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# Corporate Report

2<sup>nd</sup> 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 each of our clients.

**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

### September

**September 12, 2005** 2005 Communications Campaign Launch

### October

**October 15-19, 2005** AWCBC Learning Symposium, Halifax, NS

**October 23-25, 2005** WHSCC 25<sup>th</sup> Annual Health and Safety Conference, Saint John

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

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## Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the 2<sup>nd</sup> 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.

New Brunswick is Canada's third-most reliant province on manufacturing, after Québec and Ontario<sup>1</sup>. A snapshot of New Brunswick's major economic indicators compared to the previous year follows:

New Brunswick Economic Snapshot 2 <sup>nd</sup> Quarter 2005			
	Q2 2004	Q2 2005	Year Change
GDP (Market Prices, Million \$)	22,446	24,153	↑
# Employed	349,500	351,300	↑
Unemployment Rate	9.8%	9.3%	↓
Housing Starts	4,360	4,170	↓
Retail Sales (Million \$)	7,835	8,280	↑

Source – Conference Board of Canada – July 2005

Overall, the number of New Brunswickers employed in the quarter rose. However, from May to June, employment decreased by 6,000, with just over half of the decline among youth aged 15-24. The declines were in the health care and social assistance sector and the accomodation and food services sector. The unemployment rate remained steady at 9.7% at the end of June compared to June 2004 when it was 9.8%.<sup>2</sup> Sectors that saw job gains in June were: public administration; transportation and warehousing; and trade.

Housing starts in the province are expected to decrease by 6% and be a weaker contributor to

the economy in 2005.<sup>3</sup> In addition, capital spending by NB Power and the public sector is anticipated to drop.

J.D. Irving announced plans for the former Saint John Shipbuilding site to be home to a biomass energy plant and gypsum wallboard plant. The project will create 165 new jobs, generate \$8.1 million in annual payroll and is projected to begin production by mid-2007.<sup>4</sup>

ClientLogic announced an expansion of their call centre operations in Bathurst. Already employing 170 people, the expansion will add 330 workers to the payroll. Local officials emphasized the importance of the announcement to the city's economic future as the Noranda Brunswick mine is slated to close in 2008, eliminating 900 jobs from the area.<sup>5</sup>

Enterprise Miramichi announced that several forestry and manufacturing businesses in the region have formed a strategic alliance to address some of their common issues like the cost of fuel and shipping. The group includes over 40 companies including UPM Miramichi, the ATCON Group and Sunny Corner Enterprises, and will also pool their resources to become more competitive in global markets.

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

<sup>1</sup> RBC Financial Group. Provincial Outlook. July 2005

<sup>2</sup> Labour Force Survey. Statistics Canada. CANSIM 282-0087, 282-0088, 282-0089

<sup>3</sup> RBC Financial Group. Provincial Outlook. July 2005

<sup>4</sup> July 6, 2005, news release. [www.jdirving.com](http://www.jdirving.com)

<sup>5</sup> NB Telegraph Journal, July 7, 2005

Real Domestic Product Millions \$ - 1997 Base*			
	Q2 2004	Q2 2005	Year Change
All Industries	19,235	19,543	↑
Construction	1,260	1,330	↑
Manufacturing	3,017	2,990	↔
Utilities	520	550	↑
Agriculture, Fisheries and Trapping	465	475	↑

Source – Conference Board of Canada – July 2005

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

## Economic Outlook

The strong performance demonstrated by New Brunswick's manufacturing sector and export activity in the past year is forecasted to continue in 2005 and 2006. The continuing strength of the Canadian dollar in foreign markets is expected to produce growth levels between 2.1%<sup>6</sup> and 3.0%<sup>7</sup> in 2005, slightly below the national average.

### For Further Information...

- Institute for Work and Health. [www.iwh.on.ca/products/cur\\_news.php](http://www.iwh.on.ca/products/cur_news.php)
- Seasonality in Atlantic Canada: Trends, Challenges and Policy Issues. [www.apec-econ.ca/SeasonalityReport.pdf](http://www.apec-econ.ca/SeasonalityReport.pdf)

<sup>6</sup> Conference Board of Canada, Provincial Outlook Spring 2005

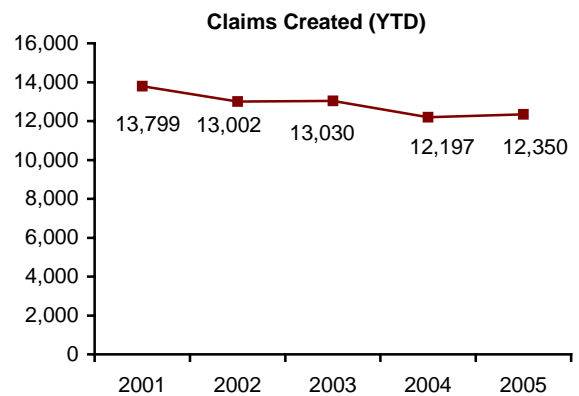
<sup>7</sup> BMO Financial Group Economics Department. Provincial Outlook.

## At the WHSCC

### Work Volumes

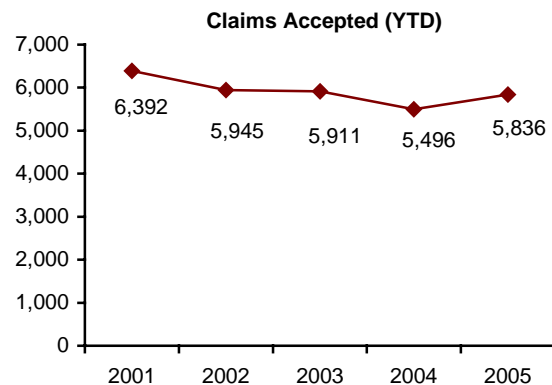
#### Newly Reported Claims

“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 2<sup>nd</sup> quarter of 2005, the number of claims created was 6,481, bringing the YTD total to 12,350, which is 1.3% more than YTD 2004 (12,197).



#### Newly Accepted Claims

A claim that is “accepted” is one that has been adjudicated and benefits are due to be paid. The following graph shows the count of new workplace claims accepted by the Commission. In the 2<sup>nd</sup> quarter of 2005, the number of newly accepted claims was 3,112, bringing the YTD total to 5,836, which is 6.2% more than YTD 2004 (5,496).



The increase in the number of claims accepted in 2005 has a corresponding effect on the number of lost-time claims and lost-time claims finalised.

