and brochures;
- Important Facts to Take to Work brochure;
- Tent cards; and
- *OHS Act* Hazard Alerts entitled:
 - Rock Crusher Explosion;
 - Worker Drowns While Making Repairs To Equipment On A Salmon Cage Site – Alone;
 - Pinned Under Truck;
 - Falling Walls; and
 - Garages.

A "Let's S-T-R-E-T-C-H" wallet card is in production as well as numerous safety talks.

Website

The public website continues to evolve and statistics are tracking the number of visits and the number of pages of highest interest to our audiences.

Website Statistics 2 nd Quarter 2004	
Number of visitors	14,460
Number of pages viewed	73,761
Average number of pages viewed per visitor	5.1

The Commission's internal website (Infonet) will be re-launched in August 2004 with improved functionality and new interactive pages.

The Commission is preparing for distribution of the upcoming e-Newsletter by collecting names and emails from employers around the province. To date 129 employers have signed up.

Advertising Campaign

In 2004, the Commission is focusing its campaign efforts on young worker accident prevention. Although accidents have decreased in this group over the past three years, there are still five young workers between the ages of 15-24 injured each day.

The campaign activities target three audiences (young workers, parents, and employers) and have been divided into three distinct stages.

Stage 1

In preparation for summer and a student's first full-time employment, the Commission aired two TV commercials, both focused on accidents to youth as told by a parent and an employer. The call to action for parents is to talk to their kids about how safe their workplace is, and whether or not they are trained in health and safety.

From the employer's perspective, the expected action is for employers to ensure that they train all workers and specifically young workers on health and safety matters. The commercials aired on all provincial television stations from May 10 to June 18, 2004. A recall study of these ads is slated for the first week of July with the results available by month's end.

In conjunction with these commercials, business CD's were sent out to all assessed workplaces (approx. 13,500). The CD's contain information on health and safety training, as well as links to Internet resources to assist employers in developing sound health and safety training programs. The Commission is tracking when these CD's are used, and as of June 30, 2004, 1,550 were recorded.

In cooperation with the Dept. of Education, the Commission produced a poster and checklist that students brought home from school. In total, the Commission distributed these items to 71 high schools and approximately 31,000 students. The Commission also supplied magnets with the checklist so that they can be displayed at home, where parents can go through the health and safety checklist with sons or daughters prior to their starting work.

Stage 2

The second stage of the campaign is scheduled for the 3rd quarter of 2004, and uses a series of radio advertisements during peak hours. Site visits by the Commission to workplaces will also determine use of the distributed CD's.

Stage 3

The third stage is scheduled for the 4th quarter of 2004, and targets teachers, youth, and parents,

using a CD with health and safety material, and connecting into the school curriculums.

Youth Programs

Annual evaluations requesting feedback on the Commission's youth initiatives were sent to schools. A total of 809 evaluation forms were distributed requesting feedback on teachers' level of use of the health and safety resources and number of students exposed to the programs. Results will be summarized in the third quarter.

Workshops for teachers on methods for incorporating health and safety into classroom teaching continued. Additionally, an information session took place with senior staff of the HRSDC Youth Employment Centres. Counselors were provided with key areas to cover with young workers in terms of safety on the job as well as resources to support workplace health & safety.

Planning is now in place for two new initiatives to be introduced to schools this fall. Work is currently underway to adapt Passport to Safety and Stella the Safety Skunk programs into the N.B. school curriculum. Passport to Safety is an on-line evaluation tool for high school students, which provides a basic level of awareness of workplace health and safety. The Stella program is designed for the elementary level and focuses on developing favorable attitudes and safe decision-making.

Prosecutions

In the 2nd quarter of 2004, there was one trial held for charges under the *OHS Act*. An employee was injured when a machine he was operating became clogged. The employee went into the machine to clear the clog without first locking it out and another employee cycled the machine, causing a crush injury to the employee in the machine. The employer was charged for violating lock out requirements and for failing to provide adequate training. At trial, the judge ruled that the Crown had not properly proved the identity of the defendant and found them not guilty.

In the 2nd quarter of 2004, charges were laid against several employers, employees, and one supervisor.

In one case, an employee at a sawmill had several fingers amputated when he assisted in clearing a blocked conveyor belt, which had not been locked out. The employer, the supervisor, and two employees were charged. The plea dates for all four defendants are in the 3rd quarter. All charges relate to the failure to lock out the equipment.

In the second case, an employer was charged after an employee suffered a serious cut on an unguarded table saw. The employer was charged with failing to provide a guard and failing to provide adequate supervision and training. The plea date for this employer is also in the 3rd quarter.

Three companies entered not guilty pleas to charges during the 2nd quarter. In one case the employer failed to properly guard a gap in a conveyor belt. In the second case a contractor and a sub-contractor were charged for offences related to trenching, even though no employees were injured. These three companies have trial dates set for the 3rd quarter.

Arbitrations

In the 2nd quarter, the Commission received five decisions from arbitrators on complaints of discriminatory action. Two cases revolve around the same event and have been the subject of several hearings and grievances by the employees. In the latest decision, the arbitrator ruled that he did not have jurisdiction since both matters had already been heard in other forums.

A second incident also gave rise to two complaints. Two employees of a pet kennel complained about the lack of safety provisions and the fact that they had to work alone. The arbitrator ruled in favour of one of the complainants who had voiced her concerns repeatedly to the employer, but rejected the second complaint when evidence showed that the employee quit and only later complained about safety issues.

In a third incident, an arbitrator ruled that there was no causal link between an employee being fired and safety concerns. The evidence before the arbitrator showed that the employer had other reasons for the action taken.

