
Corporate Report

3rd quarter 2003



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Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the third quarter Corporate Report for 2003.

The report is intended to provide the Board of Directors with an update of the Commission's progress towards achieving the organization's 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, which are listed in order. 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 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.

Our Vision – Healthy And Safe Work-Places in New Brunswick

The Workplace Health, Safety and Compensation Commission is dedicated to the promotion of a safe and healthy work environment and the provision of services to workplaces, employers and injured workers of New Brunswick.

Our Goals

In aspiring to achieve our vision, the Commission has adopted the following five strategic goals:

1. Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents;
2. We will provide prompt, effective, efficient, and caring services to our clientele;
3. We will decrease the time by which injured workers return to pre-accident, modified or alternate employment;
4. We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients; and
5. Our employees will consider the Commission a good place to work.

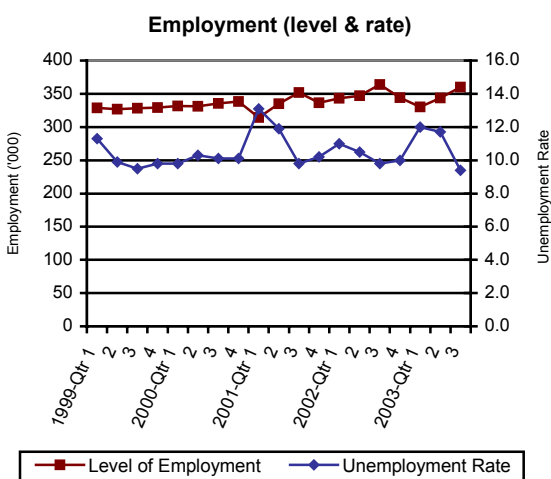
At the June 26-27, 2003 Board meeting, the Board of Directors confirmed these strategic goals.

The goals and their measures, approved to guide the Commission from 2002 to 2007, are discussed in more detail throughout the report.

Preface

The Provincial Context

The Commission operates within the changing provincial economy. The following indicators provide a snapshot of the economy's recent performance.



The level of employment is the number of people employed on a full-time, part-time, or casual basis. There were approximately 360,000 people employed in New Brunswick during the 3rd quarter of 2003, an increase of 4.7% over last quarter. Employment is 0.4% lower than this time last year.

The unemployment rate is the number of people unemployed compared to those working or seeking work. The unemployment rate declined 2.3% from the 2nd quarter of 2003 to the 3rd quarter of 2003, to an average of 9.4%.

The number of people in New Brunswick who collected employment insurance benefits declined by approximately 15,900 since the last quarter, representing a 30.5% decrease.

Retail trade in New Brunswick increased to \$665 million in the 3rd quarter of 2003, up almost 18% from the previous period in 2003, and an increase

of 0.5% from the same year-to-date period in 2002.

Source – New Brunswick Statistical Agency

Economic Outlook

Previously, the Province of New Brunswick had forecast its real economic growth target for the province at 2.8% for 2003. This figure was readjusted to 2%, as a result of events such as the threat of mad-cow disease, the rise of the Canadian dollar, and the slump in tourism that impacted New Brunswick, the most trade-dependent economy in Canada. External forecasts project the 2004 real Gross Domestic Product (GDP) growth in New Brunswick to rebound to 2.9%, leading the way in growth compared the other Atlantic Canadian provinces.

New Brunswick's manufacturing sector accounts for 15% of its economy. Manufacturing is expected to grow 2.6% in 2003 and 3.0% in 2004. Non-residential investment, driven by projects such as the Coleson Cove Generating Plant Refurbishment, the Trans-Canada Highway Improvement, the Point Lepreau Nuclear Plant Refurbishment, and the Belledune Generating Station will lead the province's recovery.

Offsetting growth in the manufacturing sector is the weakening in the forestry sector. The softwood lumber dispute with the U.S., combined with lower growth in the U.S. housing market will reduce demand for forest products from New Brunswick. Domestically, higher short-term borrowing costs will dampen housing demand.

The federal government increased its Canadian Health and Social Transfer (CHST) payments to the province in the amount of \$59 million, and the medical/diagnostic equipment fund will amount to \$36 million. The Health Reform fund will provide \$24 million to New Brunswick in 2003-04, and \$36 million in 2004-05. New Brunswick

has a further opportunity for another \$48 million if the conditional CHST supplement is finalized.

Strong oil and frozen food exports will continue to provide strength in the transportation industry, and call centers will continue to provide growth in the commercial services sector.

In September, it was announced that a new manufacturing facility in Greater Moncton will employ 120 workers during the construction, and create 105 new jobs upon completion in June 2004.

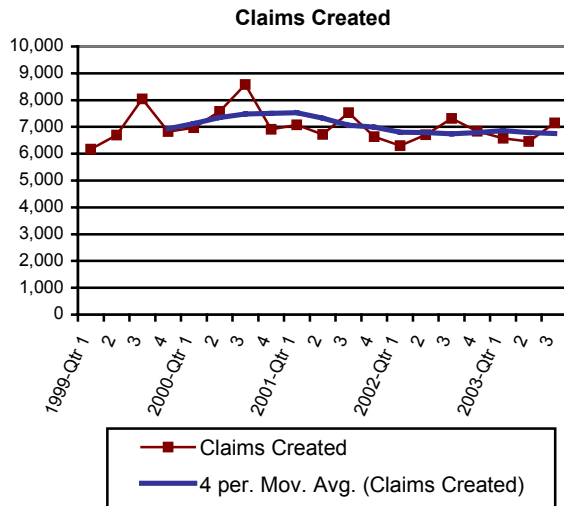
Source: Conference Board of Canada, RBC Financial Group, BMO Financial Group, and Business New Brunswick.

At the WHSCC

Work Volumes

Newly Reported Claims

“Claims created” represents all claims reported and created on the Commission’s computer system. 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 third quarter of 2003, the number of claims created was 7,148. This is:

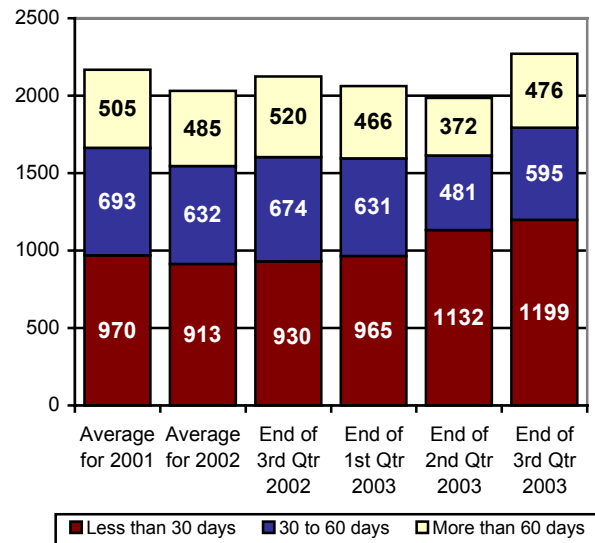
- 10.8% more than in the 2nd quarter 2003 (6,452), and
- 2.2% less than in the 3rd quarter 2002 (7,311).

The number of claims created has leveled off over the last few years. The increase in the 3rd quarter is consistent with 3rd quarter increases in previous years, although the difference has become less pronounced each year.

Unadjudicated Claims

Another 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.