### Lost-time / No Lost-time

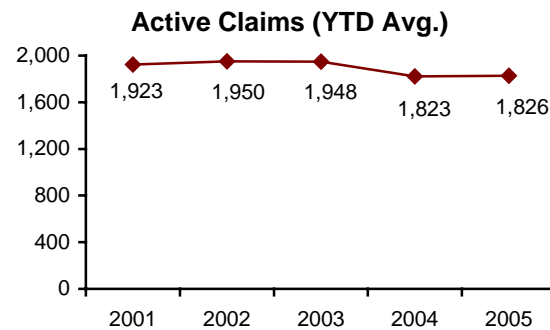
“Lost-time” claims are those in which injured workers miss time from work, including claims in which no benefits are paid due to the 3-day waiting period. “No lost-time” claims are claims in which there is no loss of time from work and therefore, no payment of loss of earnings benefits. However, in both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

In the 2<sup>nd</sup> quarter of 2005, the Commission accepted 1,629 lost-time claims, bringing the YTD total to 3,137, which is 12.6% more than YTD 2004 (2,785).

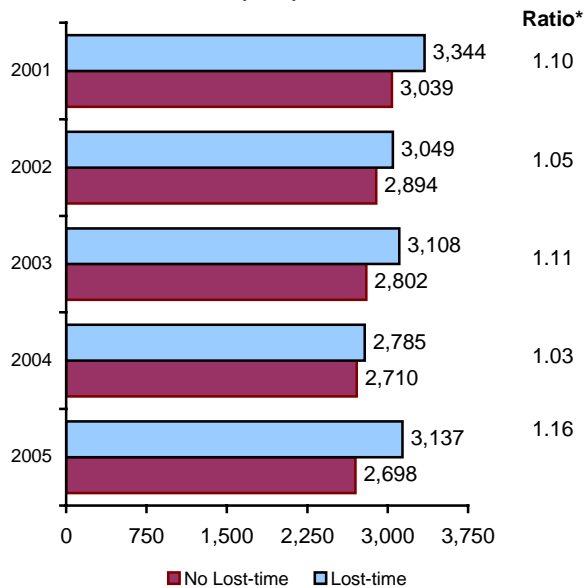
In the 2<sup>nd</sup> quarter of 2005, the Commission also accepted 1,482 no lost-time claims, bringing the YTD total to 2,698, which is on par with YTD 2004 (2,710).

### 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 2<sup>nd</sup> quarter of 2005 was 1,826, which is on par with the YTD average of 2004 (1,823).



Lost-time vs. No Lost-time Claims (YTD)



\* The ratio of 1.16 means that for every 100 no lost-time claims, there were 116 lost-time claims.

## Safety

*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;
- Within jurisdictions;
- By payroll;
- By industry sectors;
- By focus industries; and
- By focus firms.

### 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 Commission also tracks the trend in accident costs per \$1 million of payroll for all insured employers.

The following table illustrates these figures.

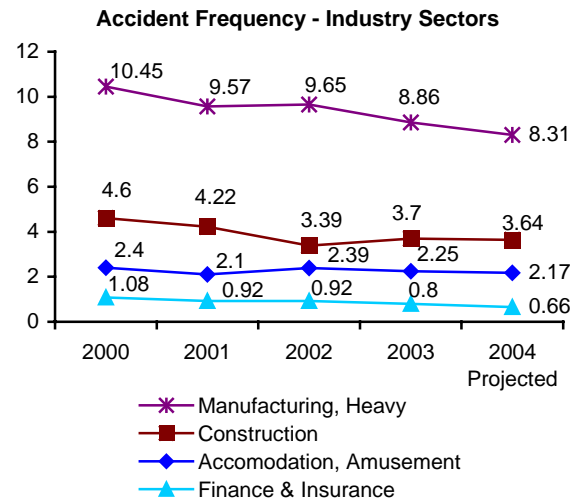
	2000	2001	2002	2003	2004
Provincial Accident Frequency per 100 FTEs	4.33	4.10	3.97	3.59	3.43*
Cost per \$1 Million Payroll	2,681	2,799	2,566	2,608	2,384

\*Projected

#### Industry Sectors

The next graph shows the trend in accident frequency for a few selected industry sectors which are part of the calculation of the overall accident frequency rate. The decrease in these sectors contributes to the decrease in the overall provincial accident frequency rate.

These industry sectors are showing a steady decline in accident frequency over the past five years.

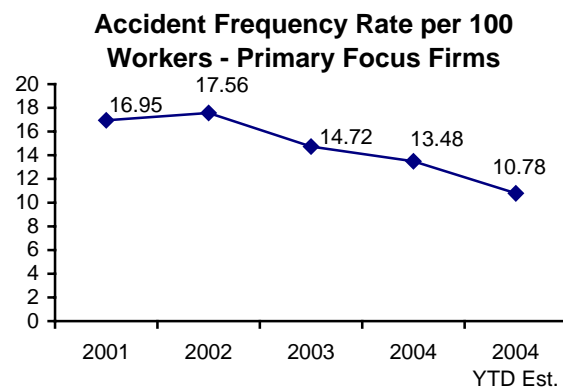


#### Primary Focus Firms

The Commission selects a number of firms for individualized health and safety services. Upon agreeing to participate, a Health and Safety Consultant works with the firm to assist in implementing a health and safety program.

At the end of the 2<sup>nd</sup> quarter of 2005, there were 62 primary focus firms working with the Commission.

The accident frequency rate for primary focus firms continued to show improvement in 2004 and 2005.

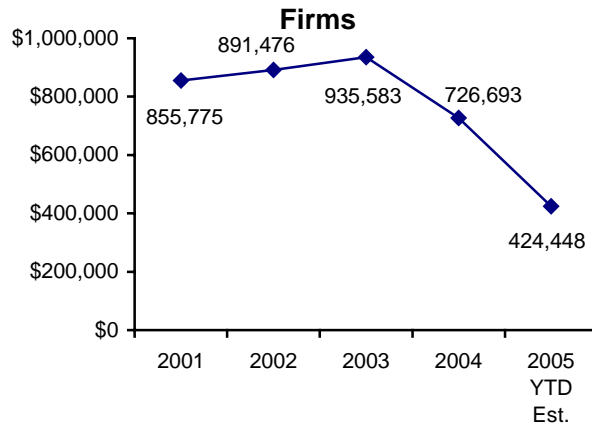


In addition, the average number of injuries for all primary focus firms dropped to approximately 25.3 accidents per firm in 2004 from 28.5 in the previous year.



