
Corporate Report

1st quarter 2005



Our Vision

Healthy and safe workplaces in New Brunswick

Our Mission

The Commission will promote a safe and healthy work environment to the workers and employers of New Brunswick, and efficiently provide quality services, just adjudication, and fair administration of the legislation.

Our 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.

Upcoming Events

June

June 3, 2005 First Aid Regulations Workshop, Fredericton
June 3, 2005 WRC Open House, Saint John

September

September 12, 2005 2005 Communications Campaign Launch

October

October 2005 WHSCC 25th Annual Health and Safety Conference

For more information, please contact the Commission at 1-800-222-9775.

Table of Contents

Current Environment		Return to Work	
Economic Indicators	1	Measure	10
Economic Outlook	2	Indicators & Analysis	10
		Number of Claims Closed & When.....	10
At the WHSCC		Return to Work Status	11
Work Volumes	2	Activities.....	11
Newly Accepted Claims	2		
		Efficiency - Assessments & Funding	
Safety - Accident Frequency		Measure	12
Measure.....	4	Indicators & Analysis	12
Indicators & Analysis	4	Comparison of Assets to Liabilities.....	12
Activities	5	Statement of Operations and Cash Flow	13
		Investment Portfolio Overview.....	14
Service - Injured Worker & Employer Satisfaction		Fund Performance versus Policy Objectives	15
Measure.....	7	Activities.....	16
Indicators & Analysis	7		
Key Research Findings	7	Staff Satisfaction	
Days to First Cheque.....	8	Measure	16
Communications	8	Indicators & Analysis	16
Activities	9	Absenteeism	16
		Accident Analysis.....	17
		Internal Promotion.....	17
		Staff Turnover.....	17
		Activities.....	18

Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the 1st quarter Corporate Report for 2005.

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 Current Environment section 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 previous periods. For example, year-to-date (YTD) data illustrates current information compared to the same period of the previous year.

Finally, there is a discussion of the activities the Commission is undertaking to meet each goal.

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

Current Environment

Economic Indicators

Economic indicators are national and provincial statistics released on a regular basis that indicate the growth and health of the community. These indicators provide the Commission with an understanding of the environment in which it operates.

In 2004, the New Brunswick economy expanded by 2.5%. Forecasters expect New Brunswick's economic growth to be 2.5% this year, resulting in growth that is below the national average of 2.7%. According to the Royal Bank of Canada, low inflation and low interest rates combined with rising net household wealth and solid labour markets are expected to keep consumer spending on an upward path.

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

New Brunswick Economic Snapshot 1 st Quarter 2005			
	Q1 2004	Q1 2005	Year Change
GDP (Basic Prices, Million \$ - 1997 Base)	18,785	19,214	↑
# Employed	349,800	350,400	↔
Unemployment Rate	9.7%	9.5%	↓
Housing Starts	2,646	2,700	↑
Retail Sales (Million \$)	7,884	8,223	↑

Source – Conference Board of Canada – May 2005

The number of New Brunswickers working in the first quarter of 2005 decreased compared to the end of 2004. A shift toward manufacturing and retail sectors is expected to contribute to job growth in 2005. Job growth for the province as a whole for 2005 and 2006 is forecasted to be 2.3% and 1.8% respectively.¹ In 2004, 40% of total employment gains were related to health care and education.

¹ RBC Financial Group. Provincial Outlook. March 2005.

The Restigouche-Chaleur Economic Development Fund announced the creation of 41 jobs in the region through investments in three separate companies. Groupe Savoie, MGC Supply and Johnson Enterprises received funding totalling \$400,000 to expand their operations and create new jobs.

The unemployment rate for the first quarter of 2005 fell to 9.5%, a slight decrease from the previous quarter, as well as from one year ago.

Irving Paper announced a \$220 million investment in mill improvements over a three-year period to enable the production of higher value paper for their increasingly competitive global marketplace. The technology will be the first of its kind in the world, employing approximately 600 contracted workers at the peak of construction and contributing approximately \$30 million in purchases of goods and services from suppliers in southern New Brunswick.

Real Domestic Product in New Brunswick varies significantly by region and sector. Several selected sectors are compared in the following table.

Real Domestic Product Millions \$ - 1997 Base*			
	Q1 2004	Q1 2005	Year Change
All Industries	18,785	19,214	↔
Wholesale Trade	873	855	↓
Manufacturing	2,827	2,928	↑
Transportation, Warehousing, Information and Cultural	1,826	1,877	↔
Agriculture, Fisheries and Trapping	444	456	↔

Source – Conference Board of Canada – May 2005

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

Economic Outlook

Housing, utilities and public sector spending were big drivers of capital projects in 2004. This year, utilities and the public sector are expected to shrink their capital spending, while the housing sector is looking at growth of around 2%, significantly lower than its 11% growth rate in 2004. Manufacturing, retail, and the transportation and warehousing sectors, are expected to provide the remainder of economic growth in the province.

For Further Information...

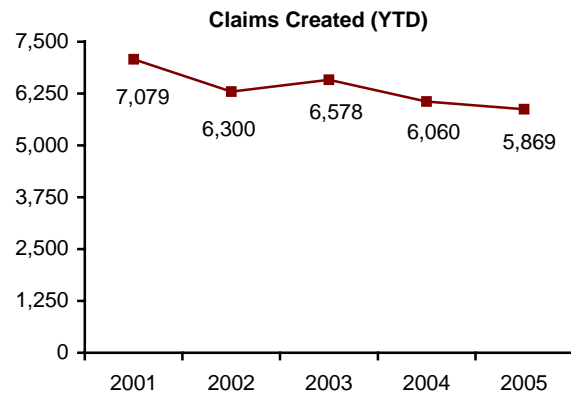
- Canadian Manufacturers & Exporters. Manufacturing Challenges in Canada. www.cme-mec.ca/mfg2020/Challengespdf.pdf
- Canadian Centre for Occupational Health & Safety www.ccohs.ca/newsletters/hsreport/
- WHSCC New Brunswick 2004 Annual Report. www.whscc.nb.ca

