
Corporate Report

3rd 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

February

February 14-16, 2006 Joint Health and Safety Committee (JHSC) Core Training, various locations (Bathurst, Edmunston, Moncton)

February 21-23, 2006 JHSC Core Training, various locations (Woodstock, Beresford, Saint John, St. Stephen, Fredericton, Moncton)

March

March 21-23, 2006 JHSC Core Training, various locations (Tracadie, Saint-Leonard, Moncton)

March 28-30, 2006 JHSC Core Training, various locations (Miramichi, Perth-Andover, St. Stephen, Fredericton, Moncton, Saint John)

June

June 25-28, 2006 Association of Workers' Compensations Boards of Canada (AWCBC) Congress, St. Andrews, New Brunswick

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 3rd quarter Corporate Report for 2005.

The report is intended to provide the Board of Directors with a quarterly 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 used to provide an understanding of the environment in which the Commission operates.

New Brunswick Economic Snapshot 3 rd Quarter 2005			
	Q3 2004	Q3 2005	Year Change
GDP (Market Prices, Million \$)	23,852	24,468	↔
Consumer Price Index (CPI)	1.25%	1.28%	↔
# Employed	351,570	348,630	↔
Unemployment Rate	9.9%	9.9%	↔
Housing Starts	4,067	4,556	↑
Retail Sales (Million \$)	8,597	7,979	↓

Source – Conference Board of Canada – October 2005

For the 3rd quarter, New Brunswick's seasonally adjusted unemployment rate was unchanged from the same period as 2004. There were 387,600 New Brunswickers in the labour force at the end of September.¹

Housing sales stayed active in Moncton and Saint John at the end of the 3rd quarter as a result of job growth and a decline in new housing availability. Over the last year, the asking price for an average detached bungalow has grown by 18.7% in Moncton and by 12.8% in Saint John. Both these rates are well ahead of the national average increase of 7.4%.²

The province's population held relatively steady at 752,006 over the last twelve months. This represents a slight decrease over the previous year but a net increase of just over 2,000 people since July 2001. Families with young children are leading the migration to New Brunswick, comprising over 600 of the new residents since 2004.³

¹ Statistics Canada. 71-001-XIE

² Royal LePage Real Estate Services.

³ Statistics Canada. 91-002-XIB

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

Real Domestic Product Millions \$ - 1997 Base*			
	Q3 2004	Q3 2005	Year Change
All Industries	19,297	19,530	↔
Construction	1,244	1,359	↑
Manufacturing	2,924	2,989	↔
Utilities	559	567	↔
Agriculture, Fisheries and Trapping	468	455	↔

Source – Conference Board of Canada – October 2005

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

In July, the Province of New Brunswick announced plans to refurbish the Point Lepreau Generating Station with Atomic Energy of Canada Limited as the general contractor. Detailed engineering plans and procurement of services and products began in the summer and the construction of temporary facilities will begin in April 2006. The planned maintenance outage will start in April 2008 and be completed by September 2009. The estimated cost of the project is \$1.4 billion.⁴

Business New Brunswick signed an agreement of purchase and sale for the assets of the St. Anne-Nackwic mill, to A.V. Nackwic Inc. The reopening of the mill is anticipated in early 2006. Also in the pulp and paper industry, Smurfit-Stone announced the loss of 270 jobs at its Bathurst mill citing slow North American demand and a shift to overseas manufacturing.

SNC-Lavalin ProFac announced the relocation of 100 jobs associated with its customer support operations from outside of the province to Campbellton, to provide facilities management support services to their clients.

⁴ Province of New Brunswick. Office of the Premier. July 2005.