Finally, one other case, dealing with preliminary issues only, was heard in the 2nd quarter. The hearing itself has been scheduled for the 3rd quarter.

In the 2nd quarter, the Commission received two complaints of discriminatory actions. One complaint alleges that the employer was not permitting adequate rest times as required by regulation. The second complainant alleges that the employer will not accommodate a personal medical condition.

Service

Injured Worker and Employer Satisfaction

Goal

“We will provide prompt, effective, efficient, just, fair, and caring services to our clientele.”

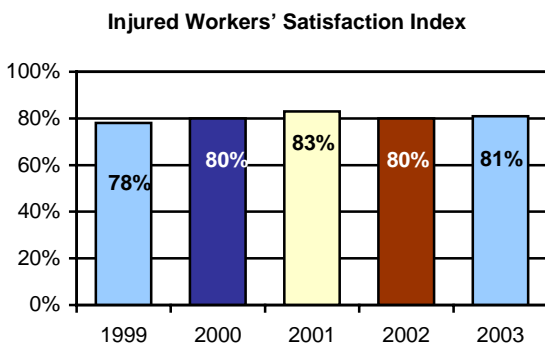
Measure

Our annual survey of public opinion will produce consistently high results. At a minimum, we will maintain a satisfaction score of 82% for injured workers and 85% for assessed employers.

Indicators & Analysis

Injured Workers' Satisfaction

Injured workers' satisfaction with the Commission is measured using a satisfaction index prepared by an independent research firm. The index provides an average score derived from 12 service delivery attributes considered to be important to injured workers' overall satisfaction.



In 2003, the satisfaction index for injured workers remained stable, increasing slightly to 81%.

Employer's Satisfaction

Employer satisfaction with the Commission is measured using a satisfaction index prepared by an independent research firm. The index provides an average score derived from 9 satisfaction driv-

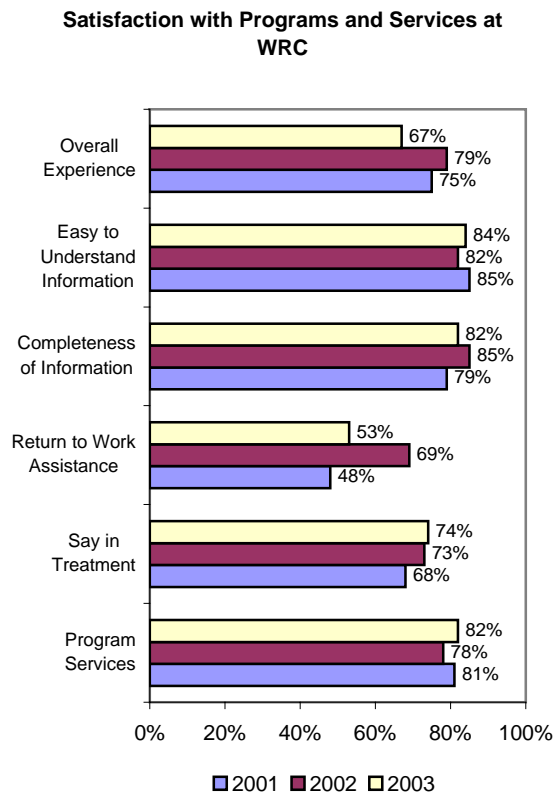
ers considered important to employers' overall satisfaction.



In 2003, the satisfaction index for employers rose slightly to 86%.

Key Research Findings

The next table illustrates the level of satisfaction injured workers had with programs and services received at the WRC.

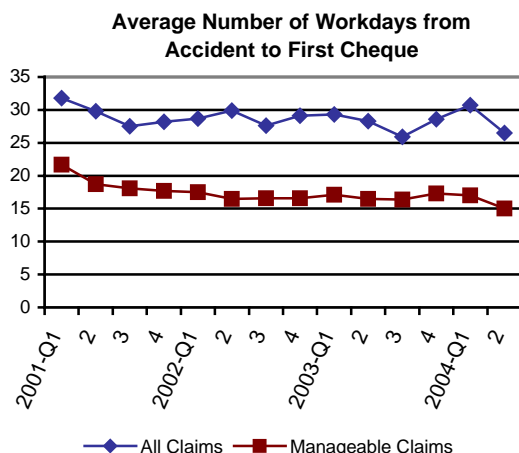


While there were slight increases in the level of satisfaction in terms of “easy to understand in-

formation” (84% from 82%), “say in treatment” (74% from 73%) and “program services” (82% from 78%), from 2002 to 2003, there were declines in satisfaction, most notably in “return to work assistance” (69% to 53%) and “overall experience” (79% to 67%) over the same time period.

Days to First Cheque

The timeliness of benefits is an important factor in injured worker satisfaction. The following graph illustrates the Commission’s recent performance in this area for all claims and for “manageable” claims.



“Manageable” includes all claims except those:

1. That were filed late (more than 10 working days after the accident date when the Commission received first documentation of the claim);
2. In which there was initially no lost time;
3. Accepted via an Appeals Tribunal decision;
4. In which a third party is involved; or
5. Requiring special investigations, such as occupational diseases, fatalities, and pre-existing conditions.