At the WHSCC

Work Volumes

Newly Reported Claims

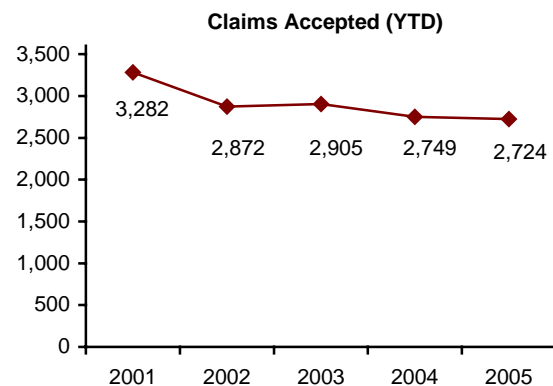
“Claims created” represents all claims reported to and recorded by the Commission. In the majority of cases, claims are created as new, pre-adjudication claims. These claims are counted by the date the claim was created. In the 1st quarter of 2005, the number of claims created was 5,869.



To date in 2005, the number of claims created is 3.2% less than YTD 2004 (6,060).

Newly Accepted Claims

A claim that is “accepted” is one that is adjudicated and benefits are due to be paid. The following graph shows the count of new workplace claims accepted by the Commission. In the 1st quarter of 2005, the number of newly accepted claims was 2,724.



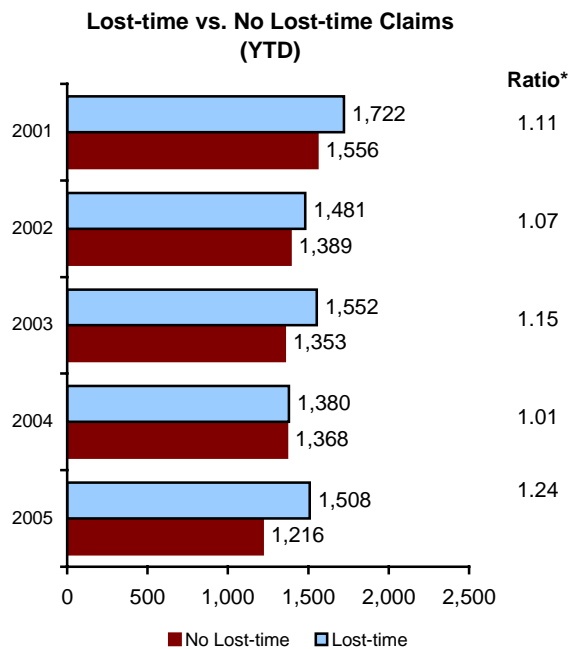
To date in 2005, the number of newly accepted claims is similar to YTD 2004 (2,749).

Lost-time / No 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.

In the 1st quarter of 2005, the Commission accepted:

- 1,508 lost-time claims; and
- 1,216 no lost-time claims.



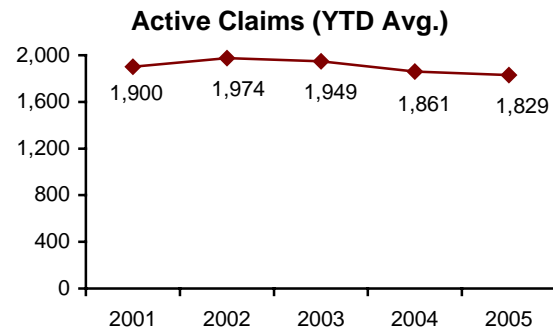
* The ratio of 1.24 means that for every 100 no lost-time claims, there were 124 lost-time claims.

To date in 2005, the number of lost-time claims is 9.3% more than YTD 2004 (1,380), and the number of no lost-time claims accepted is 11.1% less than YTD 2004 (1,368).

Increased efforts by Adjudication and Benefit Services to collect accident report information and increase surveillance of companies who report late may be influencing the number of reported claims.

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 steadily decreased over the past few years. The average number of active claims at the close of the 1st quarter of 2005 was 1,829.



At the end of the 1st quarter of 2005, the average number of active claims is 1.7% less than the YTD average of 2004 (1,861).

Safety

Measure

This goal is measured by examining the accident frequency rates:

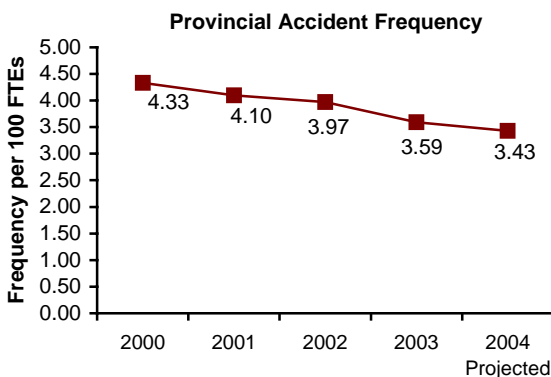
- Within the province;
- By payroll;
- By industry sectors; and
- By focus industries.

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.

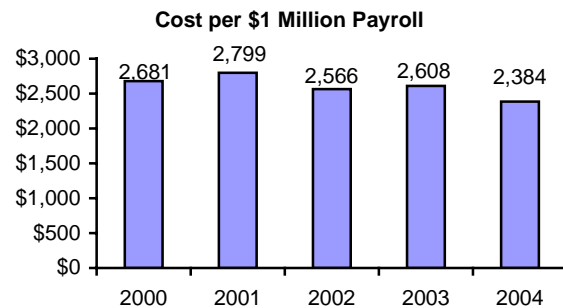
The following graph illustrates the number of claims accepted by the Commission for insured employers since 1999, divided by the estimated number of insured workers.



The accident frequency rate for 2004 is projected to be 3.43 accidents per 100 FTEs. This is a decline from 3.59 accidents per 100 FTEs in 2003, and represents five years of declining accident records.