The Department of Health and Wellness and the Nurses Association of New Brunswick announced the implementation of new protocols to provide nurses working in emergency rooms with the ability to assess, treat and discharge patients who do not require immediate services by a physician. The change is expected to reduce wait times at emergency rooms and allow physicians to spend more time with patients with urgent conditions.⁵

Economic Outlook

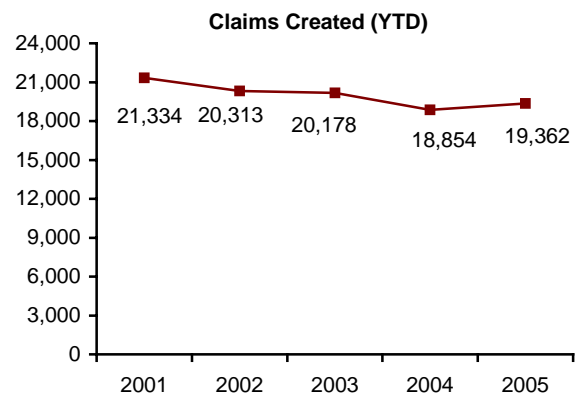
Last year, 1,800 new jobs were created in the manufacturing sector, led primarily by strong international demand for primary metals. The growth of New Brunswick's economy in 2005 is forecasted to be around 2.5%, and is dependent on this sector and the strength of other commodity prices.⁶ However, some economists are projecting some softening as a result of increasing oil prices and the impact of a stronger Canadian dollar on exports and manufacturing activity.⁷

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 claims⁸. These claims are counted by the date the claim was created. In the 3rd quarter of 2005, the number of claims created was 7,012, bringing the YTD total to 19,362, which is 2.7% more than YTD 2004 (18,854).



Newly Accepted Claims

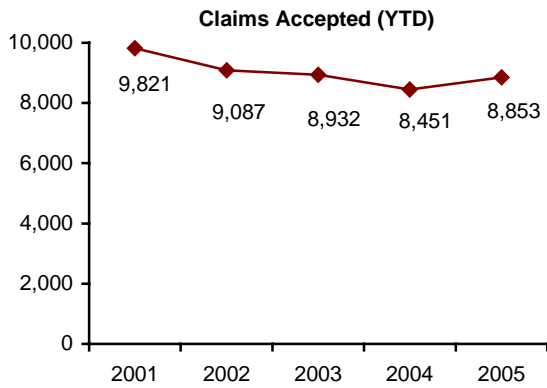
A claim that is "accepted" is one that has been adjudicated and benefits are due to be paid. In the 3rd quarter of 2005, the number of newly accepted claims was 3,017, bringing the YTD total to 8,853, which is 4.8% more than YTD 2004 (8,451).

⁵ Province of New Brunswick. Department of Health and Wellness. September 2005.

⁶ RBC Financial Group. Provincial Outlook July 2005.

⁷ New Brunswick Telegraph-Journal. September 2, 2005, and September 21, 2005.

⁸ A pre-adjudication claim is a claim that which the Commission has not yet rendered an initial decision on whether the claim should be accepted.



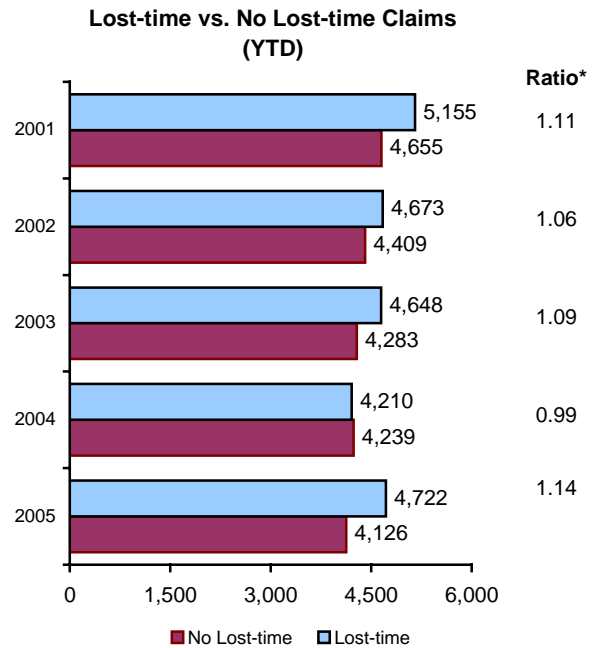
The increase in the number of claims accepted in 2005 has a corresponding effect on the number of lost-time claims and lost-time claims finalised.

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 3rd quarter of 2005, the Commission accepted 1,587 lost-time claims, bringing the YTD total to 4,722, which is 12.2% more than YTD 2004 (4,210).