The average number of days from accident to first cheque for all claims in the second quarter of 2004 was 26.5 workdays. This is:

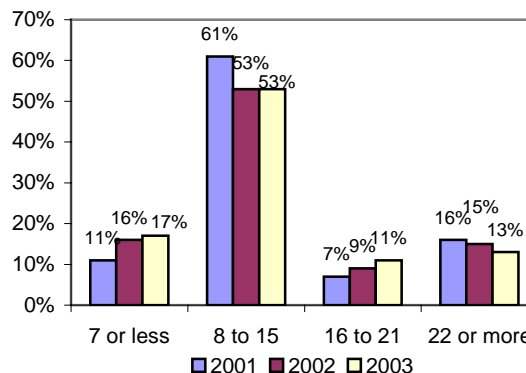
- Down 13.7% over the 1st quarter 2004 (30.7 days); and
- Down 6.4% over the 2nd quarter 2003 (28.3 days).

The average wait for “manageable claims” has been relatively stable in the past few years, and is

currently at its lowest point (15 days) since the 1st quarter of 2001.

When asked, the majority of injured workers expected to receive their first cheque within 15 days.¹⁰

Number of Days Expected to Wait For Benefit Cheques



A slight majority of injured workers (53%) indicated that they expected a waiting time of 8 to 15 days to receive their first benefit cheque after filing their claim.

Activities

Approved Policies

The Board of Directors approved a policy on Governance Statement – WHSCC Board of Directors (May 2004).

The Board of Directors continued its discussions concerning:

- Prostheses, Orthoses and Assistive Devices;
- Hearing Loss; and
- Environmental Tobacco Smoke.

¹⁰ 2003 Client Satisfaction Study.

Return to Work

Goal

“We will decrease the time by which injured workers return to pre-accident, modified or alternate employment.”

Measure

The Commission uses a measure that focuses on return to work rates. This measure provides information on the percentage of injured workers who actually return to work within a range of time frames. It also tracks the percentage of injured workers who are capable of returning to work but are not working at the time of claim disposition.

Indicators & Analysis

The return to work goal is measured using the tables that follow. These tables show lost-time claims only and exclude claims where the injured workers remove themselves from the workforce (i.e. retirement, return to school not resulting from Commission interventions). The data in the following tables is generated from the internal management information system and includes data up until June 30, 2004.

% Returned to Work or Capable of Returning to Work			
% Returning Within	Total For Actual Return to Work	Ready & Not Working	Total
20 days	58.6%	0.4%	59.0%
80 days	75.5%	2.4%	77.9%
130 days	84.7%	4.5%	89.2%
260 days	91.7%	3.2%	94.9%
520 days	91.6%	4.4%	96.0%

Actual Return to Work			
% Returning Within	Same Job	Modified Job	Alternate Job
20 days	57.2%	1.0%	0.5%
80 days	73.7%	1.8%	1.3%
130 days	79.6%	2.3%	1.6%
260 days	86.6%	2.8%	2.2%
520 days	87.8%	2.4%	1.4%

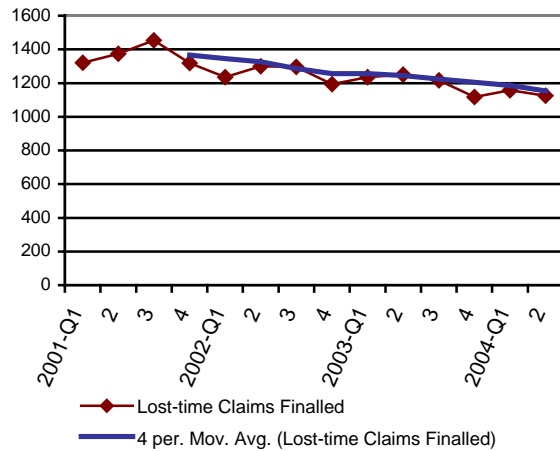
To allow sufficient tracked time, data for 20 days (4 weeks) and 80 days (16 weeks) was derived from 2003 claims; data for 130 days (26 weeks), and 260 days (52 weeks) was derived from 2003 claims; and data for 520 days (104 weeks or 2 years) was derived from 2002 claims.

Number of Claims Closed & When

Another way to view return-to-work outcomes is by looking at how many claims were finalled in the quarter, the average length of time those claims were open, and the injured worker’s status when the claim was closed.

The following graph shows how many lost-time claims were finalled each quarter. A claim is “finalled” when loss of earnings benefits cease.

Lost-time Claims Finalled



As shown by the trend line, the number of lost-time claims finalled by the Commission has decreased since the third quarter of 2001.

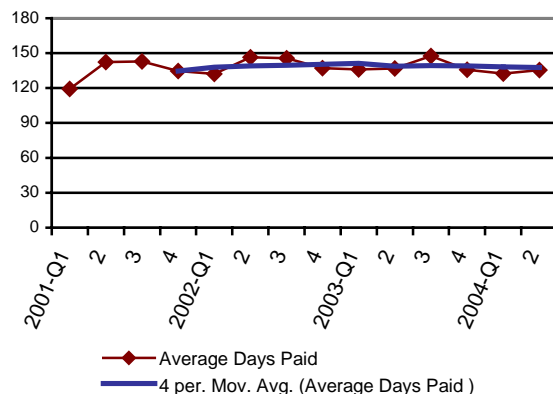
There were 1,124 lost-time claims closed in the second quarter of 2004. This is:

- Down 2.9% over the 1st quarter of 2004 (1,157); and
- Down 10.1% over the 2nd quarter of 2003 (1,250).

Days Paid to Date Finalled

The following graph illustrates the average number of days paid in all finalled lost-time claims.