Unadjudicated Claims by Age of Claim

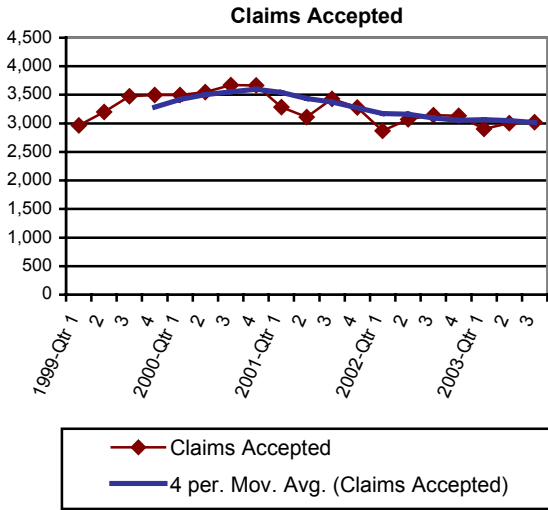


There were 2,270 claims in the backlog at the end of the third quarter 2003. This is:

- Up 14.4% over the 2nd quarter 2003 (1,985), and
- Up 6.9% over the 3rd quarter 2002 (2,124).

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 accidents accepted by the Commission.



The number of claims accepted by the Commission increased slightly in the third quarter of 2003, but remains below the average level over the last few years.

The Commission accepted 3,021 claims this quarter. This is:

- 0.5% more than in the 2nd quarter 2003 (3,006), and
- 3.9% less than in the 3rd quarter 2002 (3,142).

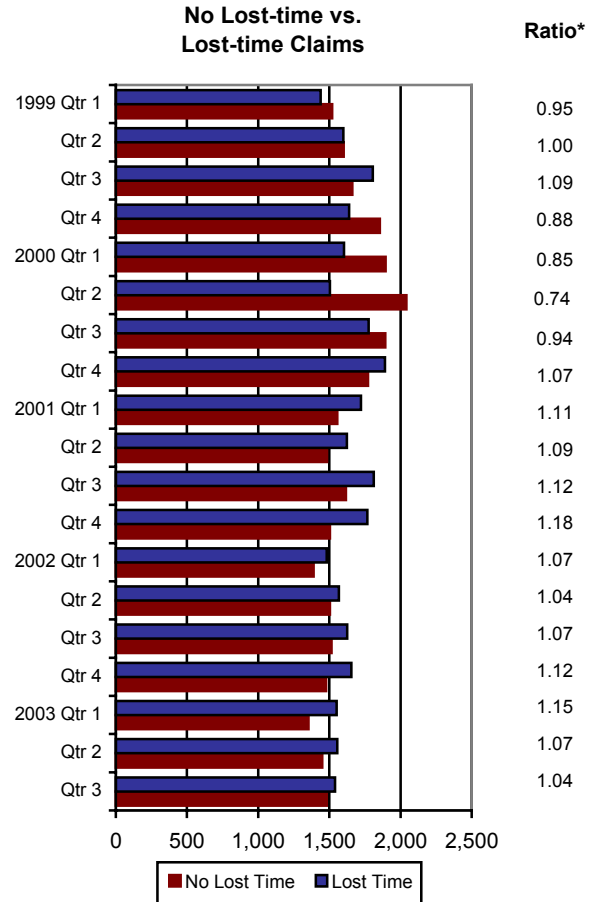
Types of Newly Accepted Claims

Newly accepted claims may be broken down by type (no lost-time and lost-time) to view the severity 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 loss of earnings benefits are paid. However, in both cases, the injured workers are entitled to health care benefits.

The next chart compares the number of lost-time and no lost-time claims accepted each quarter since 1999.



* The ratio of 1.04 means that for every 100 no lost-time claims, there were 104 lost-time claims.

The Commission accepted 1,540 new lost-time claims in the third quarter of 2003. This is:

- 1.0% less than in the 2nd quarter 2003 (1,556), and
- 5.2% less than in the 3rd quarter 2002 (1,625).

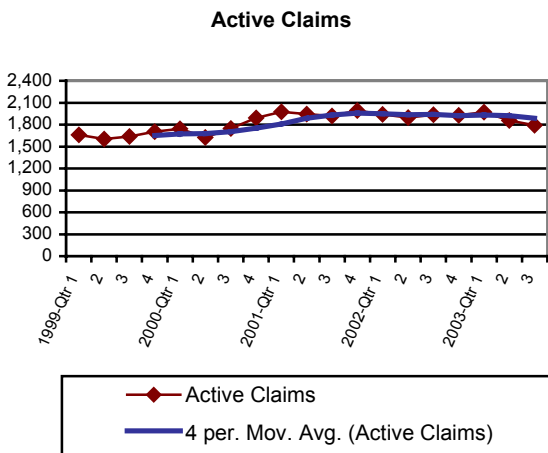
There were 1,481 no lost-time claims accepted in the third quarter of 2003. This is:

- 2.2% more than in the 2nd quarter 2003 (1,449), and
- 2.2% less than in the 3rd quarter 2002 (1,515).

There were 1.04 lost-time claims for every no lost-time claim for the third quarter of 2003. This has dropped slightly since the first quarter, but is slightly lower than the average ratio for 2002.

Active Claims

Active claims are those for which loss of earnings benefits are currently being paid. The quarterly volume of active lost-time claims since 1999 has been on the rise. In the third quarter of 1999, the number of claims was 1,639. The number of active claims at the close of the third quarter for 2003 was 1,790. Since the 1st quarter of 2001, this number has leveled and been trending lower.



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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:

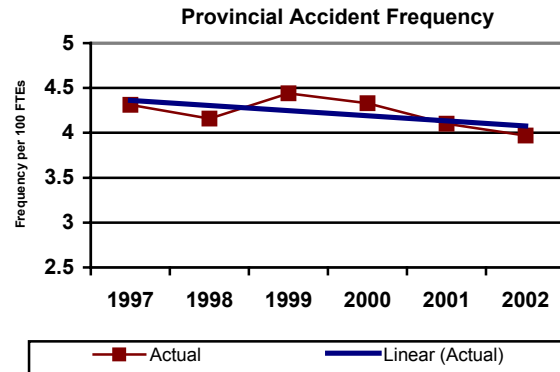
- Within the province;
- By payroll;
- By industry sectors; and
- By focus industries.

Indicators & Analysis

Provincial Accident Frequency

The Commission uses the accident frequency rate (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 1997, divided by the estimated number of workers insured.



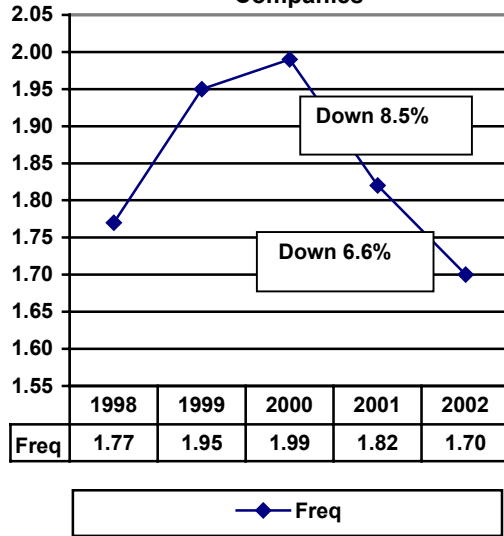
**These figures have been revised to reflect updates to the number of FTEs in the province, and to the number of claims recorded against any given year.*

The actual provincial accident frequency rate declined in 2002, reaching 3.97 accidents per 100 FTEs.

Accident Frequencies for \$1MM 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. There was a decrease of 6.6% from 2001 to 2002, part of a steady decline since 2000.