This reduction in accidents should result in an estimated savings in accident costs (including downtime, staff retraining, equipment loss, etc.) to these employers. In 2004, primary focus firm employers have saved approximately \$200,000 in accident costs per 100 workers, with this trend continuing to date in 2005.

**Estimated Total Accident Costs per 100 Workers - Primary Focus Firms**



## 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*.

### General Education

As of June 30, over 1,100 individuals have attended the Commission's public workshops in 2005. The majority (65%) attended workshops for the new first aid regulations that have been in effect since January 2005. Attendance for the Joint Health and Safety Committee Core Training Program continues to be strong, as 358 individuals have registered for this 3-day workshop.

## Youth Programs

The Commission and the Department of Education distributed new employee OHS orientation checklists to the 500 New Brunswick employers involved in hiring Youth Apprenticeship high school students throughout the summer.

Over 3,000 high school students completed the Passport to Safety on-line OHS evaluation tool. Planning is underway to introduce the program into francophone schools this fall.

On request from provincial Human Resources and Skills Development Canada Student Employment Centres, the Commission conducted training on important OHS tips to share with young workers.

The Commission continued its preparations for introducing the Stella the Safety Skunk program into elementary schools this fall. The program focuses on student development of safe decision making skills. The program is connected to mandatory curriculums for kindergarten to grade two.

The Commission's website registered nearly 4,000 visitors from the SAFET-e-CARD since its initial distribution at the end of 2004.

Provincial schools received the Commission's annual year-end evaluations. This data will indicate the use of the Commission's youth resources for the past school year. Results will be compiled and summarized in the 3<sup>rd</sup> quarter.

## Prosecutions

In the 2<sup>nd</sup> quarter of 2005, the Commission laid two charges. In one case, the employer was charged after a truck slid off the side of a weigh scale at a gravel pit. In the other case, the employer was charged after a pile of frozen peat moss broke through the windshield of a front end loader. Both employers entered pleas of not guilty and both trials are set for the 4<sup>th</sup> quarter. In addition, there are several charges currently being reviewed by Crown prosecutors for other incidents.



In addition to the two charges laid in the 2<sup>nd</sup> quarter of 2005, four cases were also resolved. In the first case, a sawmill employer pleaded guilty to charges of failing to ensure that employees locked out a piece of machinery before servicing it. An employee suffered injuries because of this accident. The employer was fined \$5,000. As part of this case, two employees were also charged and pleaded guilty to failing to lock out the machine. One employee was fined \$300 and the other was not fined in recognition of the injuries suffered in the accident.

In the second case, a furniture manufacturer was charged after an employee suffered partial amputations on three fingers. The employee was assigned to work on a machine that he had not used before nor was given training. The employer pleaded guilty for failing to provide adequate instruction, training and supervision and was fined \$8,400.

In the third case, a sawmill employer was charged after an employee was injured when a small piece of wood came into contact with a saw blade causing it to shatter and strike the employee. The employee sustained cuts and spearing injuries to both hands and a puncture injury to the chest wall. The employer was charged with failing to ensure the equipment was adequately maintained, for failing to provide adequate instruction, training and supervision, and for failing to provide a safeguard. The court ordered that the employer spend \$4,000 to provide training to other small wood working shops in the area to prevent this kind of accident in the future, and fined them \$215.

In the fourth case, a welding company was doing roofing work and an employee fell from the roof and suffered serious injuries. The court recognized that this was a small employer and that they pleaded guilty, so it fined them \$5,500.

Finally, two employers were charged for allowing employees to enter a trench that was not benched, sloped or otherwise protected from collapse. One employer was the contractor and the other was hired by the owner to oversee the job. Both em-

ployers were charged and entered not guilty pleas. The trial for both employers was held this quarter with the judge reserving the decision. A decision is expected early in the 3<sup>rd</sup> quarter.

## Arbitrations

The Commission received no complaints of discriminatory action in the 2<sup>nd</sup> quarter of 2005. However, four cases were resolved in the 2<sup>nd</sup> quarter.

In the first case, the complaint was withdrawn. The complaint, as submitted, did not give the Commission jurisdiction to assign an arbitrator. The complainant alleged that he was discriminated against by his employer for not appointing him to the JHSC as an employee representative. The employer, however, cannot appoint the employee representatives and the employees did not choose this person to be their representative.

In the second case, the arbitrator accepted that the employer discriminated against the employee. The employee, who is not an electrician, was asked to perform major electrical work after a co-worker was ordered to do the same and was seriously injured. The complainant refused, and his employment was terminated. The arbitrator accepted the evidence that the termination of his employment was causally linked to his work refusal. The arbitrator ordered that the employer pay \$5,000 to the complainant. The arbitrator also ordered that the employer contact the Commission and request that an Officer undertake a detailed inspection of his shop, and that an education consultant provide training on employee rights. The employer complied with all terms of the order and the Commission provided the services as requested.

In the third case, the complainant alleged that he was discriminated against when his employer asked him to work overtime. This case was resolved prior to the hearing and the complaint was subsequently withdrawn. The details of the settlement are unknown to the Commission.

In the fourth case, the complainant alleged that after a minor burn he was refused first aid treat-

ment, and his employment was terminated later in the day. The complainant also alleged that his union did not assist him in this matter. The arbitrator heard evidence from the complainant, the employer and the union, and dismissed the case.

There were two cases awaiting decisions in the 2<sup>nd</sup> quarter. The decisions are expected early in the 3<sup>rd</sup> quarter.

There are 65 cases that were awaiting a hearing in the 2<sup>nd</sup> quarter. All of these cases are dealing with the same complaint by employees of the same employer, and will be heard at one hearing scheduled for the 3<sup>rd</sup> quarter.

## Service

*We will provide prompt, effective, efficient, just, fair, and caring services to each of our clients.*

### 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.

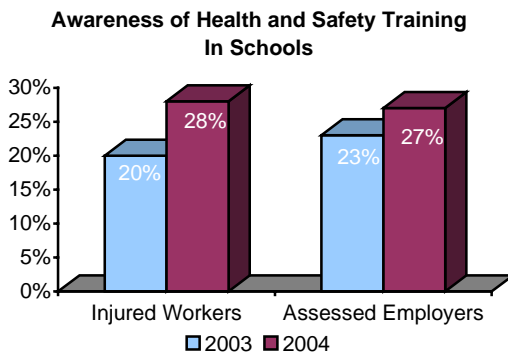
Satisfaction Indices (Weighted)					
	2000	2001	2002	2003	2004
Injured Workers	82%	83%	81%	81%	87%
Assessed Employers	86%	86%	85%	86%	85%

## Key Research Findings

### Health and Safety Education in Schools

Assessed employers and injured workers were asked if they were aware that the Commission worked with the Department of Education to promote health and safety to school-aged children, and if their children had received this education.