Average Days Paid to Date Finalled



The average number of days paid before claims were finalled has been relatively stable since mid year of 2001. In the second quarter of 2004, the

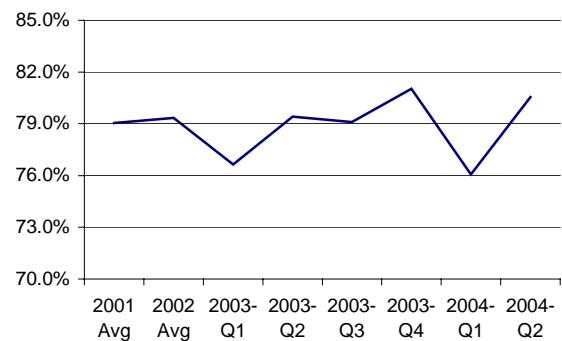
average days paid prior to the claim being finalled was 135.3 days. This is:

- Up 2.2% over the 1st quarter of 2004 (132.4); and
- Down 1.0% over the 2nd quarter of 2003 (136.7).

Return to Work Status

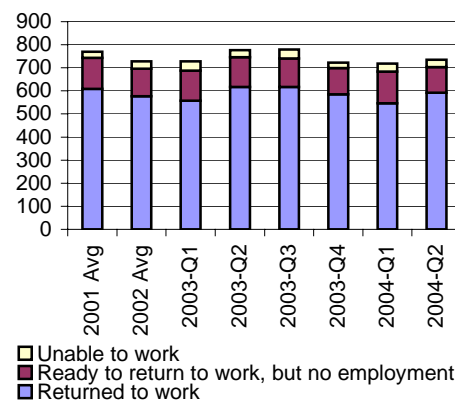
The following graph illustrates the percentage of injured workers with long-term claims who returned to work. This percentage in the second quarter of 2004 was 80.5%.

% RTW of Long Term Claims



The following graph shows the number of case-managed claims in which injured workers returned to work, or were considered by the Commission to be “ready to return to work”, or “unable to return to work” when the claim was finalled. (Return to work status information is only available for case-managed claims.)

RTW Status of Long Term Claims



The total number of injured workers who returned to work in the second quarter of 2004 is:

- Up 8.2% from the 1st quarter of 2004 (547); and
- Down 4.1% over the 2nd quarter of 2003 (617).

In the second quarter of this year, there were 111 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalised. This number is:

- Lower than in the 1st quarter of 2004 (137), and
- Lower than in the 2nd quarter of 2003 (129).

There were 32 injured workers who were considered unable to return to work due to a long-term disability (LTD) when their claims were finalised in the second quarter of this year. This compares with:

- 35 in the 1st quarter of 2004, and
- 31 in the 2nd quarter of 2003.

Activities

Workers’ Rehabilitation Centre (WRC)

Amber Flags

Amber Flags are defined as factors that increase an injured worker’s risk of developing or perpetuating long-term disability and/or work loss, i.e. barriers for return to work. Amber Flags are considered as psychosocial risk factors.

The WRC continued to focus on improving the management of claims with Amber Flags.

In April, the Centre hosted a workshop for clinical staff titled “Barriers to Progress in Rehabilitation of Pain-Related Disability” to assist clinical staff in managing Amber Flags. Clinicians have implemented screening questionnaires and approaches taught at this workshop.

Symptom Management Strategies

Effective self-management of symptoms is a key factor in successful return to work for WRC clients. A client’s program may include a combination of strategies such as heat or cold packs, use of pacing techniques or microbreaks, or specific exercises that relieve discomfort and can be integrated into their workday.

The WRC is planning a research project to determine the effect of symptom self-management on return to work outcomes.

Centre of Excellence / Research

Sleep disturbance is a common problem in injured workers with chronic pain, and negatively impacts their function.

The WRC, in collaboration with Dalhousie University, has commenced a research project for the treatment of sleep disturbance in injured workers with chronic pain. The first phase of the project included focus group sessions with clients of the Pain Management Program. The second phase, which measures how insomnia changes with the current Pain Management Program, commenced in May 2004. Following completion of phase two, the Pain Management Program will apply specific interventions to improve injured workers’ sleep and measure the effectiveness of these interventions. Effective interventions will be incorporated into the rehabilitation program of injured workers.

Open House

The WHSCC hosted the Third Annual WRC Open House on June 4, 2004, in honour of Disability Awareness Week. The Open House was attended by 28 employers and 24 physicians. The guest speaker was Randy Dickinson, Executive Director of the Premier’s Council on the Status of Disabled Persons.

An accredited physician education program titled “Occupational Rehabilitation” and workshops titled “Understand the Claims Management Process” and “Management of Active Claims” were held in conjunction with an orientation tour of the WRC.

Chronic Pain and Opioid Prescribing Guidelines

The New Brunswick Medical Society reviewed and endorsed the Commission’s Chronic Pain and Opioid Prescribing Guidelines. These guidelines were developed to respond to the challenges in managing claimants with chronic non-cancer pain

with a duration longer than the expected healing time. The New Brunswick Medical Society will mail these guidelines to physicians during the last week of July.

A new progress report, Chronic Pain Form 10P/D, was developed with the assistance of the New Brunswick Medical Society. Final proofs were signed off, and are scheduled to be distributed by early September. The forms replace the regular progress report Form 10 where chronic pain is the primary disabling factor and the expected healing time is surpassed.

The guidelines also describe the payment authorization process and the protocol for opioid prescriptions for those with chronic non-cancer pain and chronic cancer pain.