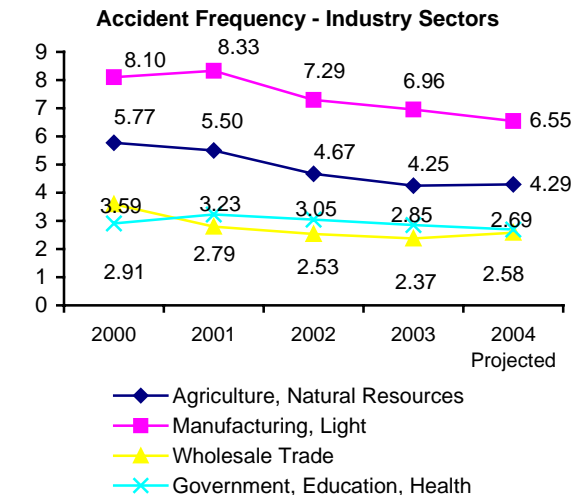
Average Cost per \$1 Million of Payroll

The next graph shows the trend in accident costs per \$1 million of payroll for all insured employers. The cost of accidents compared to insured payroll has continued to decline in 2004, down 15% from 2001.



Industry Sectors

The next graph shows the trend in accident frequency for a few industry sectors.



Focus Industries

In support of the Safety Goal, the Commission focuses its greatest efforts on those industries and workplaces that are identified through statistical analysis as being above the average for number and severity of workplace injuries.

In 2004, the following four industry sectors were chosen for further analysis because of the number of claims and high severity (reflected by claim

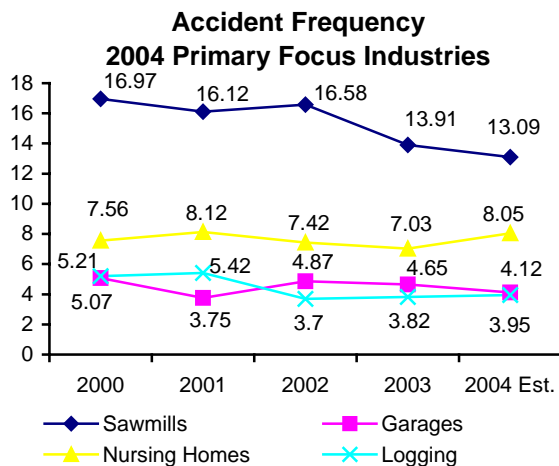
costs) in their sector as part of the focus prevention initiative:

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

In 2005, fish processing has replaced the garage industry as a focus industry. Fish processing had an accident frequency in 2004 of 3.58.

For each focus industry, a 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 chart illustrates the accident frequency for each of the Commission's 2004 primary focus industries.



Of the four primary focus industries in 2004, the rate of accidents for logging remained at the same level, sawmills and garages declined, and nursing homes increased.

The Department of Family and Community Services has also identified nursing home accidents as a priority and has created a working committee to address safety issues.

Activities

General

The WorkSafe Services Division 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*.

OHS Legislation / Regulatory Review

On January 1, 2005, the new Regulation 2004-130 First Aid under the *OHS Act* came into force. For more information on the Regulation, please visit the Commission's website at www.whscc.nb.ca.

General Education

To date, 734 individuals have registered for the Commission's new first aid workshops. The workshops are developed to educate workplaces on the new first aid regulation. In addition, demand for the JHSC Core Training Program continues to be strong, as 371 individuals have registered for this 3-day workshop.

Zero Tolerance – Trenching

On May 1, 2005, the Commission will launch its zero tolerance approach to violations of legislation related to trenching activities. Zero tolerance means the Commission enforces laws or penalties on all infringements of the legislation in order to reinforce its overall importance. Actions may include issuing an order with a compliance date, to making a recommendation to the Accident Review Committee to seek prosecution. Trenching activities were identified because of the risk of serious injuries.

Youth Programs

The Commission continued promoting Passport to Safety to high schools in conjunction with other programs. Many teachers are using the pro-

gram as an assessment activity at the end of their workplace safety unit of instruction.

Professional development information sessions continue with teachers on integrating safety education into the classroom. As requested by teachers, a 10-hour module was designed for high school students covering OHS fundamentals.

At the request of the Department of Education, a new OHS unit was developed for both the Career Exploration 110 and Youth Apprenticeship programs. Both units identify outcomes that students must achieve prior to beginning their work placements as part of these programs.

The new “Stella the Safety Skunk” program was accepted by the Department of Education. The program will be listed as a support resource for kindergarten to grade 2, beginning in the fall of 2005, and focuses on developing safe decision-making skills as a part of daily activities and personal responsibilities in creating a safe environment. The program will include a teacher safety activity guide, a skunk hand puppet, safety posters, safety books and student tattoos.

The Commission’s website registered 3,221 visitors from the SAFET-e-CARD CD since its initial distribution to schools in November 2004.

The Commission also conducted focus groups across the province with high school students to receive feedback on how the Commission can better reach this age group regarding job safety issues.

Prosecutions

In the 1st quarter of 2005, the Commission laid one charge against an employer after a truck rolled off a weigh scale at a gravel pit.

In addition, there are several charges currently being reviewed by Crown prosecutors for other incidents.

In the 1st quarter of 2005, three cases were resolved. In the first case, the Crown withdrew the charges after the employer’s business was sold

and ceased to be a corporate entity in the province. In the second case, a bakery entered a guilty plea to a charge of failing to lock out equipment after a worker’s hand was caught in some machinery. The bakery was fined \$12,000.

In the third case, after over two years of adjournments by the defendant, an Ontario general contractor changed its plea to guilty following an accident where an employee of a sub-contractor was burned while painting an electrical sub-station. Both the owner and the injured worker’s employer were previously charged and pled guilty in 2004. The general contractor was fined \$5,000.

Arbitrations

In the 1st quarter of 2005, one complaint was heard and a decision rendered. The arbitrator ruled that the employer had discriminated against an employee after the employee, who was not trained to perform electrical work, refused to work on a live industrial electrical panel. The employee was fired. The arbitrator ordered the employer to pay the employee \$5,000. The employer was also ordered to request that the Commission provide training on employee rights to the remaining employees.

In the 1st quarter of 2005, the Commission also received four complaints of discriminatory action. These have been assigned to arbitrators.

Service

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 with an index prepared by an independent research firm. The index provides an average score derived from 12 service delivery attributes considered important to injured workers' overall satisfaction.