2002 Measures: Per \$1MM Inflation Adjusted Payroll Total Insured Companies



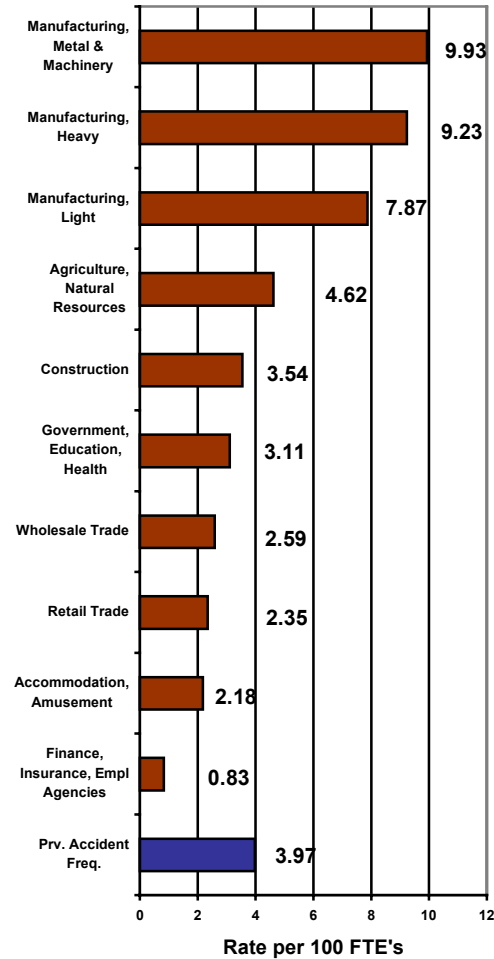
Note – this is a new measure and will require further examination to confirm its usefulness and accuracy.

Industry Sectors

The Commission has made a conscious decision to concentrate its greatest efforts on those industries and workplaces that, through statistical analysis, were identified as being above the norm in relation to number and severity of occupational injuries.

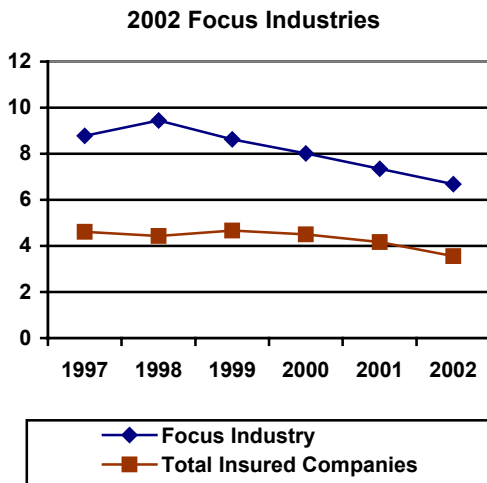
The following chart shows the accident frequency for each of the 10 major industry sectors. Manufacturing, Agriculture & Natural Resources, Construction and Government Education & Health were analyzed and selected because of the number and costs of the claims in their industry.

2002 Industry Sector Accident Frequencies



Focus Industries

The following graph shows the accident frequency of the focus industries in comparison to all total insured companies in the province. While these industries are showing a decline, they are collectively still running at approximately twice the provincial average.



The Prevention Division has selected four of these industries as part of their focus initiative:

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

Each focus industry strategy has an awareness association level and a workplace level component designed to address the health and safety issues in the industry province-wide. During the third quarter, staff implemented components of the industry strategies.

Industry Initiatives

In addition to the focus industries, there are a number of other industry groups that have been identified for initiatives on a smaller scale. These are usually regional initiatives and as a result of changes in the industry, emergence of new industries, or other significant issues. For 2003, mining, aquaculture, potato harvesting, oil and gas drilling, trucking, film industry and highway construction have specific involvement.

Focus Workplaces

Regional Services staff identifies workplaces to focus attention, based on the accident history of

the industry group as well as the accident record of the individual firms. The extent of intervention is done at three levels.

- **Primary Workplaces** – Workplaces with higher cost and/or accident frequency identified for priority intervention. Primary objectives are injury reduction and infrastructure building. Interventions are led by the Health & Safety Consultant with support from other team members. These firms are identified by the Regional Manager and approved by a selection process.
- **Secondary Workplaces** – Workplaces with higher cost and/or accident frequency identified for priority interventions. Assigned by Regional Managers, led by individual disciplines other than H.S.C. Initiatives are directed toward rapid cycle injury reduction and some Health and Safety infrastructure building.
- **Tertiary** – Workplaces chosen from selected SIC's. The expectation is for one visit from Health and Safety Officer during the course of a year to ensure basic compliance and address issues identified in 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 Prevention 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

Update on Fall Protection - The Fall Protection Technical Committee has completed the first draft of the proposed legislative changes.

In the 3rd quarter, members of the committee held consultation sessions with their stakeholders. So far, there has been nine consultation sessions including:

- One with the Commission Health and Safety Officers facilitated by the Commission members of the Technical Committee;
- Three by NB Power representatives;
- One by the New Brunswick Roofing Contractors;
- Three by the New Brunswick Construction Safety Association; and
- One by the New Brunswick Building Trades.

Commission staff from the Technical Committee were invited by the other members of the technical committee to provide assistance in the consultation sessions with their stakeholders.

The Technical Committee is scheduled to meet in the 4th quarter to review the outcome of the consultation sessions where a final draft of the proposed legislation will be prepared for the Board of Directors.

Safety Awareness

The Prevention Division's Health & Safety awareness campaign aims to make workers and employers more aware of workplace hazards.

General Education

The Prevention Division provides provincial / public workshops. The primary focus this year is on Joint Health & Safety Committee (JHSC) Core Training. In the 4th quarter the JHSC Core Training Program will be offered to individual / companies who completed the JHSC Core Train-

ing Survey this spring. Registration will be on a first-come first-served basis. Sessions will be held from in the 4th quarter in Moncton, Saint John, Fredericton, Bathurst and Grand Falls.

In addition to the JHSC Core Training Sessions, there will be two public workshops on occupational hygiene topics offered this Fall: Respiratory Protection and Noise Reduction.

Communications

Events

Third quarter events included September's highly successful Association of Workers' Compensation Boards and Commissions (AWCBC) Learning Symposium, which welcomed staff and Board members from Boards and Commissions across the country.

As well, work continued in preparation for the annual WHSCC Occupational Health and Safety Conference, held in October of this year.

Finally, in the third quarter, Commission staff members spoke on 8 occasions at a variety of events such as the Atlantic Provinces Professional Firefighter's Association 2003 Conference and the UNB Farm Safety Camp.

Publications

The *2002 Report to Stakeholders* was completed and distributed in the 3rd quarter, including – for the first time – profile articles on our various stakeholders.

The potato growing safety campaign continued with the help of the Communications Department, with the provision of a new "Hazard Alert", a brochure and highly visible signage warning the general public to stay out of the fields while harvesting equipment is at work.

The Department also completed publication of a wide variety of materials, including registration information and a daily newsletter, for the AWCBC Learning Symposium held in September

in St. Andrews, NB. As well, the Commission produced and distributed 3 press releases, and continued to update the Commission's inventory of publications with our new graphic identity.

Advertising Campaign

The television advertisement for the fall campaign was developed during the third quarter for airing to coincide with the annual Health and Safety conference. The 30 second spot depicts a video of a serious accident in a manufacturing setting, illustrating the right to refuse unsafe work. The advertisement was set to air in the 4th quarter and scheduled to run for a period of 6 weeks. It will be followed by a recall study to determine its effectiveness.

Youth Programs

With the new school year, the youth programs focused on continuing their active role within provincial schools. Preparations were made to again remind and inform schools of available Commission Health and Safety resources for the classroom. The Commission launched their new youth promotional pamphlet featuring all available resources for youth educators. As of September, approximately 1,000 copies of the pamphlet were sent to all schools, their administration and various school departments (Take Our Kids to Work Day, Co-op Education, Technology etc.). A popular request by schools, the pamphlet features several new videos recently attained by the Commission. These videos include:

- "The Lost Youth";
- "Threads of Life";
- "The Winning Label"; and
- "Are you in Danger".