Efficiency

Assessments and Funding

Goal

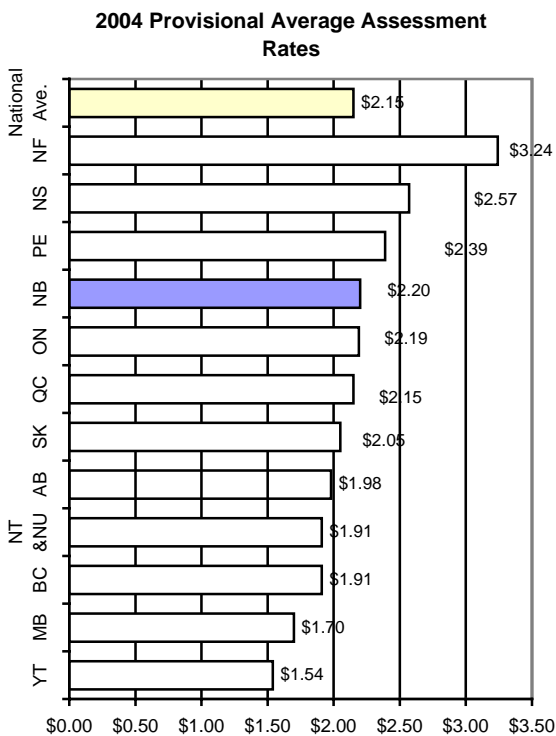
“We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.”

Measure

At a minimum, we will maintain a fully-funded liability.

Indicators & Analysis

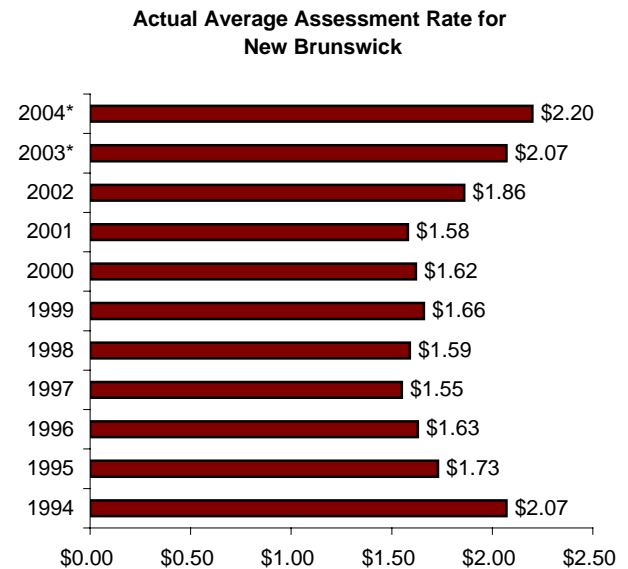
Assessment Rates Across Canada



Note: Caution should be exercised when comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry mix, benefit levels, and assessable maximums can affect rates.

Our provisional average assessment rate for 2004 is \$2.20. This is slightly above the national average of \$2.15, but remains the lowest in Atlantic Canada.

The goal speaks to “holding” the rates at a low level. The following chart shows the movement in the average assessment rate in New Brunswick since 1994.

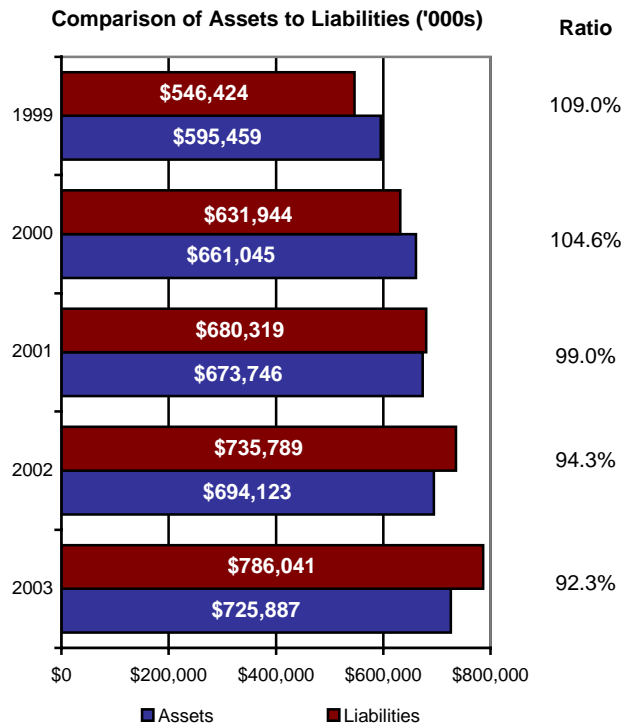


*Provisional average assessment rate

AWCBC Provincial Benefit Comparison for 2004			
Province	% Earnings Based	Waiting Period	Max. Comp. Earnings
ON	85% net	No	\$66,800
NT & NU	90% net	No	\$66,500
YT	75% gross	No	\$65,800
AB	90% net	No	\$61,200
BC	90% net	No	\$60,700
MB	90% net 1st 24 mths of cumulative benefits, then 80% net	No	\$56,310
QC	90% net	No	\$55,000
SK	90% net	No	\$53,000
NB	85% loss of earnings	3/5ths of wkly benefits	\$50,000
NF	80% net	No	\$45,500
NS	75% net 1st 26 wks, then 85% net	2/5ths of wkly benefits	\$43,200
PE	80% net 1st 38 wks, then 85% net	3/5ths of wkly benefits	\$41,200

Comparison of Assets to Liabilities

Fully funded liabilities occur when the sum of the Commission's financial obligations is fully covered by the Commission's assets. The following illustrates the ratio of the Commission's assets to liabilities from 1999 to 2003.



Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first six months of 2004 compared to the budgeted figures, and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first six months of 2004 compared to the corresponding period for the previous year.