In 2004, the weighted satisfaction index for injured workers increased significantly to 87% from 81% in the previous year.

Employer's Satisfaction

Employer satisfaction with the Commission is measured with an index prepared by an independent research firm. The index provides an average score derived from nine satisfaction drivers considered important to employers' overall satisfaction.

In 2004, the weighted satisfaction index for employers decreased slightly to 85% from 86% in the previous year.

Satisfaction Indices (Weighted)					
	2000	2001	2002	2003	2004
Injured Workers	82%	83%	81%	81%	87%
Assessed Employers	86%	86%	85%	86%	85%

Key Research Findings

Health and Safety Training in the Workplace

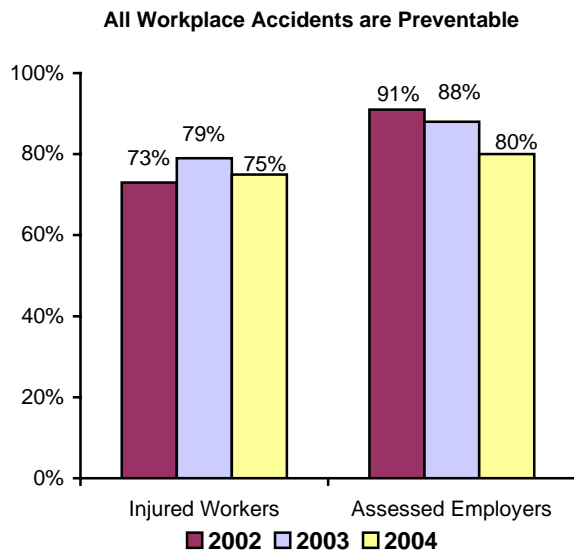
Injured workers and assessed employers were asked about the availability of health and safety training at their workplace. Injured workers were asked if they had received particular training and assessed employers were asked if they had provided training to their workers. The following table illustrates the results.

	2002	2003	2004
How to Safety do the Job			
Injured Workers	57%	60%	66%
Assessed Employers	81%	83%	81%
Worker Responsibilities for Health and Safety Issues			
Injured Workers	59%	67%	67%
Assessed Employers	78%	79%	85%
Safely Operate Machinery and Equipment			
Injured Workers	62%	65%	66%
Assessed Employers	72%	72%	81%
Hazards in the Workplace			
Injured Workers	68%	71%	71%
Assessed Employers	78%	80%	85%

In particular, injured workers showed a significant increase from 2003 in their response to "How to safely do the job", and assessed employers had significant increases in their responses to "Safely operate machinery and equipment" and "Responsibility for health and safety issues".

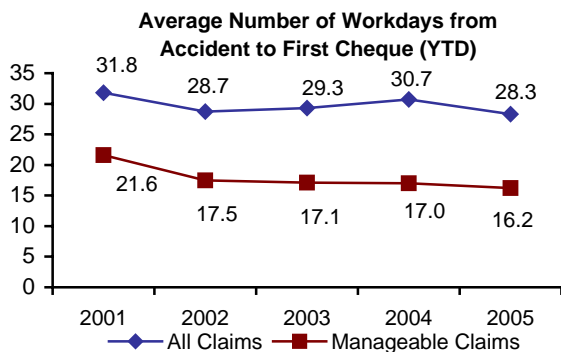
Client Perspectives of Worker and Employer Responsibilities

Injured workers and assessed employers were asked about their level of agreement with statements concerning responsibilities. Despite the recent increased awareness and supplying of health and safety training, the number of injured workers and assessed employers who completely or mostly agreed with the statement "All workplace accidents are preventable" declined significantly in 2004 from 2003, as shown in the following graph.



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 1st quarter of 2005 was 28.3 workdays. This is down 2.4 days over the average from 2004 year-to-date (30.7 days).

The average wait for “manageable claims” was 16.2 days, a decrease of 0.8 days from YTD 2004 (17.0 days).

In addition, an important factor in injured worker satisfaction is how long injured workers wait to find out if the Commission will accept their claims. There were 1,710 claims in the backlog at the end of the 1st quarter of 2005. This is 3.8% less than YTD 2004 (1,777).

Communications

Events

In the 1st quarter, staff began preparations for the 25th Health and Safety Conference and the AWCBC Congress 2006. Staff also assisted the Canadian Society of Safety Engineering in their preparations for NAOSH week activities in May. Plans also began for the Annual WRC Open House scheduled for June 3, and the WHSCC Annual General Staff Meeting.

Statistics

The following table provides information on the Commission’s communications activities in the 1st quarter of 2005.

Communications Activities, 1 st Quarter 2005	
# of speaking events	6
# of media enquiries	3
# of words translated*	134,206

*Backlog of 69,812 words at the end of the quarter

Publications

Several publications were produced and issued in the 1st quarter, including the Commission's *2004 Annual Report*. Other publications produced and issued include:

- Safety Talk #19 Trenching – Protection;
- Safety Talk #20 Trenching – Inspection;
- Safety Talk #25 Underground Utility Locates;
- Employer Quick Reference Handbook;
- Workers' Compensation: A Guide for New Brunswick Employers;
- Ergonomics Guidelines – Office Handbook
- Poster for JHSC; and
- Poster and card for "When an Accident Happens".

Website

The Commission launched the new E-News Bulletin in the 1st quarter, which is currently distributed to 1,722 subscribers across almost all municipalities and industries in New Brunswick. The Accident Notification page is the most viewed page in the bulletin.

Other projects for the website include:

- Posting various upcoming events;
- Tracking statistics to enable the Commission to target certain audiences; and
- Presenting an overview of the web statistics to the WorkSafe Services Directors.

The Commission prepared speaker profiles for staff who speak on topics on behalf of the Commission, and placed these profiles on the Commission's internal website.

Communications Campaign

Approximately 85% of businesses in New Brunswick are small businesses, which are the focus of the Commission's 2005 communications campaign.

The campaign will feature a television commercial, a radio advertisement, and a newspaper advertisement, which will tell workplaces to watch for an important mailout that they will be receiving shortly. The campaign's theme will be Talk-Knowledge-Control. This theme will en-

courage workplaces to talk to their employees about health and safety, learn their legislated responsibilities, and finally, control hazards.