The pamphlet generated hundreds of requests from teachers for resources as they began their new school year. All middle and high schools also received multiple copies of the new "Spot the Injured Worker" poster.

The Commission continues to develop their relationship with the Department of Education.

Resource packages were provided by the Commission to 60 high school science departments. Packages included educational resources supporting specific science safety outcomes as identified by provincial curriculum (e.g. WHMIS and safety in the science lab). Additionally, the new OHS component of the Co-op Education curriculum, as created by the Commission, begins its pilot phase this fall with several teachers in NB.

The Department of Education further requested 510 copies of the Choices for Life binder to be included in their "health kits" that will be distributed to all middle schools with the province-wide introduction of the new grades 6 to 8 health curriculum. The Commission will be involved in provincial in-service sessions for teachers this fall, promoting the new curriculum and supplying resources that are linked to safety related outcomes.

Final preparations have been made for the NB HEROES tour scheduled to begin in the 4th quarter. The NB HEROES program is a national injury prevention presentation targeted towards youth. This national injury prevention show is expected to expose over 11,000 high school students to their key safety messages.

The Commission is preparing for their role in the 2nd annual AWCBC forum in the 4th quarter. New Brunswick will bring to this national youth conference a promotional video, a poster session and a display booth featuring their youth resources.

Teacher in-service sessions, involving a sharing of ideas and resources for integrating Health and Safety issues into the classroom, continue to be a mainstay method to keep OHS issues visible within school programs. A number of workshops have been booked with schools for the fall.

Prosecutions / Arbitrations

In the third quarter of 2003, two charges were laid. One of the charges was against an employer

for failing to comply with orders for ventilation and storage of hazardous materials.

The second was against the owner of a site where there was an accident resulting from improper storage of propane and non-compliance with guardrail orders. In the latter case, where the site owner was charged in this quarter, the employer was also charged earlier in the year.

All charges were laid under section 47 of the *Occupational Health and Safety Act*.

Also in the third quarter of 2003, there were two arbitration cases filed with the Commission. In one of the cases, the employee alleges that he was fired for insubordination after raising health and safety concerns. In the other, the employee complained of faulty equipment and was fired.

In the same period, two arbitration decisions were rendered. In one, the arbitrator dismissed the case after he found no connection between the discriminatory action and the employee's complaint. In the second case, the arbitrator dismissed the case as the employee (complainant) did not attend at the hearing after being notified of the time, date and location.

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Injured Worker & Employer Satisfaction

Goal

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

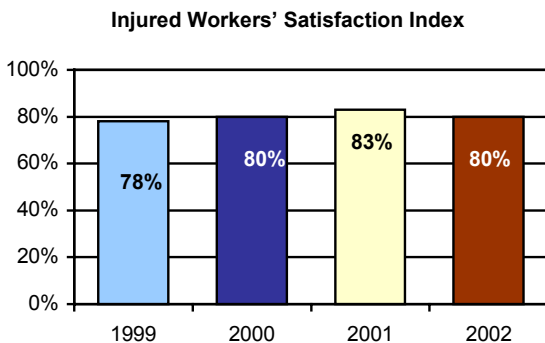
Measure

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 2002, the satisfaction index for injured workers decreased slightly to 80%, matching levels found in 2000.

Employer 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 drivers considered important to employers' overall satisfaction.

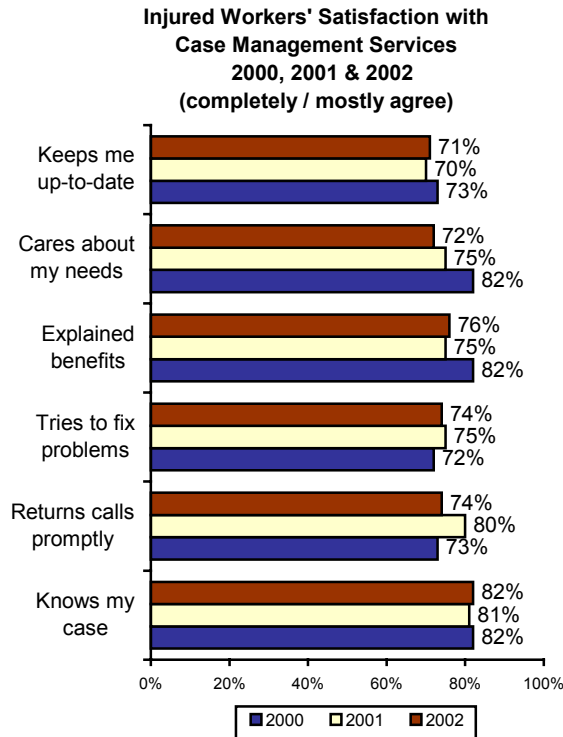


For the third year in a row, the satisfaction index for employers was 85%.

Key Research Findings

Case Management

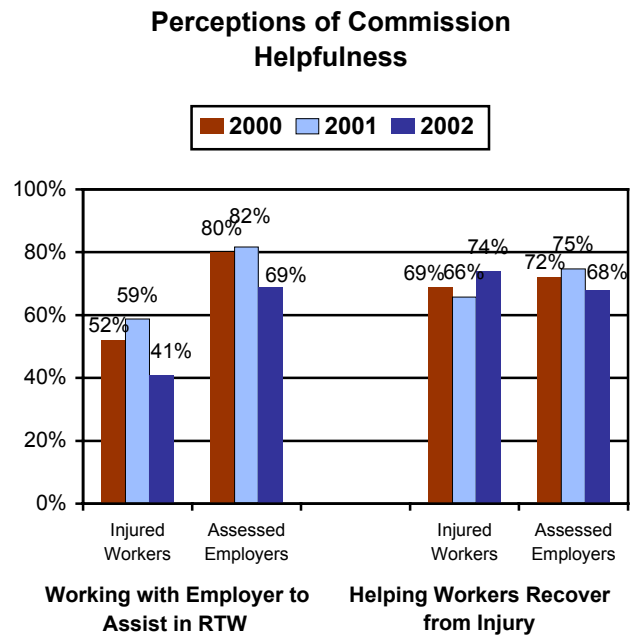
Agreement with six key service delivery attributes was used to determine the quality of service delivered by case managers.



Injured workers' agreement with most case management attributes remained similar to that in past years, ranging from 71% to 82%. In 2002, agreement with the statement "when I leave a phone message, my case manager usually returns my calls promptly" decreased from 80% in 2001 to 74% in 2002.

Helpfulness of the Commission

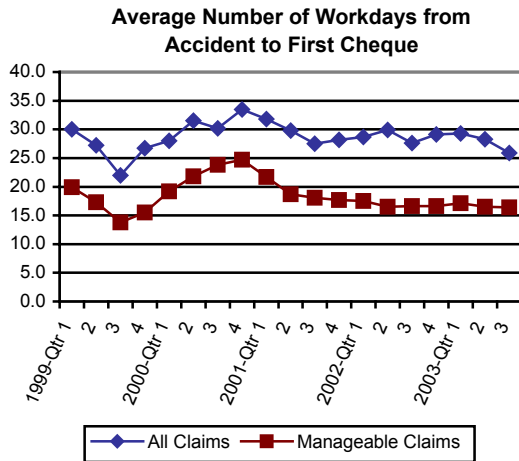
Assessed employers and injured workers were asked how helpful the Commission was in working with employers to assist injured workers in returning to work and to rate the helpfulness of the Commission in assisting injured workers recover from their workplace injuries.