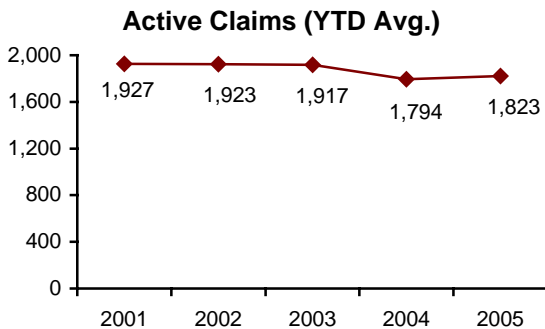
In the 3rd quarter of 2005, the Commission also accepted 1,428 no lost-time claims, bringing the YTD total to 4,126, which is 2.7% less than YTD 2004 (4,239).



* The ratio of 1.14 means that for every 100 no lost-time claims, there were 114 lost-time 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 has steadily decreased over the past few years. The average number of active claims at the close of the 3rd quarter of 2005 was 1,823, which is 1.6% more than the YTD average of 2004 (1,794).



- Maximum yearly assessable earnings (\$51,900);
- Regular loss of earnings benefits;
- Long-term disability benefits;
- Survivors' benefits;
- Dependents' benefits;
- Burial expenses;
- Care allowances;
- Certain pension benefits;
- Prescription eyeglasses; and
- Clothing and footwear benefits.

Report on Governance and Planning

In the 3rd quarter, the Board of Directors approved policies on:

- Administration of Out-of-province Operations;
- Allocation of Claim Costs;
- Annual Review of Compensation Benefits;
- Benefits for Survivors;
- Occupational Health and Safety Prosecutions;
- Transitional Entitlement;
- Underestimated or Underreported Payroll Assessment; and
- Who is a Survivor.

The Board of Directors also approved a fee schedule on Quality of Life Grant.

These policy-related documents can be found on the Commission's website at www.whscc.nb.ca.

The Board also approved the New Brunswick Industrial Aggregate Earnings (NBIAE) amount for 2006, which is \$34,630. This is an increase of 2.08%, which was the percentage change in CPI for the year. The following benefit rates to injured workers are also increased by 2.08%:

- Maximum annual earnings (\$51,900);

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 (10 major industries in New Brunswick);
- By focus industries (industries selected by the Commission for intervention, including logging, sawmills, nursing homes, and fish products); and
- By focus firms (individual companies selected by the Commission for intervention).

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 table illustrates these figures, using data to the end of September 30, 2005.

	2002	2003	2004
Provincial Accident Frequency per 100 FTEs	3.72	3.61	3.49
# Accidents per \$1 Million Payroll	1.60	1.54	1.43
Focus Industries (Logging, Sawmills, Nursing Homes)	9.41	8.45	8.61
Focus Industries Active Less than One Year (Fish Products)	4.27	4.05	4.14
Primary Focus Firms	16.84	14.56	14.67

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 September 30, over 1,200 individuals have attended the Commission's public workshops in 2005, and there are over 100 people registered for upcoming workshops. The majority of the participants 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 467 individuals have participated to date.

Youth Programs

The Commission's Stella the Safety Skunk program is now in place within 87% of anglophone elementary schools in the province. The French version of the program will be distributed in 2006. The program is designed for children in kindergarten to grade two, and assists teachers in shaping attitudes and strengthening awareness among students that health and safety is everyone's responsibility. The program supports the development of safe decision making skills and behaviors, and helps prevent injuries among youth.

The Commission's Passport to Safety program is now available in French. The Commission has created a website for French teachers, located at www.passporttosafety.com/EnseignantsNB. The program will be promoted within the francophone high schools starting in the 4th quarter of 2005. The program continues to have success with the anglophone high schools, with 1,900 students and teachers registered since the beginning of the 2005 school year.

The Commission has introduced a student video contest for high school students, to promote students' understanding of workplace rights and responsibilities. Students are asked to create a video on the theme "Protecting the New Worker: Workplace Safety". The Commission will award cash prizes to the schools with the top three submissions. In addition, all student winners and their teachers will receive individual prizes, and all contest participants will receive a gift. The deadline for submissions is November 25, with winners announced during the Christmas break.