Unaudited Statement of Operations For the Six Months Ending June 30, 2004			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$84,704	\$85,264	\$75,683
Investments and other	23,944	15,042	2,804
Province of NB	450	450	450
	\$109,098	\$100,756	\$78,937
Expenses			
Claims costs incurred	86,737	90,301	86,735
Administration	14,986	13,507	13,673
Appeals Tribunal	667	524	510
Legislative obligations	485	479	510
Risk management rebates	150	64	102
	\$103,025	\$104,875	\$101,530
Excess of income over expenses for the period	\$6,073	(\$4,119)	(\$22,593)

Assessment income for the six-month period ending June 30, 2004 was greater than budgeted by \$560,000. Investment income for the same six-month period was \$8,902,000 less than budgeted.

Total expenses for the six months ending June 30, 2004 were greater than budgeted by \$1,850,000. Claims costs were greater than budget by \$3,564,000. Administration, appeals tribunal costs, and Risk Management rebates were lower than budgeted by \$1,708,000 while Legislative Obligations were on target. The above results yield a deficiency (loss) of (\$4,119,000) compared to a budgeted excess of income over expenses of \$6,073,000.

Unaudited Statement of Cash Flows For the Six Months Ending June 30, 2004		
	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$ 88,530	\$75,955
Self-insured employers	9,476	10,305
Investments	15,042	2,804
Province of New Brunswick	900	900
	<u>113,948</u>	<u>89,964</u>
Cash paid to:		
Injured workers or third parties on their behalf	57,509	57,531
Suppliers and employees, for administration and other services	14,774	14,758
	<u>72,283</u>	<u>72,289</u>
Net cash provided by operating activities	41,665	17,675
Cash flow from investing activities:		
Cash paid for:		
Purchase of capital assets	449	419
Net increase in investments	41,216	17,256
Investments, beginning of period	604,206	579,821
Investments, end of period	645,423	597,077

The above statements were prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in the Commission's 2003 Annual Report.

Changes are proposed to the CICA Handbook regarding accounting for investments. If these changes become effective for 2004, the financial results to June 30 would vary from the statements above and the variance could be material.

Investment Portfolio Overview

The Markets

World equity market returns were mixed in the second quarter of 2004, and they experienced high volatility. Concerns about inflation, higher interest rates, Iraq, and terrorism all contributed to the high volatility. Emerging markets equities suffered a significant decline in this quarter after four straight quarters of gains in excess of 10%. The MSCI (Morgan Stanley Capital International) EMF (CAD) lost 7.75% this quarter. Canadian equities were flat for the quarter with the S&P TSX (Standard and Poor's Toronto Stock Exchange composite index) losing 0.02%. U.S. equities were the best performing asset class in the second quarter, returning 3.77%. International equities were also positive for the quarter, with the MSCI EAFE (CAD) index gaining 2.46%. The Canadian bond market came under pressure this quarter as investors dealt with the prospect of rising interest rates in Canada and the U.S. The Scotia Capital Universe Bond index lost 2.02% in the quarter.

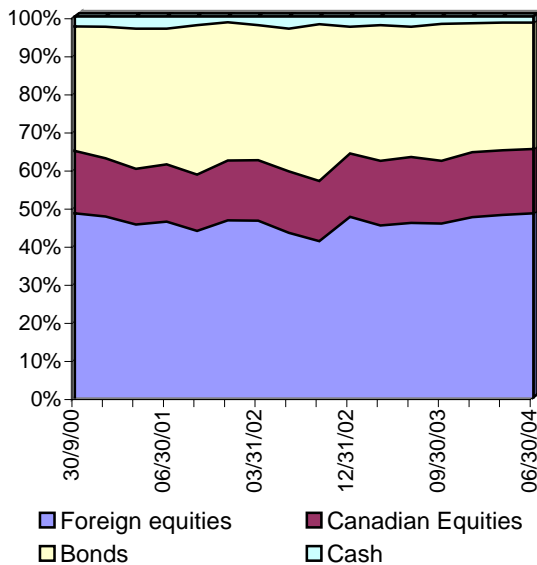
The Canadian economy had moderate growth in the first quarter of 2004, with an annualized GDP growth rate of 2.4% versus 3.3% in the previous quarter. Preliminary figures for the second quarter show GDP growth increasing to an annualized rate of 4.0%. The Canadian labour market strengthened in the second quarter, adding 49,600 jobs in April and 56,100 in May. Canada's overall inflation rate increased in the second quarter of 2004, with the year over year inflation rate at 2.5% in May, the highest increase in almost a year. The Bank of Canada has maintained its key policy rate at 2.0% after cutting the rate by a quarter point at its April 13th meeting. The Canadian Dollar weakened relative to the U.S. Dollar during the quarter to end at 74.97 cents U.S., compared with 76.21 cents U.S. at the end of the first quarter.

U.S. growth continued to outpace Canada's with real GDP growing at an annualized rate of 3.9% in the first quarter of 2004. Preliminary figures for the second quarter of 2004 show GDP growth increasing to an annualized rate of 4.3%. U.S.

employment figures were disappointing in the second quarter of 2004, with the economy adding 112,000 new jobs in June, less than half of the 250,000 expected. The overall annualized U.S. inflation rate increased to 3.1% in May, the biggest one-year increase since June 2001. In a widely expected move to combat inflation, the Federal Reserve increased its target for the federal funds rate to 1.25% on June 29.

Negative returns in the majority of the world's equity markets from Q4 2000 to Q1 2003 make it difficult to reach the performance goal of CPI + 4% on a four year annualized basis. In the second quarter the portfolio did not achieve the CPI + 4% target, which was 2.2%. On a ten year annualized basis the portfolio has achieved this objective.