Assessed employers were more likely than injured workers to indicate that the Commission was at least "somewhat helpful" in working with employers to assist injured workers in returning to work, whereas injured workers were more likely than assessed employers to rate the Commission at least "somewhat helpful" in helping injured workers recover from their workplace injury.

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.



dress quality of life issues for seriously injured workers.

“Manageable” includes all claims except those:

1. That were filed late;
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 to first cheque for all claims in the third quarter of 2003 was 25.9 workdays. This is:

- Down 8.5% over the 2nd quarter 2003 (28.3 days), and
- Down 6.2% over the 3rd quarter 2002 (27.6 days).

The average wait for “manageable claims” has been relatively stable in the past few years, and the average wait for all claims has steadily declined since late 2000.

Activities

Approved Policies

During the third quarter of 2003, the WHSCC Board of Directors reviewed discussion documents on Home Care and Independence.

These documents examined issues such as rates for professional and non-professional home care providers, home maintenance, and grants to ad-

3

Return to Work

Goal

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

Measure

The Commission utilizes a measure that focuses on return to work rates. This measure provides information on the percentage of injured workers that actually return to work within a range of time frames. It also tracks the percentage of injured workers that 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 following tables. These tables include lost-time claims only and exclude claim dispositions where clients 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 from November and December of 2002 up until August 31, 2003.

Actual Return to Work			
% Returning Within	Same Job	Modified Job	Alternate Job
20 days	58.5%	0.2%	0.5%
80 days	75.3%	2.3%	1.6%
130 days	79.7%	2.5%	2.2%
260 days	85.2%	1.6%	2.0%
520 days	85.1%	2.5%	1.9%

% Returning Within	Total For Actual Return to Work	Ready & Not Working	Total
20 days	59.2%	0.2%	59.4%
80 days	79.1%	1.7%	80.8%
130 days	84.4%	3.1%	87.5%
260 days	88.7%	4.3%	93.0%
520 days	89.5%	6.6%	96.1%

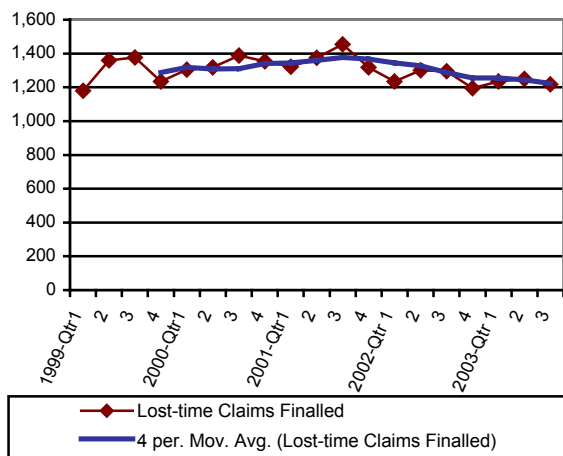
To allow sufficient tracked time, data for 20 days (4 weeks), 80 days (16 weeks), and 130 days (26 weeks) was derived from 2002 claims; data for 260 days (52 weeks) was derived from 2001 claims; data for 520 days (104 weeks or 2 years) was derived from 2000 claims.

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 and remains at one of the lowest levels since 1999.

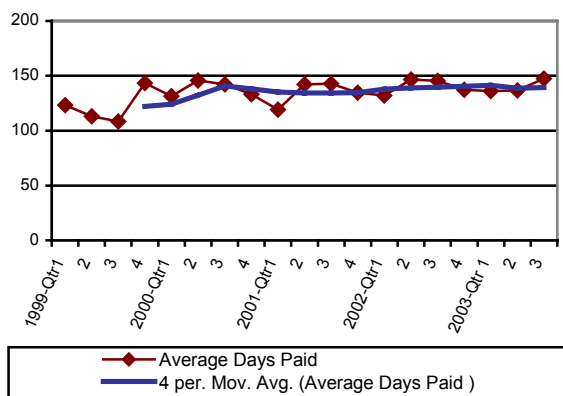
There were 1,217 lost-time claims closed in the third quarter of 2003. This is:

- Down 2.6% over the 2nd quarter of 2003 (1,250), and
- Down 6.1% over the 3rd quarter of 2002 (1,296).

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



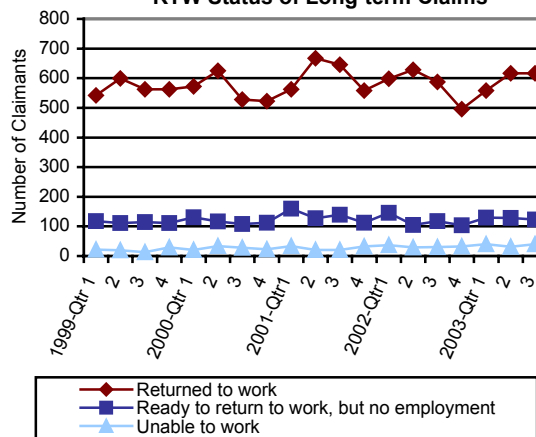
The average number of days paid before claims were finalled has been relatively stable since mid year of 2000. In the third quarter of 2003, the average days paid prior to the claim being finalled was 147.5 days. This is:

- Up 7.9% over the 2nd quarter of 2003 (136.7), and
- Up 1.4% over the 3rd quarter of 2002 (145.5).

Return to Work Status

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 quarterly average of injured workers returning to work since 1999 is 578. This is lower than the total of 617 injured workers who returned to work in the third quarter of 2003. The total number of injured workers who returned to work in the 3rd quarter 2003 is:

- Equal to the 2nd quarter of 2003 (617), and
- Up 5.1% over the 3rd quarter of 2002 (587).

There were 123 injured workers who were considered “ready to return to work” although they

were unemployed when their claims were finalised in the third quarter of this year. This is:

- Lower than the 2nd quarter of 2003 (129), and
- Higher than the 3rd quarter of 2002 (118).

There were 40 injured workers who were considered unable to return to work due to a long-term disability (LTD) when their claims were finalised in the third quarter of this year. This compares with:

- 31 in the 2nd quarter of 2003, and
- 30 in the 3rd quarter of 2002.

Activities

Workers' Rehabilitation Centre (WRC) The Durability of Return to Work

During the 3rd quarter, clients discharged from the WRC ready to return to work continued to be reviewed to assess the durability of their return to work – that is to say that the client successfully remains at work and/or off benefits. The review attempts to ascertain key factors that determine successful return to work following rehabilitation. The review also attempts to identify causes of failed return to work. The initial analysis demonstrates that chronicity – time between accident and commencing multidisciplinary treatment – has an impact on results. Injured workers who commence multidisciplinary treatment sooner have a more durable return to work. Clients who have good-to-excellent participation in their WRC treatment program also have a more successful return to work. Injured workers with Amber Flags (psychosocial issues) have a lower percentage chance of having a successful return to work.

Amber Flags

The WRC continued its focus on improving the identification and management of Amber Flags.

Amber Flags are defined as factors that increase the risk of developing or perpetuating long-term disability and/or work loss, i.e. barriers for return

to work. Amber Flags are thought of as psychosocial risk factors.

The Centre continued its implementation of multidisciplinary screening for psychosocial Amber Flags which pose a risk for long-term disability. The teams are now focusing on appropriate management of identified Amber Flags.

Symptom Control Strategies

Effective self-management of symptoms is a key factor in successful return to work for WRC clients. During the 3rd quarter, WRC teams continued to implement a systematic process for assisting clients to develop and implement an individualized program of strategies to effectively manage their symptoms upon return to work. The 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 that can be integrated into their workday. These strategies are communicated to the physicians, occupational therapists, and others involved in the return to work process as part of facilitating continuity of care and durable return to work results.