To help achieve these three goals the Commission has created a CD with information about health and safety. Companies that use the CD will be rewarded with an advertisement in a local New Brunswick newspaper that acknowledges their concern about the health and safety of their employees and their customers. The formal launch of this campaign will be on Monday, September 12th, 2005.

Activities

Approved Policies

During the 1st quarter, the Board of Directors reviewed and updated their Governance Statement. In addition, they approved a policy on Home Care and Independence, and a Fee Schedule on Care Allowances.

The Board of Directors continued its discussions on policies concerning Calculation of Benefits, Conditions for Entitlement – Time, Place, and Activity, and Return to Work Incentives.

The Board of Directors also began its annual strategic planning and risk assessment in the 1st quarter.

Return to Work

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 following table. This table shows lost-time claims only and excludes claims where the injured workers removed themselves from the workforce (i.e., retirement, return to school not resulting from Commission interventions). The data in the following table is generated from the internal management information system and includes data up until March 31, 2005.

Actual Return to Work					
Accident Year	Return Within	Return to Work		Ready & Not Working	Total
		Same Job	Mod. / Alt. Job		
2004	20 days	55.6%	0.7%	2.5%	58.8%
	80 days	74.3%	1.6%	2.3%	78.3%
	130 days	80.4%	2.0%	3.3%	85.7%
2003	260 days	85.2%	3.3%	4.2%	92.7%
2002	520 days	85.1%	3.8%	5.2%	94.1%

**Due to other data not included in total figures, numbers for total return to work will not correlate.*

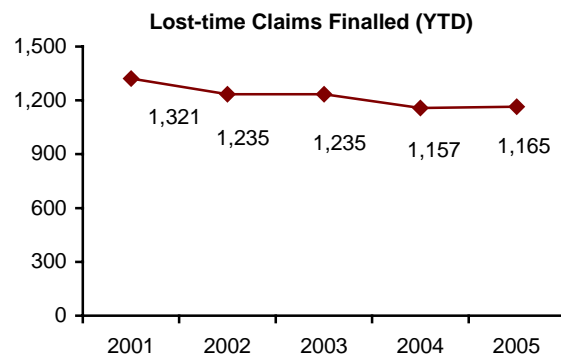
The majority of the difference between “capable” of returning to work, and “actual” return to work

results from a significant number of workers employed in seasonal industries being fit for work when the industry is “down”.

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 the number of lost-time claims finalled at year to date. A claim is finalled when loss of earnings benefits cease.

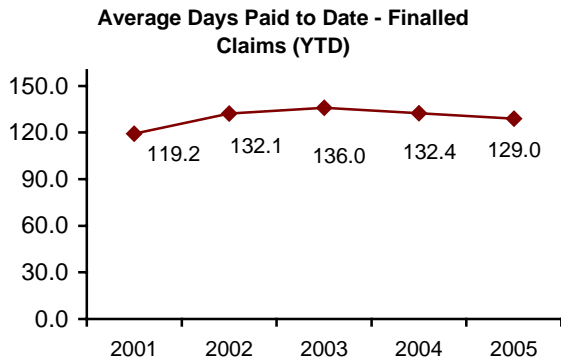


The number of lost-time claims the Commission finalled in the 1st quarter of 2005 was 1,165.

To date in 2005, the number of lost-time claims the Commission finalled is on par with YTD 2004 (1,157).

Days Paid to Date - Finalled Claims

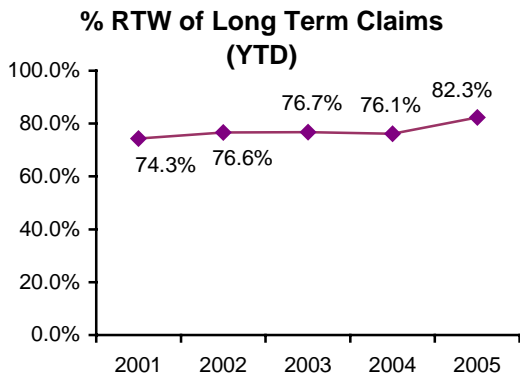
The following graph illustrates the average number of days paid in all finalled lost-time claims.



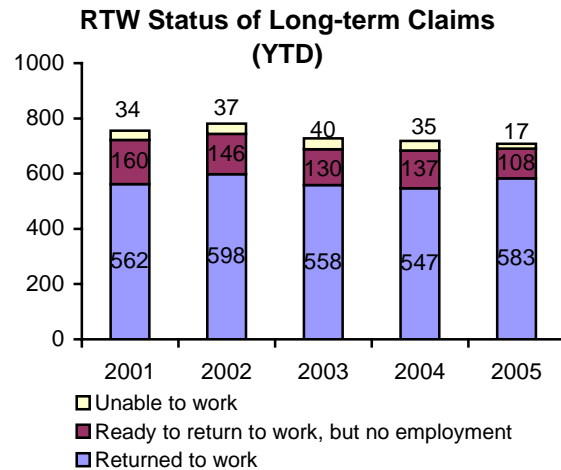
In the 1st quarter of 2005, the average days paid prior to the Commission finalling the claim was 129.0 days. This is down 3.4 days over the average YTD from 2004 (132.4).

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 1st quarter of 2005 was 82.3%.



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.)



There were 583 injured workers who returned to work in the 1st quarter of 2005. This is up 6.6% from YTD 2004 (547).

In the 1st quarter of this year, there were 108 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalled. This number is 21.2% less than YTD 2004 (137).

To date in 2005, there were 17 injured workers considered unable to return to work due to a long-term disability (LTD) when their claims were finalled. This compares with 35 to the end of the 1st quarter of 2004.

Activities

Rehabilitation Program Development and Evaluation Department

The Rehabilitation Program Development and Evaluation Department began operations on March 28, 2005. Under the direction of Barb Keir, the role of the new department is to plan, develop, evaluate and monitor rehabilitation services required by injured workers. These services include clinical, case management, disability management and vocational rehabilitation.

The initial priorities of the department are a review of long-term disability claims, a comprehensive review of the management of chronic pain and continuation of clinical audits.