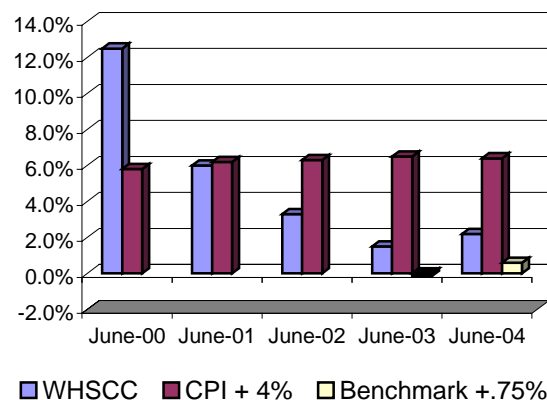
Asset Mix



As of June 30, 2004, all asset classes are within their target ranges as defined by policy.

The illustrations below depict the fund's rate of return over various time periods relative to the two objectives outlined in the Commission's policy on Investment Goals and Objectives: (1) CPI + 4%, and (2) the benchmark portfolio + 0.75%. Only five years of data is available for the second objective (relating to the benchmark portfolio). The policy's performance objective is to exceed each of these over four-year periods.

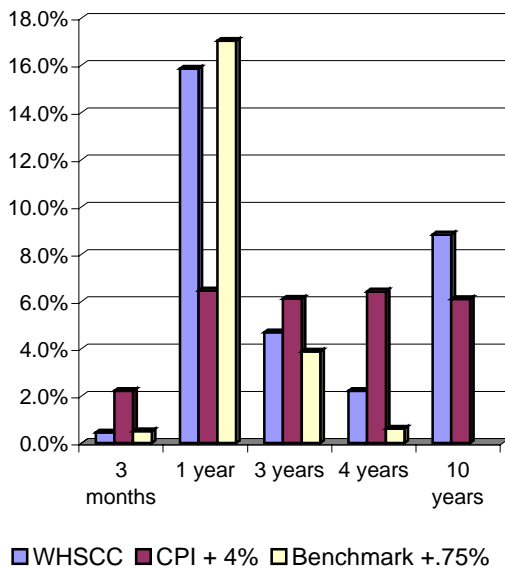
4-Year Moving Average Rates of Return



Fund Performance Versus Policy Objectives

The Commission's portfolio outperformed its benchmark slightly this quarter, and continued to exceed its benchmark for longer time periods. The Commission's portfolio produced a quarterly return of 0.5%, compared to 0.4% for the benchmark. Asset mix deviations cost 0.1% in performance during the quarter, with the largest impact coming from the overweight position in emerging market equities. Security selection added 0.2% in performance for the quarter. Most of this value-added was attributable to outperformance in the Canadian equities asset class. The attribution from all other asset classes was negligible for the quarter.

Rates of Return - June 30, 2004



*Data Sources: TD Quantitative Capital, CIBC World Markets, GE Asset Management Canada

Activities

Internal Audit

Audits completed or in progress at the end of the second quarter of 2004 include: Computer Passwords, Business Continuity Planning, Investment Fiduciary Review, and Allowances for Self-Employment.

Fraud & Abuse

In the pursuit of additional avenues of fraud and abuse detection and prevention, the Commission has partnered with Revenue Canada to identify non-reported assessment revenue in the underground economy.

Investigation activity continues to successfully detect and eliminate abuse within the compensation system. At the completion of a recent investigation, the compensation benefits of a recipient were terminated. The investigation demonstrated that the recipient was working for a continuous period exceeding two years without disclosing this fact or any of the work-related earnings to the Commission. A current savings of \$56,478 and estimated future cost savings of \$364,000 using a current dollar value was real-

ized. The case was also referred to the appropriate police authorities and their criminal investigation is ongoing.

Staff Satisfaction

Goal

“Our employees will consider the Commission a good place to work.”

Measures

Employee satisfaction surveys will produce a consistently high rating. In addition, other indicators that will be measured in support of the objective include:

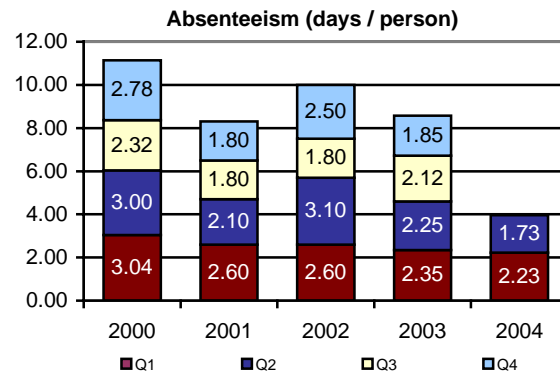
- Absenteeism;
- Accepted claims for Commission staff;
- Internal promotions; and
- Staff turnover.

Indicators & Analysis

Research shows that there are many internal measures that may indicate workers’ satisfaction. High turnover, low attendance, and high accident rates may suggest that workers are less than satisfied with an organization and their job, whereas promotions, high attendance, and low accident rates may suggest that workers are satisfied with an organization and their job. These preceding indicators are measurable and will be analyzed; however, many other factors contribute to success in the goal of staff satisfaction.

Absenteeism

At the end of the second quarter, the average number of days absent to date per employee was 3.96 days. The average days of absence since 2000 during the first two quarters was 5.26, and the rate for 2004 shows a marked improvement in attendance to the end of this quarter.