Centre of Excellence / Research

The WRC continued its discussions in pursuit of a collaborative research project with Dalhousie University for the treatment of sleep disturbance in injured workers with chronic pain. Sleep disturbance, a common problem in injured workers with chronic pain, negatively impacts their function. The Centre 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.

Accreditation

The Centre is scheduled for a re-accreditation site visit in the 4th quarter by the Canadian Council on Health Services Accreditation (CCHSA). The accreditation program provides one of the most effective measures by which health care organizations can accurately assess their level of service.

The program focuses on ways to continuously improve this level of service.

Disability Management Project

During the third quarter of 2003, the Commission conducted 11 meetings involving 12 different workplaces, meeting with a total of 45 staff/employees.

The revised booklet: *Workplace Disability Management: A Guide to Establishing a Program in your Workplace* was circulated to over 250 workplaces in August. These were workplaces that had sent staff members to attend one of our Return-to-Work Coordinator workshops in the past.

Additional Services

The Commission is undertaking a qualitative and quantitative study of the Disability Management project under the supervision of Dr. John Tivendel, a University of Moncton professor and a graduate student working as his research assistant. This study will assist the Commission in assessing the level of satisfaction from workplaces that have made use of our disability management resources. It will also assist in determining where the Commission should focus its disability management resources in the future.

The Commission is offering provincial Return-to-Work Coordinator workshops in late fall. These workshops are for employers and union representatives and will be held in Fredericton (English), Edmundston (French), two in Bathurst (one French and one English), and two more in Moncton (one French and one English).

Cadre of Family Physicians

The Cadre of family physicians is a network of physicians that the Commission has contracted with to examine injured workers.

There are 5 physicians in the Cadre network:

- One in Southeast, since July,
- One in Northwest, since August;
- Two sharing one position in Fredericton; and

- One in Saint John.

The Fredericton physicians should start seeing clients soon. The Saint John physician is in the midst of preparations to receive clients.

As of September 16th 2003, 16 claimants were referred to a cadre physician. 81% were new clients without a family physician. 82% of the sessional fees were billable to a claim.

An information session was held for cadre physicians and medical advisors on September 26th. The purpose was to review the objective of the program, review experience to date, and to identify and problem-solve issues. Cadre physicians were provided with information on:

- How the Commission functions;
- Adjudication process and medical determination of work-relatedness of an injury;
- Continuum of Care process model;
- WRC services; and
- Return to work planning.

Work Conditioning Network

Contracts were signed with ten clinics in September. New clinics are on a 1-year contract. Previous clinics are generally on a 3-year contract.

Physiotherapy Consultant to Case Management

The Commission has hired a physiotherapist to assist in the management of medically off-track cases, where the injured worker is receiving physiotherapy. The new position resides in the office of the Chief Medical Officer. The major role of the new consultant will be to assist case management with injured workers receiving primary physiotherapy. A secondary role will be to assist with determining if the work conditioning program is appropriate for the injured worker.

4

Assessments & Funding

Goal

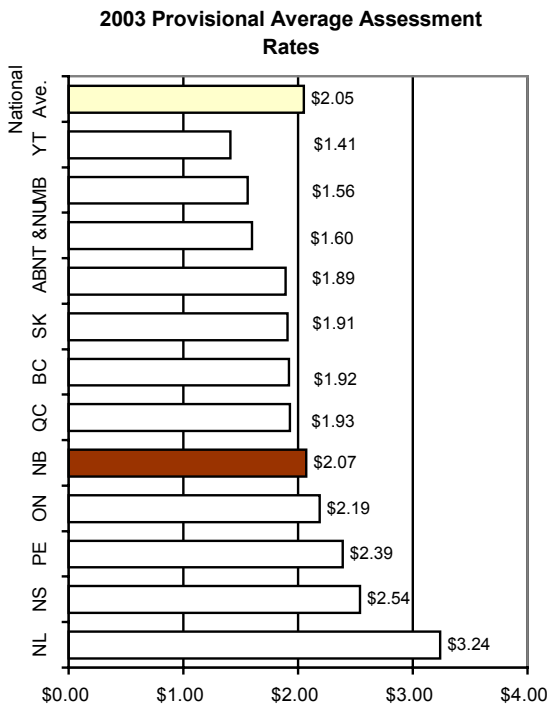
“We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.”

Measure

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

Indicators & Analysis

Assessment Rates Across Canada

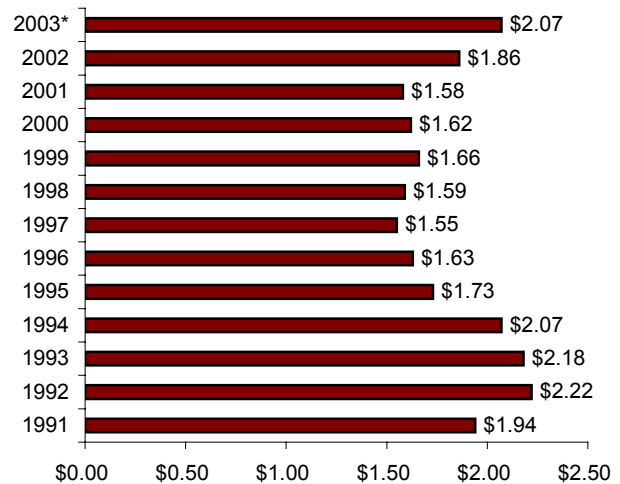


Note: Caution should be exercised when comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry mix, benefit levels, and assessable maximums can affect rates.

Our provisional average assessment rate for 2003 is \$2.07. This is comparable to the national average of \$2.05. In the 4th quarter of 2003, the Board will finalize its budget and determine its assessment rate for 2004.

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 1991.

Actual Average Assessment Rate for New Brunswick



*Provisional average assessment rate

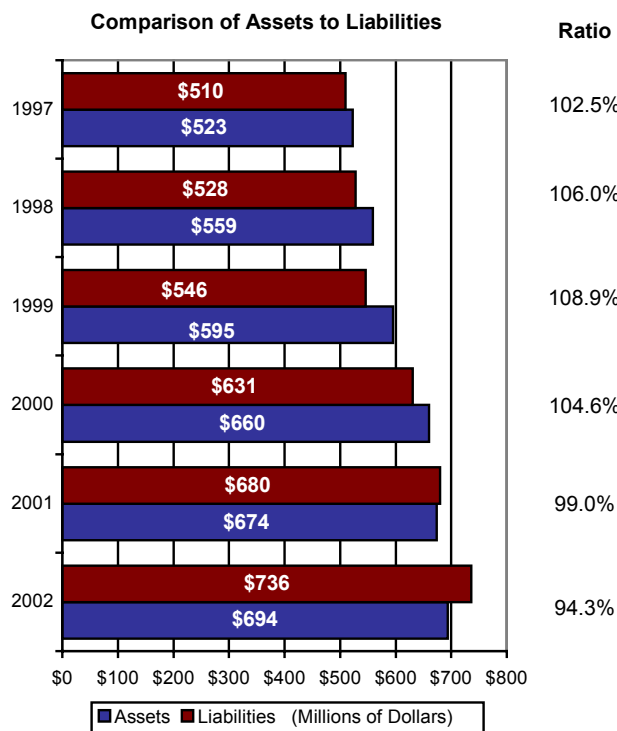
AWCBC Provincial Benefit Comparison for 2003			
Province	% Earnings Based	Waiting Period	Max. Comp. Earnings
YT	75% gross	No	\$66,200
ON	85% net	No	\$65,600
NT & NU	90% net	No	\$64,500
BC	90% net	No	\$60,100
AB	90% net	No	\$58,800
MB	90% net 1st 24 mths of cumulative benefits, then 80% net	No	\$55,620

QC	90% net	No	\$53,500
SK	90% net	No	\$51,900
NB	85% loss of earnings	3/5ths of wkly benefits	\$48,400
NL	80% net	No	\$45,500
NS	75% net 1st 26 wks, then 85% net	2/5ths of wkly benefits	\$41,800
PE	80% net 1st 38 wks, then 85% net	3/5ths of wkly benefits	\$40,000

ures, and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first nine months of 2003 compared to the corresponding period for the previous year.