Small Business Campaign

In the 3rd quarter, the Commission launched its campaign focusing on small business. Over 10,000 brochures were distributed, and television and radio advertisements were aired for three weeks. Two daily newspapers also printed stories on the initiative.

The Commission is planning to further promote this campaign by:

- Using a series of personal phone calls to employers;
- Recognition of participating businesses during Small Business Week (October 16-22); and
- Promotion of the Small Business Guide through partner organizations.

Zero Tolerance

The Commission's Zero Tolerance program that started on May 1, 2005 and dealt with trenching activities continued its preparations to extend this program to lockout activities. It is anticipated that this will begin in early 2006. Zero tolerance means the Commission enforces laws or penalties on even minor infringements of the legislation in order to reinforce its overall importance. Actions under the zero tolerance program include:

- Stop work orders;
- Restricting use of equipment;
- Fines; and/or
- Enhanced training.

From the start of the program to the end of the 3rd quarter, the Commission has issued stop work orders for 23 trenching incidents since the intro-

duction of the zero tolerance focus on trenching activities.

OHS Legislation/Regulatory Review

The Commission is recommending amendments to the *OHS Regulations* concerning fall protection and underground mining.

The fall protection amendments aim to:

- Deal with issues that are silent in current legislation yet reflect current practice; and
- Incorporate new provisions and technical revisions based on industry standards and new technology.

The underground mining amendments deal with safety provisions for:

- Training;
- Communication;
- Warning signs;
- Air quality and ventilation;
- Fire suppression;
- Drilling;
- Blasting; and
- Shafts.

The Commission is scheduling meetings with government to review the proposed recommendations.

Prosecutions

In the 3rd quarter of 2005:

- The Commission laid 11 charges against five different employers; and
- The court decided one case.

Charges

In the first case, an employee was using a front-end loader to move a frozen pile of material when a piece of the material broke off and fell through the windshield of the loader, causing injuries to the employee. This case is scheduled for trial in the 4th quarter of 2005.

The second case involves an employee of a food processor who was injured when removing material from an unguarded machine. This case is scheduled for trial in the 1st quarter of 2006.

The third case also involves injuries sustained on a machine that was being serviced while not locked out. This case is scheduled for trial in the 4th quarter of 2005.

The last two cases both involve roofing companies. In one case, a roofing company was ordered to stop work on a job site until required fall arrest equipment was in place and being used. The officer returned to the site two days later and found that the job had been completed even though it was ordered to be stopped. In the final case, a roofing company had used staging that was mounted to the roof of a light-duty van. There were several breaches of staging regulations found. Both of these cases are scheduled for trial in the 4th quarter of 2005.

Decisions

A supervisor for a small roofing company fell through a fiberglass panel on a roof while clearing snow. The supervisor had been warned that the panels were unsafe and would not support his weight. The court, recognizing that this was small employer, imposed a fine of \$2,000.

Arbitrations

The Commission received no new complaints of discriminatory action in the 3rd quarter.

Withdrawn Complaints

In the 3rd quarter, one complaint set for a hearing was withdrawn. The complainant alleged discrimination because a supervisor whom he requested be disciplined was not disciplined to the extent the complainant thought appropriate.

Ongoing Complaints

One hearing involving 65 complainants, all with the same employer, was not concluded, with further hearings scheduled in the 4th quarter. A group of workers serviced a boiler and complained that the roof of the boiler was unsafe.

One decision is outstanding and expected in the 4th quarter. The complainant alleged that his employment was terminated due to his complaints about the strong smell of food additives.

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, which uses importance rankings for each attribute, 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.

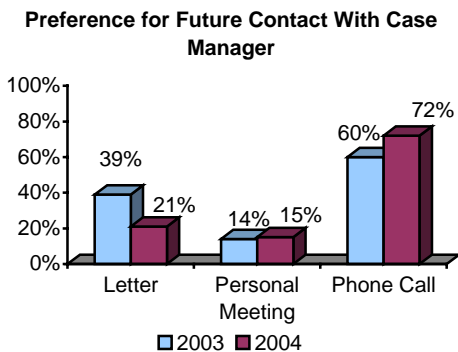
In 2004, the weighted satisfaction index for employers remained relatively unchanged over the past five years, and at a high level.