Work Recovery Program

In the 1st quarter of 2005, the Work Recovery Program's average attendance by injured workers was 65 injured workers, compared to a total capacity of treatment teams of 67.

There were 120 injured workers discharged from Work Recovery in the 1st quarter of 2005. A total of 72.3% of these discharges were ready to return to work.

Discharged injured workers were given a survey concerning their satisfaction with Work Recovery. This survey's response rate was 67%. The survey indicated an average satisfaction of 92.4%. Work Recovery is planning an employer survey as part of its 2005 Workplan.

Work Recovery re-initiated its service of Stalled RTW in the 1st quarter of 2005. This service identifies barriers in intervention in RTW progression once a client's recovery has no longer improved.

Work Recovery continued planning for the WRC Open House and employer/continuing medical education sessions. It also drafted Employer Guidelines for Symptom Management Strategies.

Efficiency

Measure

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

Indicators & Analysis

Assessment Rates Across Canada

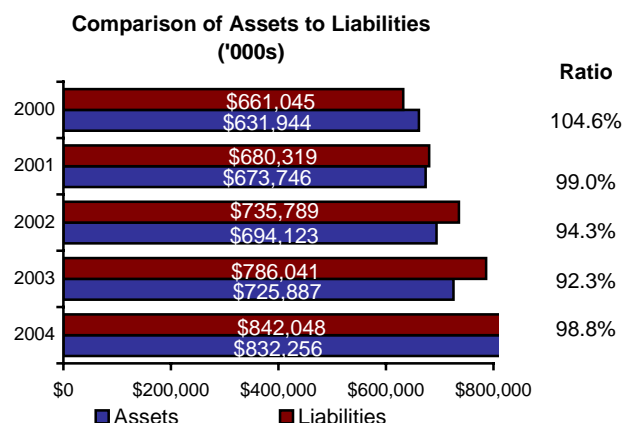
Our provisional average assessment rate for 2005 is \$2.19. This remains the lowest in Atlantic Canada.

AWCBC Provincial Benefit Comparison for 2005		
Province	% Earnings Based	Max. Comp. Earnings
ON	85% net	\$67,700
NT & NU	90% net	\$66,500
YT	75% gross	\$67,000
AB	90% net	\$62,600
BC	90% net	\$61,300
MB	90% net 1st 24 mths of cumulative benefits, then 80% net	\$58,260
QC	90% net	\$56,000
SK	90% net	\$55,000
NB*	85% loss of earnings	\$50,900
NF	80% net	\$46,275
NS*	75% net 1st 26 wks, then 85% net	\$43,800
PE*	80% net 1st 38 wks, then 85% net	\$42,300

*New Brunswick, Nova Scotia, and PEI have waiting periods to prior payment of loss of earnings benefits.

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 for the five-year period from 2000 to 2004.



Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first three months of 2005 compared to the budgeted figures, and to the corresponding period for the previous year.

Assessment income for the three-month period ending March 31, 2005 was greater than budgeted by \$698,000, while investment income was \$3,687,000 less than budgeted.

Total expenses for the three months ending March 31, 2005 were less than budgeted by \$669,000. Claims costs were greater than budget by \$438,000. Administration and Appeals Tribunal costs were lower than budgeted by \$1,106,000 while Legislative Obligations were on target. The above results yield an excess of income for the period of \$1,071,000 compared to a budgeted excess of income of \$3,391,000.

Unaudited Statement of Operations For the Three Months Ending March 31, 2005			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$41,470	\$42,168	\$40,071
Investments and other	11,460	7,773	10,591
Province of NB	225	225	225
	\$53,155	\$50,166	\$50,887
Expenses			
Claims costs incurred	41,947	42,385	43,903
Administration	7,223	6,206	6,238
Appeals Tribunal	346	257	246
Legislative obligations	248	247	240
Risk management rebates	0	0	18
	\$49,764	\$49,095	\$50,645
Excess of income over expenses for the period	\$3,391	\$1,071	\$242

The Statement of Cash Flows details the cash received and paid for the first three months of 2005 compared to the corresponding period for the previous year.

Unaudited Statement of Cash Flows For the Three Months Ending March 31, 2005		
	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$ 39,875	\$ 40,223
Self-insured employers	5,393	4,437
Interest and dividends	4,585	4,574
Province of New Brunswick	900	900
	<u>50,753</u>	<u>50,134</u>
Cash paid to:		
Injured workers or third parties on their behalf	30,505	28,809
Suppliers and employees, for administration and other services	7,391	7,610
	<u>37,896</u>	<u>36,419</u>
Net cash provided by operating activities	12,857	13,715
Cash flow from investing activities:		
Cash received from:		
Sale of investments	55,351	56,352
Cash paid for:		
Purchase of investments	62,221	61,245
Purchase of capital assets	207	166
	<u>62,428</u>	<u>61,411</u>
Net cash (used in) investing activities	(7,077)	(5,059)
Increase in cash during the year	5,780	8,656
Cash and short-term investments, beginning of period	21,255	14,818
Cash and short-term investments, end of period	27,035	23,474

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 2004 Annual Report.

Investment Portfolio Overview

The Markets

The world's developed equity markets experienced mixed results in the 1st quarter of 2005, as record-high oil prices in March caused some investors to fear that U.S. inflation may accelerate and cause the Federal Reserve to increase interest rates at a faster pace than anticipated. Canadian equities achieved the strongest return in the quarter as the S&P TSX (Standard and Poor's Toronto Stock Exchange) index gained 4.36%. Emerging markets equities also had a relatively good quarter as the MSCI (Morgan Stanley Capital International) EMF (CAD) index gained 2.93%. International equities also had a positive return in the quarter with the MSCI EAFE (CAD) index gaining 0.81%. U.S. equities were the worst performing asset class in the 1st quarter, with the S&P 500 (CAD) index losing 1.19%. The Canadian bond market had a positive quarter as well and the Scotia Capital Universe Bond index gained 1.09% in the quarter. The market value of the Commission's share of the investment fund at March 31, 2005 was \$703,403,743.