Comparison of Assets to Liabilities

Fully funded liabilities occur when the sum of the Commission's financial obligations are fully covered by the Commission's assets. The following illustrates the ratio of the Commission's assets to liabilities from 1997 to 2002.



Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first nine months of 2003 compared to the budgeted fig-

Unaudited Statement of Operations For the Nine Months Ending September 30, 2003			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$119,354	\$115,888	\$100,018
Investments and other	33,685	7,633	11,600
Province of NB	675	675	675
	\$153,714	\$124,196	\$112,293
Expenses			
Claims costs incurred	121,623	126,744	113,266
Administration	22,989	20,657	19,570
Appeals Tribunal	1,065	782	852
Legislative obligations	615	750	655
Risk management rebates	225	105	271
	\$146,517	\$149,038	\$134,614
Excess of income over expenses for the period	\$7,197	(\$24,842)	(\$22,321)

Assessment income for the nine-month period ending September 30, 2003 was less than budgeted by \$3,466,000. Investment income for the same nine-month period was \$26,052,000 less than budgeted.

Total expenses for the nine months ending September 30, 2003 were over budget by \$2,521,000. Claims costs were greater than budget by \$5,121,000. Administration, Appeals Tribunal costs, and Risk Management rebates were lower than budgeted by \$2,735,000 while Legislative Obligations were greater than budgeted by \$135,000. The above results yield a deficiency

(loss) of (\$24,842,000) compared to a budgeted excess of income over expenses of \$7,197,000.

Unaudited Statement of Cash Flows For the Nine Months Ending September 30, 2003		
	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$ 102,241	\$ 90,576
Self-insured employers	14,558	15,006
Investments	7,633	11,600
Province of New Brunswick	900	900
	<u>125,332</u>	<u>118,082</u>
Cash paid to:		
Injured workers or third parties on their behalf	85,143	81,188
Suppliers and employees, for administration and other services	<u>21,882</u>	<u>20,987</u>
	<u>107,025</u>	<u>102,175</u>
Net cash provided by operating activities	18,307	15,907
Cash flow from investing activities:		
Cash paid for:		
Purchase of capital assets	<u>861</u>	<u>936</u>
Net increase in investments	17,446	14,971
Investments, beginning of period	<u>579,821</u>	<u>569,297</u>
Investments, end of period	597,267	584,268

Investment Portfolio Overview

The Markets

In the third quarter, investors in the U.S. were optimistic that further tax cuts and continued low

interest rates would cause the U.S. economy and corporate earnings growth to rebound in the second half of the year. Most world equity markets continued to provide positive returns in the third quarter. Emerging markets equities led the advance again this quarter, with the MSCI (Morgan Stanley Capital International) EMF (CAD) gaining 13.44%. Canadian and International equities also had good returns, with the S&P (Standard and Poor's) Toronto Stock Exchange (TSX) and the MSCI EAFE (CAD) gaining 6.70% and 7.39% respectively. U.S. equities (S&P 500 (CAD)) returned 1.94% for the quarter and the Canadian bond market was positive this quarter as well with the Scotia Capital Universe index increasing 1.31%.

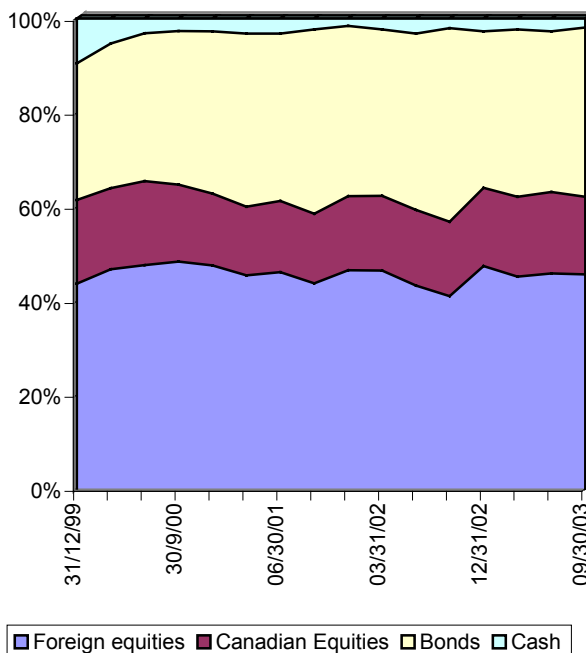
The Canadian economy contracted slightly in the second quarter, for the first quarterly decline in two years. GDP fell by an annualized rate of 0.3% as the rising Canadian dollar, SARS and mad-cow disease impacted business. Preliminary figures for the third quarter show GDP growth increasing to an annualized rate of 2.9%. The Canadian labour market weakened somewhat in the third quarter, losing 32,000 jobs in July and August, after gaining 46,000 jobs in June. Canada's overall inflation rate slowed again in the third quarter of 2003, with the year over year inflation rate at 2.0% in August, the lowest increase in 13 months. The weakening trend in the Canadian economy caused the Bank of Canada to cut its key policy rate by a quarter point at its July 15 meeting and at its September 3 meeting. The Canadian dollar weakened relative to the U.S. dollar during the first part of the quarter but strengthened to end the quarter at 73.97 cents U.S., compared with 74.26 cents U.S. at the end of the second quarter.

U.S. GDP grew at an annualized rate of 3.3% in the second quarter of 2003. Preliminary figures for the third quarter show GDP growth increasing to an annualized rate of 5.1%. The annual unemployment rate remained at 6.1% as of the end of September, adding 57,000 jobs in September after losing jobs in the seven previous months. The

overall annualized U.S. inflation rate rose slightly to 2.2% in August. The Fed did not change its target for the federal funds rate during the quarter.

(EAFE) equities and emerging markets equities all underperformed their respective benchmarks for the quarter. The most significant contribution from active management came from U.S. equities.

Asset Mix



Negative returns in the majority of the World's equity markets over the last few years make it difficult to reach the performance goal of Consumer Price Index (CPI) + 4% on a four year annualized basis. In the third quarter the portfolio easily exceeded the CPI + 4% target, which was 1.5%.

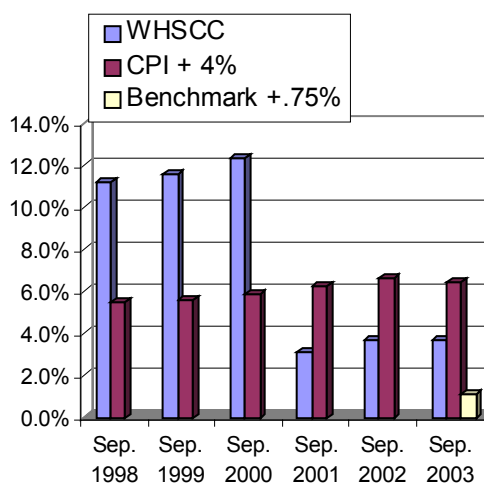
The next illustrations depict the fund's rate of return over various time periods relative to the two objectives outlined in the Commission's policy on Investment Goals and Objectives: (1) CPI +4%, and (2) the benchmark portfolio + 0.75%. Only four years of data is available for the second objective (relating to the benchmark portfolio). The policy's performance objective is to exceed each of these over four-year periods. Prior to the third quarter of 2003, Commission policy included a third objective, to exceed the median return of a recognized universe. This objective was removed from policy in October 2003.