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

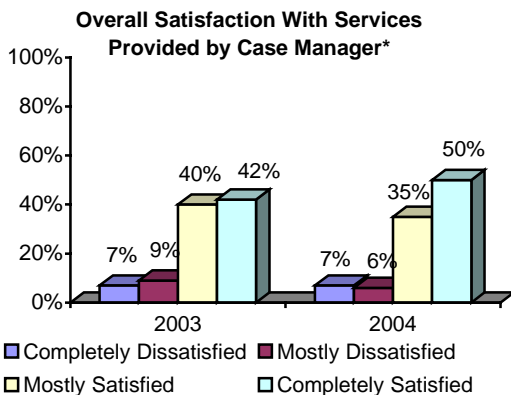
Key Research Findings Case Management

To examine their opinions on the Commission's level of service, injured workers were asked their opinions on subjects such as case management.

Injured workers who reported that a case manager handled their claim were asked how they would prefer to be contacted in the future by their case manager.



In terms of overall satisfaction with services provided by case managers, although overall satisfaction (mostly and completely satisfied) increased only slightly (85% in 2004 from 82% in 2003), the percentage of those who were completely satisfied increased significantly to 50% in 2004 from 42% in 2003.



*Numbers do not add to 100% due to some respondents indicating "Don't know".

In 2004, 77% of injured workers either completely or mostly agreed with the statement "My case manager provided me with a clear understanding of my benefits". This represents a

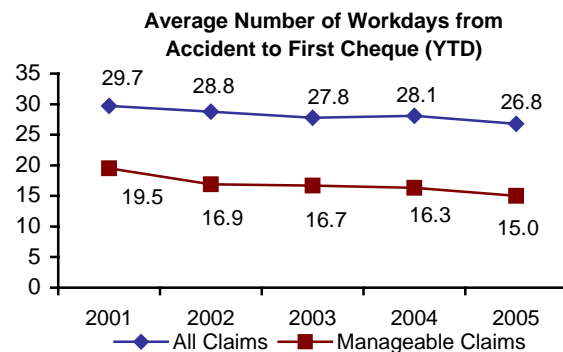
significant increase from 2003, when the level of agreement was 69%.

Days to First Cheque

The timeliness of benefits is an important factor in injured worker satisfaction. The average number of days from accident to first cheque for all claims in the 3rd quarter of 2005 was 26.8 work-days. This is down 1.3 days over the average from YTD 2004 (28.1 days).

Injured workers whose claims were categorized as "manageable"⁹ waited an average of 15.0 days, a decrease of 1.3 days from YTD 2004 (16.3 days).

Over the past five years, the average wait for all claims has declined by 9.8%, and the average wait for manageable claims has declined by 23.1%.



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 2,140 claims that were pending adjudication at the end of the 3rd quarter of 2005. This is 4.0% more than YTD 2004 (2,058).

⁹ "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.

Communications

Events

In the 3rd quarter, staff continued preparations for the AWCBC 2006 Congress. Staff also participated in the Women In Business Conference, and provided the trade show booth for the Union of the Municipalities of New Brunswick conference, both in September.

Statistics

The following table provides information on the Commission's communications activities in the 3rd quarter of 2005.

Communications Activities, 3 rd quarter 2005	
# of media enquiries	15
# of words translated*	123,599

*Backlog of 83,768 words at the end of the quarter

Publications

Several publications were produced and issued in the 3rd quarter, including a variety of reprints. New publications produced and issued include:

- WHSCC E-News (monthly editions);
- Accident Reports (monthly listings posted on website);
- Construction industry flyer re: negligence policy;
- Hazard Alert – Trash Compactor; and
- 5*22 Accident Causation Analysis posters.

Website

The Commission continued to publish the E-News Bulletin in the 3rd quarter, and the list of subscribers continued to grow. The September edition of the newsletter was distributed to just under 2,200 subscribers. A new "stakeholder profile" area has been incorporated into the newsletter, providing readers with real stories about the people the Commission deals with every day.

During the 3rd quarter, there were more than 18,000 visitors to the Commission's website. Postings on the website included:

- Spring 2005 WHSCC NEWS;
- Updates to the E-News and Accident Reports archives;

- WHSCC Health and Safety Conference registration materials; and
- Home Reno campaign pamphlet and associated materials.