Injured workers' awareness of this education increased significantly to 28% in 2004 from 20% in 2003.

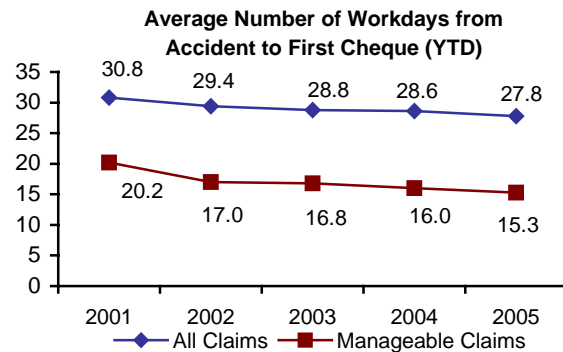


### Days to First Cheque

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.

The average number of days from accident to first cheque for all claims in the 2<sup>nd</sup> quarter of 2005 was 27.8 workdays. This is down 0.8 days over the average from YTD 2004 (28.6 days).

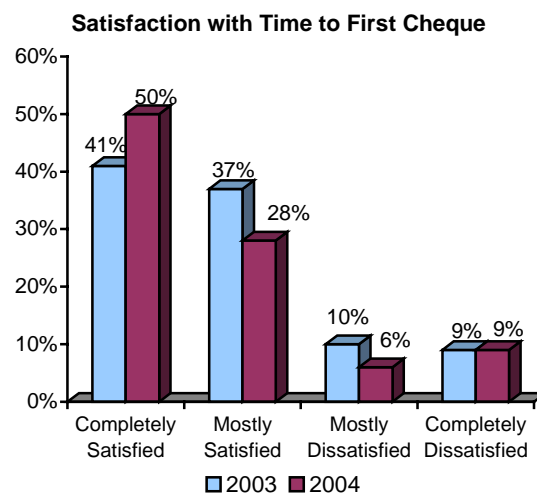
The average wait for "manageable claims" was 15.3 days, a decrease of 0.7 days from YTD 2004 (16.0 days).



"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.

Injured workers showed a significant increase in satisfaction with the time required to wait for their first benefit cheque, with 50% being completely satisfied in 2004, compared to 41% in 2003. There was also a significant decrease in those who were mostly dissatisfied, decreasing to 6% in 2004 from 10% in 2003.



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 1,821 claims in the backlog at

the end of the 2<sup>nd</sup> quarter of 2005. This is 16.4% less than YTD 2004 (2,177).

### Communications

#### Events

In the 2<sup>nd</sup> quarter, staff continued preparations for the 25<sup>th</sup> Health and Safety Conference and the AWCBC 2006 Congress. Staff also organized Day of Mourning activities in April, the WHSCC NAOSH week activities in May, and the annual WRC Open House in support of Disability Awareness Week in June. Staff also assisted in the organization of the Commission's Annual General Staff Meeting.

#### Statistics

The following table provides information on the Commission's communications activities in the 2<sup>nd</sup> quarter of 2005.

Communications Activities, 2 <sup>nd</sup> Quarter 2005	
# of media enquiries	10
# of words translated*	211,680

\*Backlog of 51,831 words at the end of the quarter

#### Publications

Several publications were produced and issued in the 2<sup>nd</sup> quarter, including a variety of reprints, and the Commission's 2004 Report to Stakeholders. Other new publications produced and issued include:

- WHSCC News
- WHSCC E-News (monthly editions)
- Accident Reports (monthly listings posted on website)
- Trenching flyer and sticker
- Day of Mourning poster and letter
- Hazard Alert - New Brunswick worker buried alive
- Hazard Alert - Environmental conditions create unsafe working situations
- Hazard Alert - Worker crushed while unloading waste container

#### Website

The Commission continued to publish the E-News Bulletin in the 2<sup>nd</sup> quarter, and the list of subscribers continued to grow. The June edition

of the newsletter was distributed to 2,077 subscribers. The subscriber list now includes email addresses from across the country. A new "did you know" statistic has been incorporated into the newsletter, providing readers with general information on the Commission and its activities.

During the 2<sup>nd</sup> quarter, there were more than 18,000 visitors to the Commission's website. A limited redesign of the home page was undertaken, to provide users with faster visual access to the hot-topic information they need.

Other projects for the website include:

- Posting links and new pages outlining 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.

#### Communications Campaign

The Commission continued its work in preparing for the September 12<sup>th</sup> launch of its 2005 communications campaign, which focuses on small business. The campaign uses advertisements on television, radio, and the newspaper. It also uses a mailed out CD.

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.

#### Zero Tolerance Campaign

The Communications Department supported WorkSafe Services Division's 2<sup>nd</sup> quarter Zero Tolerance campaign, focusing on trenching activities. The zero tolerance concept and the trenching campaign have been well-received by employers.

The department updated and created a variety of printed materials, including a flyer, several safety talks, a hazard alert, and a new section for the WHSCC website. The department also coordinated a large mailout to New Brunswick employers engaged in trenching.

The Communications department will be working with WorkSafe Services Division to support an upcoming Zero Tolerance Lockout campaign.

## Activities

### New Services

Prescriptions for injured workers are now paid through Blue Cross directly to pharmacies at the point of sale. This allows for better management of the claim and faster service for exceptions with instant special authorization for drugs falling outside the injured worker's assigned formulary. This reduces the number of cheques processed for injured workers and pharmacies. As well, formulary management is now electronic.

Since the 2<sup>nd</sup> quarter, claim-related facsimiles are received directly into the claims management system. This includes billings, evaluations, and other reports from hospitals, physicians, and other medical aid providers. This bypasses the scanning process, moving these documents to indexing more quickly. The current daily fax load received is approximately 800 documents. High volume mail users are now asked to fax, saving postage and decreasing the scanning load.

Employers have also been able to register for coverage on-line since the 2<sup>nd</sup> quarter. The form data is imported directly into the Assessment Management System for processing. This is the second of three pilot programs with Service New Brunswick (SNB); the first, which is already implemented, allows for making assessment payments online, over the phone, or over the counter at any SNB office. The third pilot is in the analysis phase, and will allow requests for Clearance Certificates to be made on-line.