Growth in the Canadian economy moderated in the fourth quarter of 2004, with an annualized GDP growth rate of 1.7%. This was below the third quarter growth rate of 3.2%. Preliminary figures for the 1st quarter in 2005 show GDP growth improving to an annualized rate of 3.2%, reflecting an expected lift from strong U.S. demand. Growth in the Canadian labour market is expected to slow somewhat in 2005. In the 1st quarter, 5,700 jobs were lost in January, while February and March saw gains of 26,600 and 4,400 jobs. Canada's overall inflation rate increased in the 1st quarter of 2005, with the year over year inflation rate at 2.1% in February, up from 1.6% at the end of December. The Bank of Canada left its key policy rate unchanged at 2.50% at both its January and March meetings, noting that the strong Canadian dollar is temper-

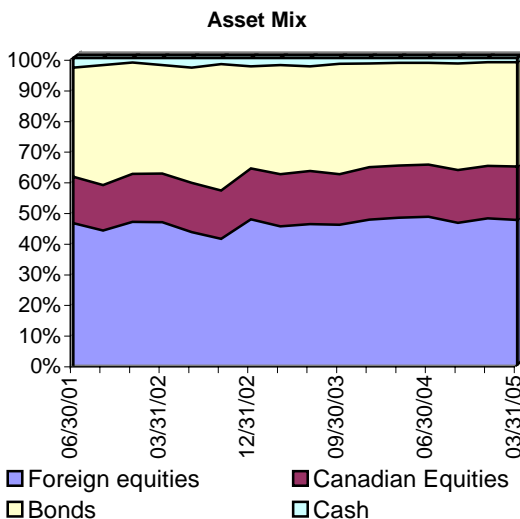
ing growth in Canadian exports, which should help contain inflation. The Canadian dollar declined relative to the U.S. dollar as the spread between Canadian and U.S. interest rates turned in favour of the U.S. The dollar ended the 1st quarter at 82.69 cents U.S., compared with 83.26 cents U.S. at the end of the 4th quarter of 2004.

U.S. growth slowed slightly in the fourth quarter of 2004 with real GDP growing at an annualized rate of 3.8%, compared with 4.0% in the third quarter. Preliminary figures for the 1st quarter of 2005 show GDP growth increasing to an annualized rate of 4.2%. U.S. employment figures improved in the 1st quarter of 2005, as the unemployment rate fell to a three-year low of 5.2%. The overall annualized U.S. inflation rate fell to 3.0% in February, down from 3.3% in December. The U.S. Federal Open Market Committee increased its target for the federal funds rate by a quarter point at both its February and March meetings. The rate stood at 2.75% on March 31st.

quarterly return of 1.2%, compared to 1.1% for the benchmark. Asset mix deviations did not add or subtract from performance during the quarter. Security selection added 0.1% in performance for the quarter. Much of this outperformance was attributable to the Canadian equities asset class. Canadian and International (EAFE) equities were the only asset classes to add value in the quarter. U.S. and Emerging Market equities underperformed their respective benchmarks for the quarter.

Negative returns in the majority of the World's equity markets from the 3rd quarter 2001 to the 1st quarter of 2003 continue to make it difficult to reach the performance goal of CPI + 4% on a four year annualized basis. In the 1st quarter, the portfolio did not achieve the CPI + 4% target, which was 1.9%. On a ten year annualized basis, the portfolio has achieved this objective.

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 six 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.

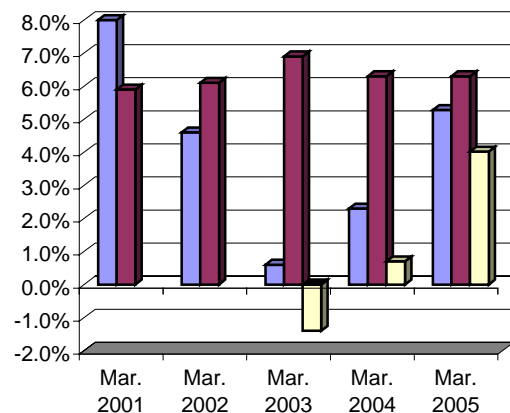


As of March 31, 2005, all asset classes are within their target ranges as defined by policy.

Fund Performance Versus Policy Objectives

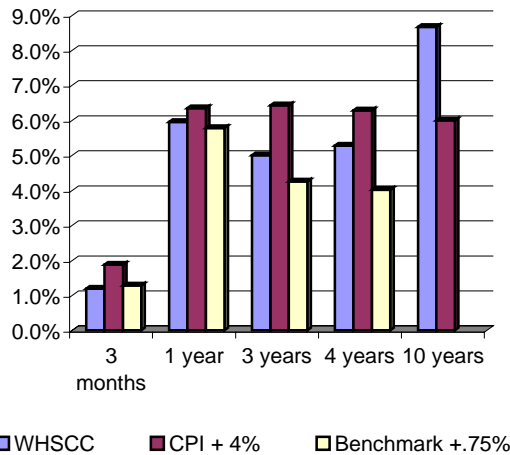
The Commission portfolio outperformed its benchmark slightly this quarter, and continued to exceed its benchmark on a four year annualized basis. The Commission portfolio produced a

4 Year Moving Average Rates of Return



■ WHSCC ■ CPI + 4% ■ Benchmark + 0.75%

Rates of Return - March 31, 2005



*Data Sources: TD Quantitative Capital, CIBC World Markets

Activities

Internal Audit

Audits completed or in progress at the end of the 1st quarter of 2005 include:

- T5007 – Statement of Benefits Paid;
- Benefit Payments; and
- Password Strength.

Fraud & Abuse

In the 1st quarter of 2005, the Commission investigated 33 new claim applications that were referred from the Adjudication and Benefit Services department.

An additional 28 claims were referred from Case Management to verify the ongoing management of accepted claims.

The Commission also investigated 17 third party actions to determine the feasibility of pursuing recovery of claim costs.

Finally, the Commission assisted employer service representatives with payroll audits on six occasions in the 1st quarter of 2005.