Other web projects included:

- AWCBC Congress 2006 website production, scheduled to be launched in the 4th quarter; and
- Online registration pages for the Health and Safety Conference.

Communications Campaigns

In August, the Commission rescheduled the launch for the *Small Business Guide to Health and Safety*. The Commission distributed a press release, as well as a special edition of the E-News publication, specifically designed with content to reinforce the launch.

Companies that have completed all three stages of the guide will be congratulated in a promotional article in a 4th quarter E-News edition, as well as the Fall WHSCC News, to be distributed in the 4th quarter.

The Commission also worked to prepare the upcoming Zero Tolerance campaign, focusing on lockout activities. During the 3rd quarter, the Commission updated and created a variety of printed materials to support this campaign, including a flyer, a poster, and a new hazard alert. New content for the Zero Tolerance section of the Commission's website is in development.

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, using data up until September 30, 2005. 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).

Actual Return to Work*				
Return Within # of days	Return to Work		Ready & Not Working	Total
	Same-Job	Mod. / Alt. Job		
20	50.3%	1.0%	0.2%	51.5%
80	64.0%	1.7%	0.5%	66.2%
130	67.0%	1.9%	1.2%	70.1%
260**	85.1%	2.6%	2.9%	90.6%
520***	86.2%	3.7%	3.2%	93.1%

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

**2004 Accident Year

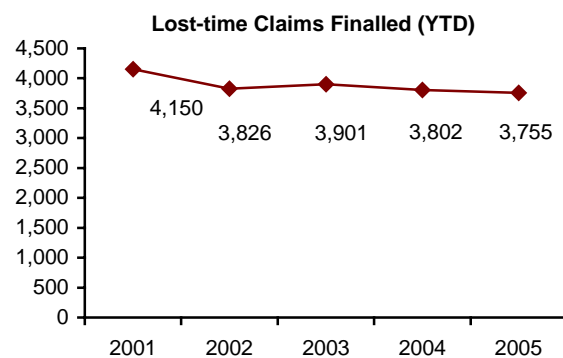
***2005 Accident Year

The majority of the difference between “ready and not working”, 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

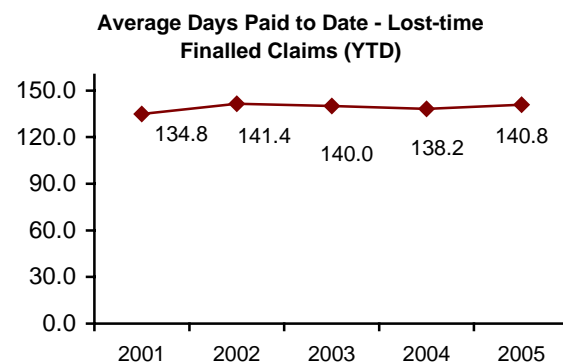
Another way to view return to work outcomes is by looking at how many claims were finalled in the quarter, the average length of time those claims were open, and the injured worker’s status when the claim was closed. A claim is finalled when loss of earnings benefits cease.

The number of lost-time claims the Commission finalled in the 3rd quarter of 2005 was 1,158, bringing the YTD total to 3,755, which is 1.2% less than YTD 2004 (3,802).



Days Paid to Date – Lost-time Finalled Claims

To date in 2005, the average days paid prior to the Commission finalling the claim was 140.8 days. This is up 2.6 days over the average YTD from 2004 (138.2).



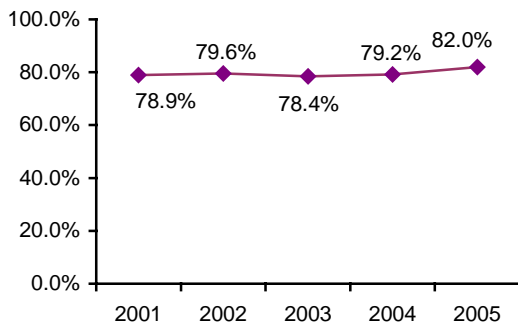
Return to Work Status

The Commission measures the percentage of injured workers with long-term claims who returned to work. A long-term claim is one where the injured worker’s medical recovery is no

longer improving. This percentage to date in 2005 is 82.0%, which is 2.8% more than YTD 2004 (79.2%).