### Approved Policies

During the 2<sup>nd</sup> quarter, the Board of Directors reviewed and approved their 2005 Strategic Plan and Risk Assessment.

In addition, the Board of Directors approved policies on:

- Calculation of Benefits;
- Conditions for Entitlement – Tests of Time, Place and Activity;

- Medical Aid – Principles;
- Occupational Health and Safety Demerits
- Pension Benefits – Pre-1982 Accidents;
- Rehabilitation;
- Return to Work Incentives;
- Return to Work – Principles; and
- Vocational Rehabilitation.

## Return to Work

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

### Measure

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

### Indicators & Analysis

The return to work goal is measured using the following table. This table shows lost-time claims only and excludes claims where the injured workers removed themselves from the workforce (i.e., retirement, and 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 June 30, 2005.

Actual Return to Work					
Accident Year	Return Within # of days	Return to Work		Ready & Not Working	Total
		Same Job	Mod. / Alt. Job		
2005	20	48.3%	0.9%	0.2%	49.4%
	80	58.8%	1.6%	0.3%	60.7%
	130	58.8%	1.6%	0.7%	61.1%
2004	260	83.4%	2.4%	2.7%	88.5%
2003	520	86.1%	3.7%	3.1%	93.0%

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

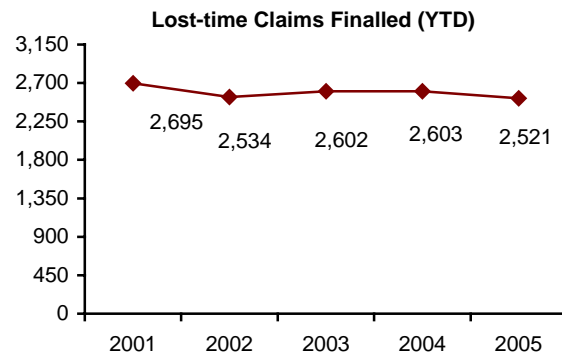
The majority of the difference between “capable” of returning to work, and “actual” return to work results from a significant number of workers employed in seasonal industries being fit for work when the industry is “down”.

### 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.

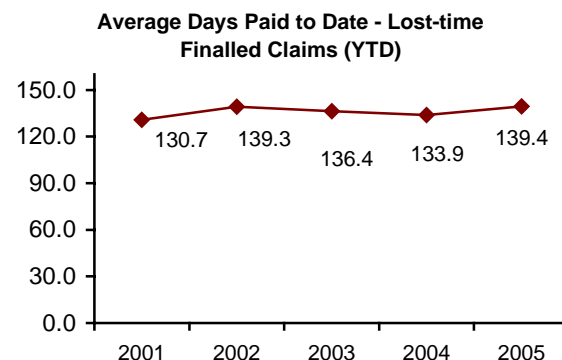
The number of lost-time claims the Commission finalled in the 2<sup>nd</sup> quarter of 2005 was 1,273, bringing the YTD total to 2,521, which is 3.2% less than YTD 2004 (2,603).



### Days Paid to Date – Lost-time Finalled Claims

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

To date in 2005, the average days paid prior to the Commission finalling the claim was 139.4 days. This is up 5.5 days over the average YTD from 2004 (133.9).

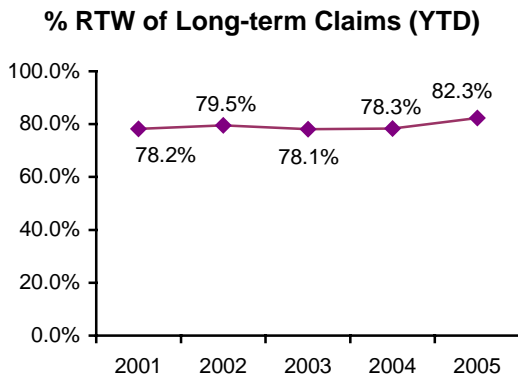




## Return to Work Status

The following graph illustrates the percentage of injured workers with long-term claims who returned to work. This percentage to date in 2005 is 82.3%, a 5% increase from YTD 2004 (78.3%).

It 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 finalised. (Return to work status information is only available for case managed claims.)

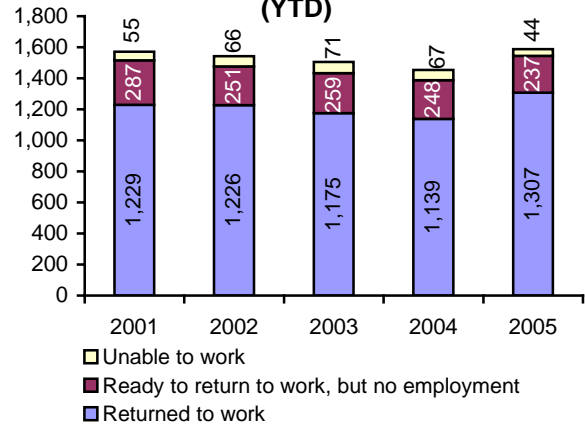


There were 724 injured workers who returned to work in the 2<sup>nd</sup> quarter of 2005, bringing the YTD total to 1,307, which is up 14.7% from YTD 2004 (1,139).

In the 2<sup>nd</sup> quarter of this year, there were 129 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalised. This brings the YTD total to 237, which is 4.4% less than YTD 2004 (248).

To date in 2005, there were 44 injured workers considered unable to return to work due to a long-term disability (LTD) when their claims were finalised. This compares with 67 at the end of the YTD 2004.

RTW Status of Long-term Claims (YTD)



## Activities

### Rehabilitation Program Development and Evaluation (RPDE) Department

In the 2<sup>nd</sup> quarter of 2005, the RPDE department performed an audit of acute primary physiotherapy, which is delivered by an approved network of private physiotherapy clinics. The purpose of the audit was to establish baseline outcomes and identify opportunities to improve outcomes. Follow-up activities include developing a mechanism of regular reporting of outcomes and partnering with Dalhousie University in a research project to identify specific physiotherapy treatment approaches which yield best results to increase early and safe return to work.

The department also completed an audit of clients who had received work conditioning (active physiotherapy incorporating transitional return to work) and had scored high on the Pain and Activity (P + A) Questionnaire. The purpose of the questionnaire is to identify clients for whom pain is interfering with activity and those who may become disabled by pain.