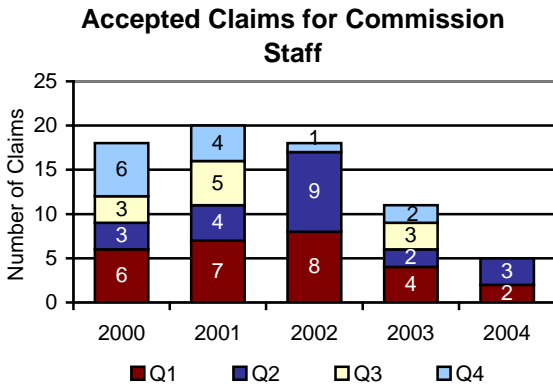
Absenteeism = total days absence / actual yearly budgeted positions-vacant positions at end of quarter

Managers and the Human Resources Department will continue to monitor patterns and work with staff on maintaining a positive attendance pattern. An audit was completed in June to assess compliance with the Attendance Management and Disability Management Programs and a follow up to this audit will occur.

Two employees successfully completed their Return to Work Program through Disability Management, and one other is currently continuing within the Program.

Accident Analysis

Three claims were accepted this quarter. The total number of accepted claims by the end of the second quarter (5) is the lowest recorded in the five-year period since 2000. All five accidents resulted in no lost time, and were caused by repetitive strain or slips, trips, or falls. The cost of all claims this year to date is \$1,009.28.



Note: The number of accepted claims reported in any quarter can change because accidents are not always adjudicated within the quarter they occur. Any claims accepted outside the quarter they occur in will be noted in the next quarter report.

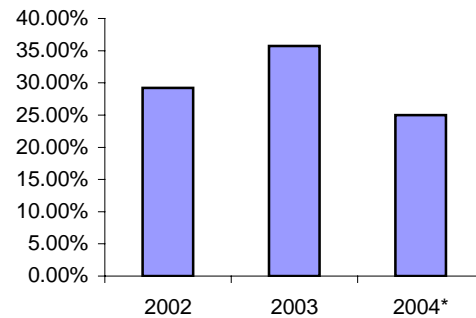
During the 2nd quarter of the 2004 Health and Safety Action Plan, specific activities included:

- Meetings and follow up from two Special Workplace Action Teams dealing with identified workplace hazards;
- Completion of audit activities by the Joint Health and Safety Committees;
- Commencement of the review and update of the MSDS sheets;
- Commencement of Health and Safety Orientation training for all staff;
- Implementation of a revised Health and Safety Orientation process; and
- Development of a new directive and procedure on Inspections.

Internal Promotion

Twenty-two competitions were opened during this quarter. Sixteen were closed and two cancelled. Three of the sixteen (19%) competitions resulted in a promotion for internal staff. To date in 2004, 25% of the completed competitions resulted in internal promotions for staff as demonstrated in the following graph.

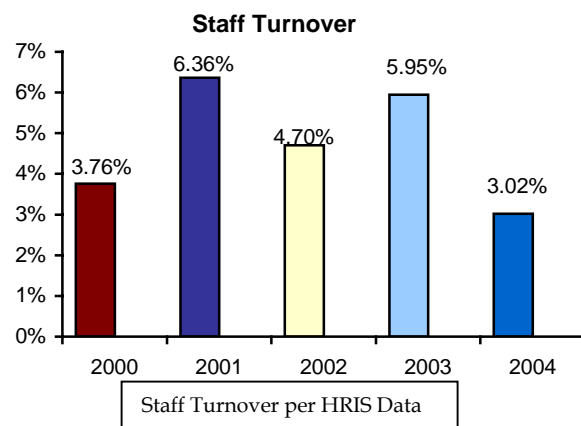
Internal Promotions (annual)



* January 1 to June 30

Staff Turnover

The turnover rate for the first two quarters in 2004 was 3.02%. Eight (8) employees exited the organization during this quarter. Three were due to retirement, four found work elsewhere and one was terminated during probation. Exit interviews were completed to assist the organization in human resource planning and to support the staff satisfaction goal. Human Resources and an Executive member review results of the completed exit interviews.



Activities

General

During this quarter, an update of human resource activities and programs occurred throughout the province, and staff were advised about the new "Growing Leaders Program" to assist the organi-

zation with leadership development and succession planning.

The bi-yearly review and revision of job descriptions continued with the addition of job hazards analysis and control. A total of 26 positions were reviewed this quarter.

The review of Human Resources directives and procedures continued. This quarter, three were reviewed and two new directives/procedures were approved in the area of Health and Safety Inspections.

Reward and Recognition

An annual staff meeting was held in May. Chris Johnson gave the keynote address and spoke on “Families that Play Together – Stay Together”. At the Awards Ceremony, fourteen retirees were honored, totaling 353 years of public service. In addition, sixty-four employees, who had the distinction of obtaining between five and thirty-five years of public service, were honored.

Wellness Program

During April and May, sixty-eight (68) employee assistance sessions were held with either an employee or a family member to support organizational wellness.

The Commission continued to promote the monthly wellness themes, including:

- April – Cancer Awareness
- May – Fitness Month
- June – Mental Health Month

Some of the activities to support these themes included: monthly handouts, lunch and learns, fitness assessments and pedometer challenges.

Training Programs

Training Programs were offered throughout the province during the 2nd quarter in the areas of:

- CPR Recertification;
- Emergency First Aid & CPR;
- Standard First Aid & CPR;
- MS Excel, Word, and Access;
- General Orientation; and

- Anger Management.

One hundred and twenty-three (123) employees participated in the above courses, which were filled to 100% based on minimum capacity.

Seventeen of the thirty-nine summer students, who had not previously completed the “Safety Start” program, did so during this quarter.