This measurement 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.)

% RTW of Long-term Claims (YTD)

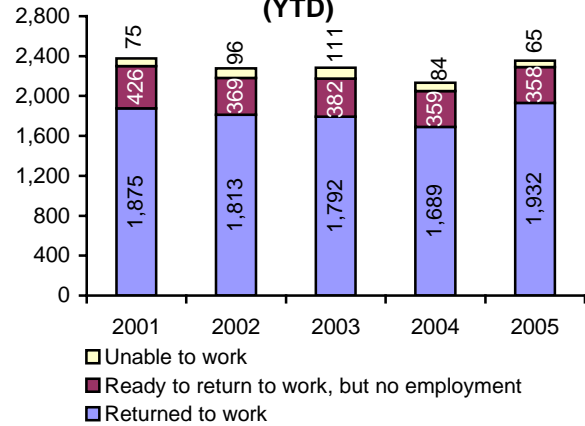


There were 625 injured workers who returned to work in the 3rd quarter of 2005, bringing the YTD total to 1,932, which is up 14.4% from YTD 2004 (1,689).

In the 3rd quarter of this year, there were 121 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 358, which is on par with YTD 2004 (359).

To date in 2005, there were 65 injured workers considered unable to return to work due to a long-term disability (LTD) when their claims were finalised. This is a 22.7% decline from end of the YTD 2004 (84).

RTW Status of Long-term Claims (YTD)



Activities

Rehabilitation Program Development and Evaluation (RPDE) Department

In the third quarter, the Commission commenced a physiotherapy audit. The purpose of the audit is to determine the reason for ongoing physiotherapy, to examine use, and to identify opportunities for changes in the management of this service.

The Commission commenced an audit of approved Functional Capacity Evaluation providers. Sixty cases are being reviewed to determine compliance to timeline and content standards and to determine if evaluation is meeting the case manager purpose for referral. A report with recommendations, as applicable, will be completed in the 4th quarter.

The Commission completed an audit of all clients treated in Work Conditioning in 2004. Work conditioning is an active exercise and client education approach incorporating a transitional return to work as early as is safely possible. It is the second step in the Continuum of Care following treatment of the acute phase of the injury. It is delivered by an approved network of 11 physiotherapy providers around the province.

The audit concluded that of the clients completing work conditioning, 86.5% were discharged to return to work (RTW) with or without limitations, and 68.1% of claims were closed by 90 days post discharge. Follow-up activities included:

- Meeting with work conditioning providers and case managers to present audit outcomes and practices which correlate with better success; and
- Recommendation of changes to information reported by providers.

The Commission began activities for the WRC pilot for clients with high levels of pain that interfere with activity and return to work, including:

- Establishing initial treatment design and content;
- Identifying indicators to measure its success;
- Establishing screening and referral process; and
- Presenting and discussing the design and referral process.

The Commission began a review of chronic pain services to evaluate current service providers and recommend future services, and to date has:

- Conducted focus groups with case managers to determine current providers used for chronic pain treatment, their expectations, and any unmet needs;
- Conducted meetings with current providers to determine their treatment approach;
- Commenced an audit of current providers to evaluate their chronic pain treatment;
- Conducted telephone surveys with injured workers to determine their perception of benefit from chronic pain treatment; and
- Performed a jurisdictional scan and reviewed literature to assist in identifying best practices and key outcome measures.

The department also commenced a review to identify particular trends, case management styles, regional aspects, treatment information and claim characteristics that result in a longer duration of claims and to make recommendations on best practices.

Work Recovery Program

There were 129 injured workers discharged from Work Recovery in the 3rd quarter of 2005, of which 76.0% were ready to return to work.

Discharged injured workers were surveyed concerning their satisfaction with Work Recovery. Approximately 67% of clients responded to the survey, of which 89% indicated satisfaction with the services. Work Recovery completed an employer survey with 77 employers whose injured worker was treated by the program to prepare for return to work. Of the employers, 81% were satisfied with the worker's recovery upon return to work and 92% reported that they would recommend the Work Recovery Program for other injured workers.