The audit showed that claim costs and days lost from work are higher for the group of clients with high P + A Questionnaire scores and work conditioning is not an effective treatment approach for a subset of these clients.

RPDE has recommended a pilot to develop a service that will improve return to work rates by



effectively addressing psychosocial barriers for clients who score high on the P + A Questionnaires.

In addition, the department also commenced a review of services for the treatment of chronic pain for the purpose of evaluating effectiveness of current service providers and making recommendations regarding future services.

Finally, the department completed an audit of Gradual Return to Work (GRTW) service providers to establish baseline outcomes and to identify factors that influence success. Factors appearing to improve success include GRTW service provider presence at the first day back at work, progress review meetings with the injured worker every two weeks, written communication with all stakeholders, and employer involvement. Following the audit, the GRTW standards were revised to incorporate the success factors.

## **Work Recovery Program**

In the 2<sup>nd</sup> quarter of 2005, the Work Recovery Program's average daily attendance by injured workers was 76 injured workers, compared to total capacity of treatment teams of 78.

There were 140 injured workers discharged from Work Recovery in the 2<sup>nd</sup> quarter of 2005, of which 76.4% were ready to return to work.

Discharged injured workers were given a survey concerning their satisfaction with Work Recovery. This survey had a response rate of 68%, which indicated an average satisfaction of 88%. Work Recovery is presently conducting an employer survey as part of its 2005 Workplan.

Work Recovery staff are also finalizing a protocol to use with injured workers with mild traumatic brain injuries.

## **Workers' Rehabilitation Centre (WRC)**

The Workers' Rehabilitation Centre held its Open House on June 3, 2005, providing employers and physicians an opportunity to learn about the services provided at the WRC. As part of the Open House, the Commission provided continuing

medical education for physicians, as well as a half-day workshop for employers. Evaluation results indicated 90% satisfaction with the education sessions.

## Efficiency

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

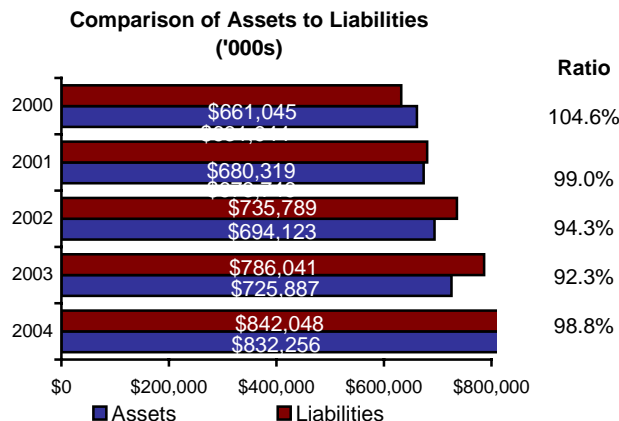
### Measure

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

### Indicators & Analysis

#### 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 six months of 2005 compared to the budgeted figures, and to the corresponding period for the previous year.

Assessment income for the six-month period ending June 30, 2005 was greater than budgeted by

\$1,272,000, and investment income was \$8,472,000 greater than budgeted.

Total expenses for the six months ending June 30, 2005 were greater than budgeted by \$5,746,000. Claims costs were greater than budgeted by \$7,420,000. Administration, Appeals Tribunal costs, and Legislative Obligations were lower than budgeted by \$1,674,000. The above results yield an excess of income for the period of \$11,889,000 compared to a budgeted excess of income of \$7,891,000.

Unaudited Statement of Operations For the Six Months Ending June 30, 2005			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
<b>Income</b>			
Assessments including self-insured	\$85,507	\$86,779	\$85,553
Investments and other	22,910	31,382	15,033
Province of NB	450	450	450
	<b>\$108,867</b>	<b>\$118,611</b>	<b>\$101,036</b>
<b>Expenses</b>			
Claims costs incurred	83,893	91,313	90,301
Administration	15,869	14,378	13,507
Appeals Tribunal	719	584	524
Legislative obligations	495	447	479
Risk management rebates	0	0	64
	<b>\$100,976</b>	<b>\$106,722</b>	<b>\$104,875</b>
Excess of income over expenses for the period	<b>\$7,891</b>	<b>\$11,889</b>	<b>(\$3,839)</b>

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

<b>Unaudited</b> <b>Statement of Cash Flows</b> For the Six Months Ending June 30, 2005		
	Actual YTD	Previous YTD
	(000's)	(000's)
<b>Cash flow from operating activities:</b>		
Cash received from:		
Assessed employers	\$ 92,538	\$ 88,530
Self-insured employers	10,613	9,476
Interest and dividends	10,849	9,965
Province of New Brunswick	900	900
	<u>114,900</u>	<u>108,871</u>
Cash paid to:		
Injured workers or third parties on their behalf	59,637	57,509
Suppliers and employees, for administration and other services	<u>16,377</u>	<u>15,963</u>
	<u>76,014</u>	<u>73,472</u>
<b>Net cash provided by operating activities</b>	<b>38,886</b>	<b>35,399</b>
<b>Cash flow from investing activities:</b>		
Cash received from:		
Sale of investments	<u>98,277</u>	<u>133,831</u>
Cash paid for:		
Purchase of investments	119,962	145,922
Purchase of capital assets	463	449
	<u>120,425</u>	<u>146,371</u>
<b>Net cash (used in) investing activities</b>	<b>(22,148)</b>	<b>(12,540)</b>
<b>Increase in cash during the year</b>	<b>16,738</b>	<b>22,859</b>
Cash and short-term investments, beginning of period	21,255	14,818
<b>Cash and short-term investments, end of period</b>	<b><u>37,993</u></b>	<b><u>37,677</u></b>

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.