Staff Satisfaction

Measures

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

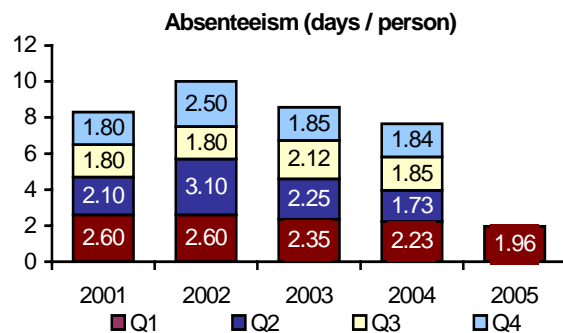
- Absenteeism;
- Accepted claims for Commission staff;
- Internal promotions; and
- Staff turnover.

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 have lower job satisfaction, whereas promotions, high attendance, and low accident rates may suggest that workers have job satisfaction. These measures along with other factors contribute to success in the staff satisfaction goal.

Absenteeism

At the end of the 1st quarter, the average number of days absent per employee was 1.96 days. On average, since 2000, the number of days absent per employee to the end of the 1st quarter was 2.36.

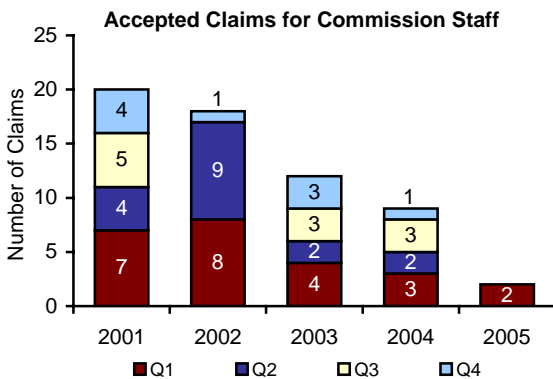


**Absenteeism = total days absence / actual yearly budgeted positions-vacant positions at end of quarter*

Managers and the Human Resources Department continue to monitor absenteeism and work with staff on maintaining a positive attendance pattern. Plans are underway to review the Disability Management Program with managers in 2005.

Accident Analysis

Ten claims were filed in the 1st quarter of 2005. The total number of accepted claims (two), by the end of the quarter is the lowest number recorded in the five-year period since 2001. None of these claims have resulted in lost-time for staff.



Note: The number of accepted claims reported in any quarter can change because of later adjudication. Any claims accepted outside the quarter in which they occur will be noted in the next quarterly report.

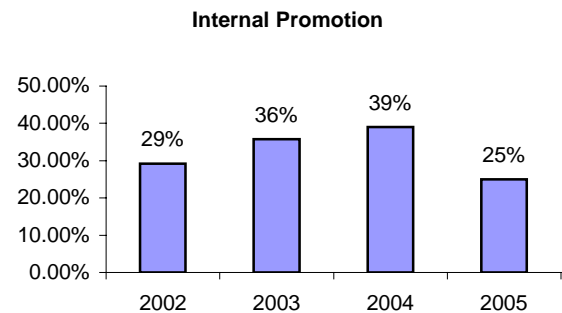
During the 1st quarter, specific activities of the 2005 Health and Safety Action Plan included the:

- Annual meeting on January 27, 2005 to launch the 2005 Action Plan;
- Revision of Directive 33-500.01 Health and Safety Program to include an Appendix for the General Health and Safety Rules, a clause for non-compliance to H&S Directives/Procedures, and the employer's responsibility to recognize staff's efforts in improving H&S at the Commission;
- Creation and distribution of a document to assist 2005 H&S Directive/Procedure review;
- Completion of a review with the Controller of work to date on the H&S Purchasing Directive;

- Review of all the current Emergency Procedures;
- Compilation and distribution of a master list of all the First Aid Providers;
- Completion of a gap analysis for work on complying with the new First Aid Regulation.

Internal Promotion

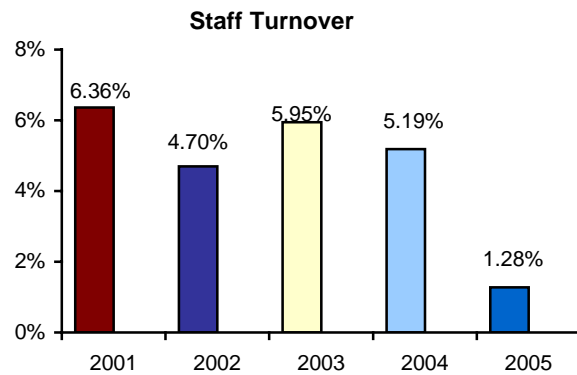
In the 1st quarter, the Commission opened 30 competitions, closed 15, and canceled five competitions. Three of the 15 (25%) closed competitions resulted in a promotion for internal staff, which is the same rate as of the 1st quarter of 2004.



** January 1 to March 31*

Staff Turnover

The turnover rate to date in 2005 is 1.28%, which is the same as the 1st quarter of 2004. Two employees exited the organization during this quarter. One resigned to work elsewhere and the other was terminated during the probationary period. When appropriate, 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 exit interviews.



**Staff Turnover per HRIS Data*

Activities

Wellness Program

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

- January – Commitment
- February – Heart Month
- March – Nutrition

Activities this quarter included: Health Heart Assessment, Skating for Heart Health, Lunch and Learn on Canada's Food Guide and S.A.D. (Seasonal Affective Disorder). "Body Bulletin" newsletters were also distributed.

Telephone Services for Take 10, Family Connections, Law Line and Teen/Parent Hotline have been connected in both French and English to support our Employee Assistance Program (EAP). Twenty-five employees/family members utilized our EAP services during the 1st quarter of 2005. These services included:

- 5 psychological service sessions; and
- 23 counseling service sessions.

Training Programs

An overview of insights was provided to all Management Teams. All the staff in the Grand Falls office received Microsoft Office training, and the Commission continued its French Language training. Other courses offered around the province included:

- Winning Presentations;
- Employee Orientation;
- CPR Re-certification Level B;

- Practical Loss Control;
- Standard First Aid & CPR Level B;
- Collision Avoidance Program;
- FKA Consulting Skills; and
- MS Excel Advanced.

A total of 64 participants registered in the above courses.