As of September 30, 2003, all asset classes are within their target ranges as defined by policy.

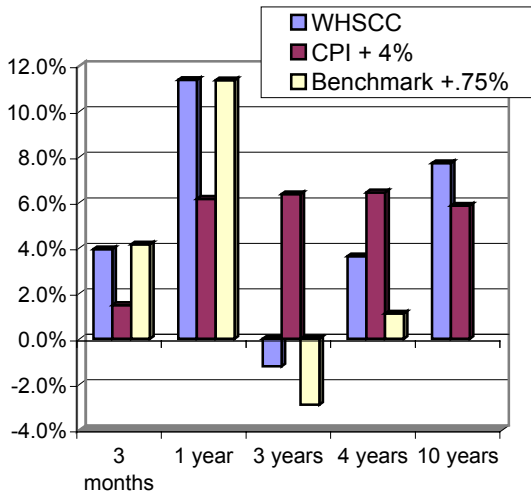
Fund Performance Versus Policy Objectives

The Commission portfolio underperformed its benchmark slightly this quarter, but continued to benefit from significant positive returns in world equity markets. The Commission portfolio produced a quarterly return of 3.9%, compared to 4.0% for the benchmark. Asset mix deviations cost 0.1% in performance during the quarter, with the largest contributor being the underweight position in International (EAFE) equities. Security selection neither added to nor detracted from performance for the quarter. Only U.S. equities and bonds added value relative to their benchmarks this quarter. Canadian equities, International

4-Year Moving Average Rates of Return



Rates of Return - September 30, 2003



*Data Sources: TD Quantitative Capital, CIBC World Markets

Activities

Internal Audit

Audits completed / in progress at the end of the third quarter of 2003 include: Business Continuity Planning, Information Technology Threat Assessment, and Physiotherapy Reporting.

Fraud & Abuse

The initiative of entering into information sharing agreements is being pursued with Federal and Provincial Government agencies as well as the Insurance Bureau of Canada. The sharing of information is another tool being utilized by the Commission in its detection and prevention of Fraud and Abuse within the compensation system.

Awareness of the investigation activities of the Commission's internal and external investigators is being widely communicated, including communication of these activities to the Legislative Committee on Crown Corporations.

5

WHSCC 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 has shown that there are many internal measures that may indicate workers’ satisfaction. High turnover, low attendance and high accident rates may suggest that workers were 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.

Wellness Program

During this quarter, the Wellness Program concentrated on:

- Summer Safety – July, August
- Family Wellness - September

Local Committees developed activities under each of these topics. Some of these activities included: fitness assessments; wellness walk;

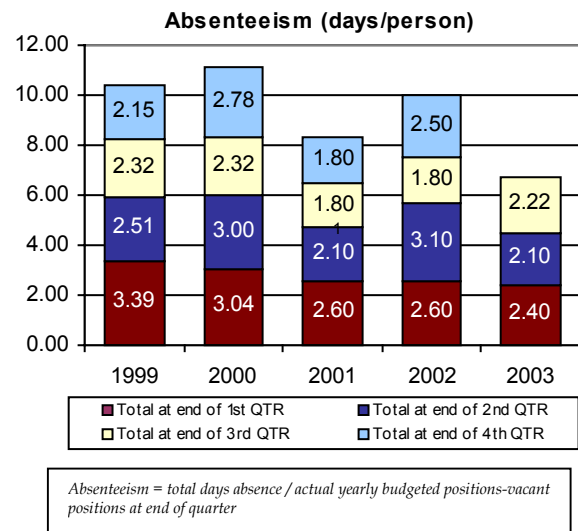
information sessions on topics including stress management, and posters / information on safety while participating in summer activities.

Training Programs

During this quarter a training needs analysis was completed with all Directors and Managers to ascertain the direction for training for the remainder of 2003 and into 2004. A retirement seminar was held in September with 26 employees in attendance.

Absenteeism

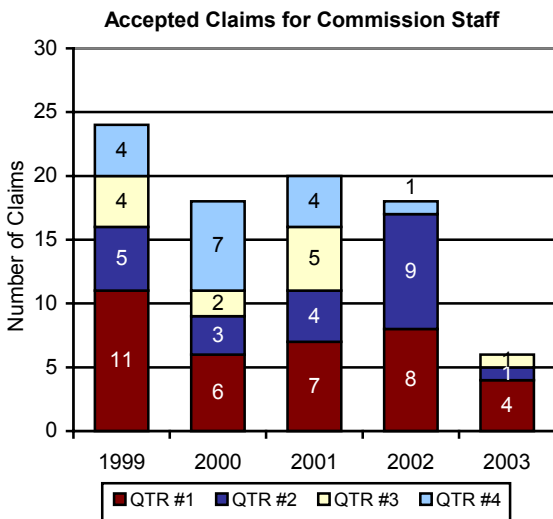
At the end of the third quarter, the average number of days absent per employee was 6.72 days, which is lower than the previous years’ year-to-date total of 7.5 days; however there are several individuals absent from work due to serious illnesses which may increase the final 2003 rate.



Managers and the Human Resources Department will continue to monitor patterns and work with staff on maintaining a positive attendance pattern. The Return to Work Program assisted in returning two employees to their regular full-time duties during the third quarter.

Accident Analysis

One claim was accepted this quarter bringing the total for 2003 to six. The cost of claims for 2003 is under \$2,000. This is a significant drop from previous years.



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

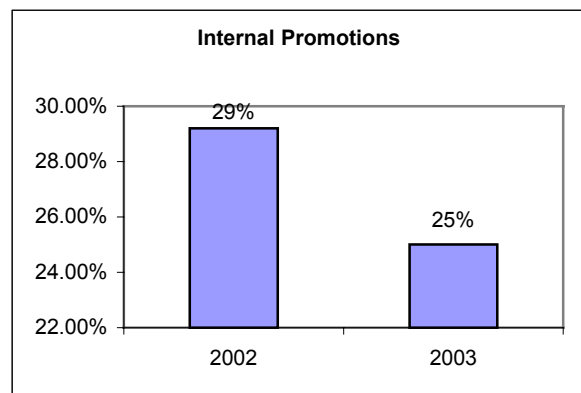
The 2003 Health & Safety Plan continues to follow planned objectives. Specific activities that occurred during the third quarter include:

- Review and revision of several Health and Safety Directives;
- Development and approval of Directives and Procedures on the topics of Incident/Accident Investigation and Hazard Identification, Reporting and Risk Assessment;
- Training for supervisors and managers on incident/accident investigation;
- Discussions with the Purchasing Department as it relates to purchasing criteria in the area of Health and Safety; and
- Final review of the position hazard analysis.

Internal Promotion

There were twenty-nine competitions that closed during this quarter. Twenty-five (86%) of these were posted internally and four (14%) went external to complete the competitive process.

Of the twenty-nine competitions that closed during the quarter, there were nine that resulted in employee promotions bringing the total for 2003 to twenty-four (25%).



Staff Turnover

This quarter, eight staff terminated their employment. Three retired, four resigned to work in another institution and one resigned due to relocation of spouse. There was eight new permanent staff hired during the quarter, bringing the total amount of new staff hired to twenty-four for a turnover rate of 4.37%.