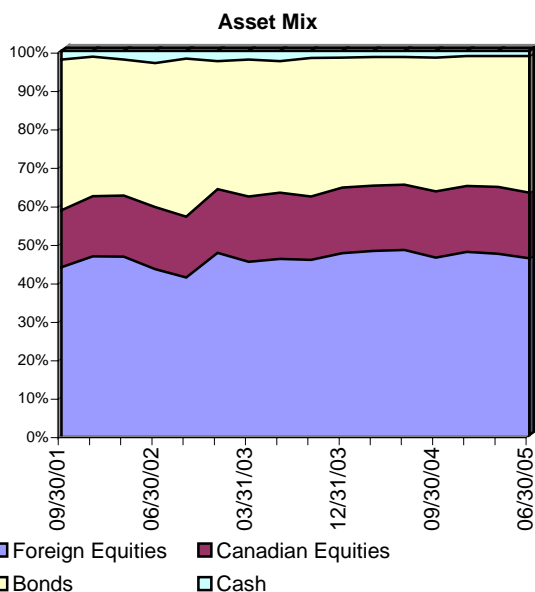
## Investment Portfolio Overview

### The Markets

Most of the world's developed equity markets experienced positive results for the 2<sup>nd</sup> quarter of 2005, as the U.S. economy continued to experience strong growth despite high oil prices. Emerging markets equities achieved the strongest return in the quarter as the MSCI (Morgan Stanley Capital International) EMF (CAD) index gained 5.53%. Canadian equities also had a relatively good quarter as the S&P TSX (Standard and Poor's Toronto Stock Exchange) index gained 3.58%. U.S. equities also had a positive return in the quarter with the S&P 500 (CAD) index gaining 2.62%. International equities were the worst performing asset class in the second quarter, with the MSCI EAFE (CAD) index gaining just 0.22%. The Canadian bond market had a very strong return in the quarter as the Scotia Capital Universe Bond index gained 4.47%. The market value of the Commission's share of the investment fund at June 30, 2005 was \$736,866,414.

Growth in the Canadian economy was lower than expected in the 1<sup>st</sup> quarter of 2005, with an annualized GDP growth rate of 2.3%. Preliminary figures for the 2<sup>nd</sup> quarter of 2005 show GDP growth improving to an annualized rate of 3.0%. The Canadian labour market improved in the 2<sup>nd</sup> quarter, adding over 79,000 jobs. Canada's overall inflation rate declined in the 2<sup>nd</sup> quarter of 2005, with the year over year inflation rate at 1.6% in May, down from 2.1% at the end of March. The Bank of Canada left its key policy rate unchanged at 2.50% at both its April and May meetings, given the current environment of moderate economic growth and low inflation. The Canadian dollar declined relative to the U.S. dollar in the second quarter. The dollar ended the 2<sup>nd</sup> quarter at 81.51cents U.S., compared with 82.69 cents U.S. at the end of the 1<sup>st</sup> quarter.

U.S. economic growth slowed slightly in the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2005, although it continued to be strong. In the 1<sup>st</sup> quarter, real GDP grew at an annualized rate of 3.8%, compared with 4.4% in the 4<sup>th</sup> quarter of 2004. Preliminary figures for the 2<sup>nd</sup> quarter of 2005 show GDP growth decreasing to an annualized rate of 3.1%. U.S. employment figures improved in the 2<sup>nd</sup> quarter of 2005, as the unemployment rate fell to 5.0%, the lowest since September 2001. The overall annualized U.S. inflation rate fell to 2.8% in May, down from 3.0% in March. The U.S. Federal Open Market Committee increased its target for the federal funds rate by a quarter point at both its May and June meetings. The rate stood at 3.25% on June 30th.



As of June 30, 2005, all asset classes are within their target ranges as defined by policy.

## Fund Performance Versus Policy Objectives

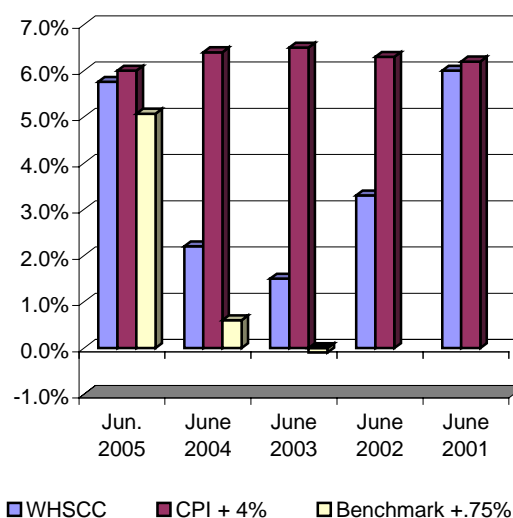
The Commission portfolio outperformed its benchmark slightly this quarter, and continued to exceed its benchmark on a four-year annualized basis. The Commission portfolio produced a quarterly return of 3.4%, compared to 3.2% for the benchmark. Asset mix deviations added 0.1% in performance during the quarter. Security selection also added 0.1% in performance for the

quarter. Much of this outperformance was attributable to Canadian and U.S. equities.

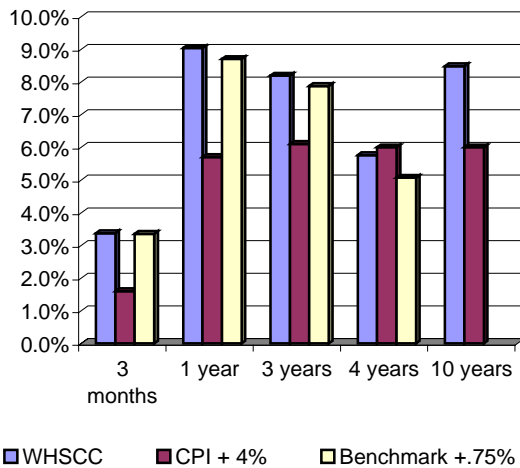
The Commission portfolio was slightly behind its performance objective of CPI + 4% for the four year period ended June 30, 2005. The portfolio's annualized return for this period was 5.8% compared with the performance objective of 6.0%. Negative returns in the majority of the World's equity markets from the 3<sup>rd</sup> quarter of 2001 to the 1<sup>st</sup> quarter of 2003 continue to make it difficult to reach the performance goal of CPI + 4% on a four year annualized basis, but performance relative to this objective is improving as poor quarters are dropped from the rolling 4-year time period. In the quarter, the portfolio did achieve the CPI + 4% target, which was 1.6%. On a ten year annualized basis the portfolio has also 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.

4-Year Moving Average Rates of Return



Rates of Return - June 30, 2005



\*Data Sources: TD Quantitative Capital, CIBC World Markets

## Activities

### Internal Audit

Audits completed or in progress at the end of the 2<sup>nd</sup> quarter of 2005 include:

- Screen Saver Passwords;
- User Accounts; and
- Benefit Payments Testing.

### Fraud & Abuse

In the 2<sup>nd</sup> quarter of 2005, the Commission hired a new investigator. The Commission's investigators completed 33 new claim investigations that were referred from the Adjudication and Benefit Services department. An additional 13 investigations were completed on claims that were referred from Case Management.

The Commission also investigated 12 third party actions to determine the feasibility of pursuing recovery of claim costs.

# Staff Satisfaction

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

## Measures

Employee annual satisfaction surveys will produce a consistently high rating. Other indicators measured in support of the objective include:

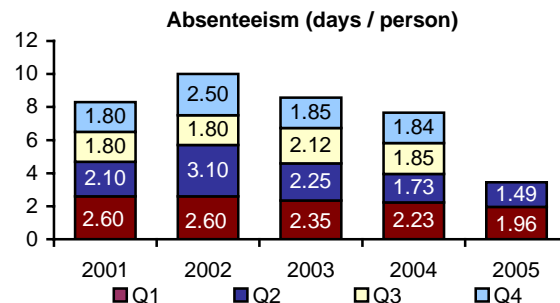
- Absenteeism;
- Accepted claims for Commission staff;
- Internal promotions; and
- Staff turnover.

## 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

In the 2<sup>nd</sup> quarter, the average number of days absent per employee was 1.49 days. On average, since 2000, the number of days absent per employee to the end of the 2<sup>nd</sup> quarter was 2.44. The rate for 2005 shows an improvement in attendance and continued positive movement.

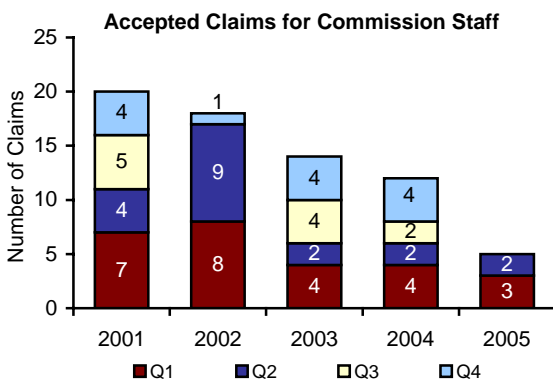


\*Absenteeism = total days absence / budgeted positions

Managers and the Human Resources Department continue to monitor absenteeism and work with staff on maintaining a positive attendance pattern.

## Accident Analysis

Nine claims were filed in the 2<sup>nd</sup> quarter, bringing the total number of claims in 2005 to 19. The total number of accepted claims (five), by the end of the quarter is the lowest number recorded in the five-year period since 2001. One claim filed this year remains active, resulting in 43 lost days to date. The employee is participating in a return to work program.



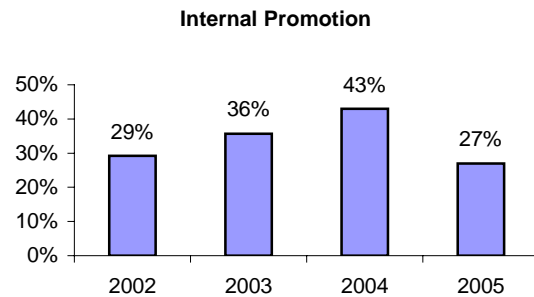
*Note: The number of accepted claims reported in any quarter can change because of later adjudication. Any claims accepted outside the quarter in which they occur will be noted in the next quarterly report.*

During the 2<sup>nd</sup> quarter, specific activities of the 2005 Health and Safety Action Plan included the:

- Posting and distribution of the General Health and Safety Rules passed in the 1<sup>st</sup> quarter;
- Review of the Health and Safety Audits for managers and employees, which will be implemented in the 3<sup>rd</sup> quarter;
- Review of the draft Purchasing Directive;
- Distribution of a presentation for staff to improve their awareness of early signs and symptoms of repetitive strain injuries; and
- Development and approval of the action plan to meet the First Aid Regulations, with work continuing towards implementation.

## Internal Promotion

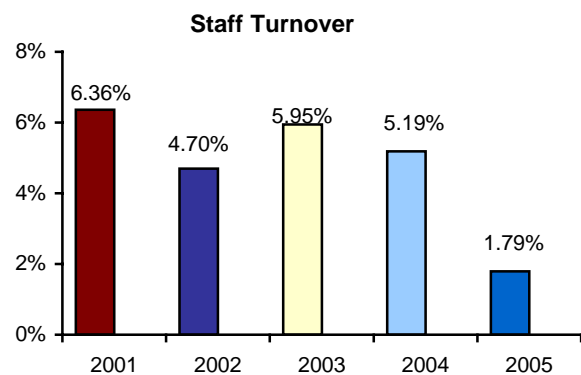
In the 2<sup>nd</sup> quarter, the Commission opened 17 competitions, and closed 21, of which 12 of these were for regular positions. Three (25%) of the closed competitions for regular positions resulted in a promotion for internal staff. To date in 2005, 27% of the closed competitions for regular positions have promoted internal staff.



*\* January 1 to June 30 – regular positions*

## Staff Turnover

The turnover rate to date in 2005 is 1.75%, compared to 3.02% at the same time last year. Three employees exited the organization during this quarter. One resigned to work elsewhere and the two other employees retired from the Commission. 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:

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

Some of the activities this quarter included:

- Lunch and learn sessions on Preventing Colon Cancer, Relaxation & Stress Reduction;
- Distribution of safety tips on Walking Safety, Lawn Mower Safety;
- Purchase of a bike rack for employees;
- Purchase of a Body Fat Analyzer for the Wellness Kiosk;
- Distribution of “Body Bulletin” newsletters and Mental Health word search and information sheet;
- Addition of Fire Safety and Cancer brochures to the Wellness Kiosk; and
- Participation in the Four-week Pedometer Challenge.

### Training Programs

The delivery of the 1<sup>st</sup> phase of the Insights Discovery model has been provided to four departments during the quarter. The French Language Training Program has been completed and will start up again in the fall. Other courses delivered this quarter included:

- CPR Recertification Level B;
- Growing Leaders Program – Stepping into Supervision;
- Preparing for Retirement;
- Employee Orientation;
- Long Term Financial Planning;
- Growing Leaders Program – Leadership Skills; and
- Growing Leaders Program – Management I.

A total of 185 participants registered in the above courses.

### Reward and Recognition Program

The Annual Staff Meeting was held in the 2<sup>nd</sup> quarter, followed by the Service and Retirement Awards. This year, 66 employees between five and 35 years of service, and 10 retirees were honored. Terry Kelly was the guest speaker and he addressed the employees on “I Can, You Can, We Can do Anything”. Using stories, songs and open communication, Mr. Kelly focused on believing in oneself as key to opening doors to a rewarding and successful future, regardless of your age.