Work Recovery staff are involved in three main projects:

- Finalizing a protocol to use with injured workers with mild traumatic brain injuries;
- Developing a work hardening protocol; and
- Implementing a pilot project with the RPDE Department, referred to as Augmented Work Conditioning.

Finally, an Employer's Guide to Symptom Management Strategies was developed and is available for distribution.

Office of the Chief Medical Officer

Form 8 – Physician's Report

The Commission revised its Form 8 to include a section requiring the worker to declare his or her intentions to file a claim. If the worker does not sign the declaration, the physician should assume that this is a Medicare claim, as there is a high likelihood that the worker will not file a claim with the Commission.

Chronic Pain Progress Report Form

The Commission developed a Chronic Pain Progress Report form. The form includes a physician-patient contract for use when prescribing opioids, and guidelines that the Commission uses in determining whether it will continue to pay for medications.

Biopsychosocial Assessment Fee

Injured workers away from work beyond the disability duration guideline for their injury often require an extensive biopsychosocial assessment. The new contract with the New Brunswick Medi-

cal Society provides a fee for family physicians who perform this assessment. A new form describes what the physician is required to do in order to be eligible for the biopsychosocial assessment service fee.

Other Form Revisions

The Commission's Multi-Service form simplifies the cataloging and summarizing of visits previously billed to Medicare. This is used when the injured worker requires many visits to the physician to determine if the condition may be related to work and retroactively accepted claims. The Commission also developed a Telephone Consultation and Case Conference form to improve speed of communication with physicians, and ensure that decisions are recorded in writing.

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

The Commission's average assessment rate will drop from \$2.19 per \$100 of assessable payroll in 2005, to \$2.14, effective January 1st, 2006. This represents a 2.3% reduction, and is the second consecutive year in which the rate has decreased. This rate reduction will see assessed premium amounts for over 10,000 New Brunswick employers either drop or remain stable in 2006.

Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first nine months of 2005 compared to the budgeted figures, and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first nine months of 2005 compared to the corresponding period for the previous year.

Assessment income for the nine-month period ending September 30, 2005 was slightly greater than budgeted by \$88,000. Investment income for the same nine-month period was \$12,479,000 greater than budgeted.

Total expenses for the nine months ending September 30, 2005 were greater than budgeted by \$6,794,000. Claims costs were greater than budgeted by \$8,940,000. Administration and appeals tribunal costs were lower than budgeted by \$2,192,000 while Legislative Obligations were

slightly greater than budgeted by \$46,000. The above results yield an excess of income for the period of \$21,984,000 compared to a budgeted excess of income of \$16,211,000.

**Unaudited
Statement of Operations**
For the Nine Months Ending September 30, 2005

	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
Income			
Assessments including self-insured	\$131,855	\$131,943	\$129,519
Investments	34,365	46,844	13,732
Province of NB	675	675	675
	\$166,895	\$179,462	\$143,926
Expenses			
Claims costs incurred	125,839	134,779	130,745
Administration	23,034	21,026	20,656
Appeals Tribunal	1,068	884	857
Legislative obligations	743	789	666
Risk management rebates	0	0	64
	\$150,684	\$157,478	\$152,988
Excess of income over (expenses) for the period	\$16,211	\$21,984	(\$9,062)

**Unaudited
Statement of Cash Flows**

For the Nine Months Ending September 30, 2005

	Actual YTD	Previous YTD
	(000's)	(000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$ 121,292	\$ 117,837
Self-insured employers	15,831	14,689
Interest and dividends	16,175	15,173
Province of New Brunswick	900	900
	154,198	148,599
Cash paid to:		
Injured workers or third parties on their behalf	89,659	85,407
Suppliers and employees, for administration and other services	24,105	23,367
	113,764	108,774
Net cash provided by operating activities	40,434	39,825
Cash flow from investing activities:		
Cash received from:		
Sale of investments	148,304	154,925
Cash paid for:		
Purchase of investments	174,694	170,854
Purchase of capital assets	776	663
	175,470	171,517
Net cash (used in) investing activities	(27,166)	(16,592)
Increase in cash during the year	13,268	23,233
Cash and short-term investments, beginning of period	21,255	14,818
Cash and short-term investments, end of period	34,523	38,051

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.

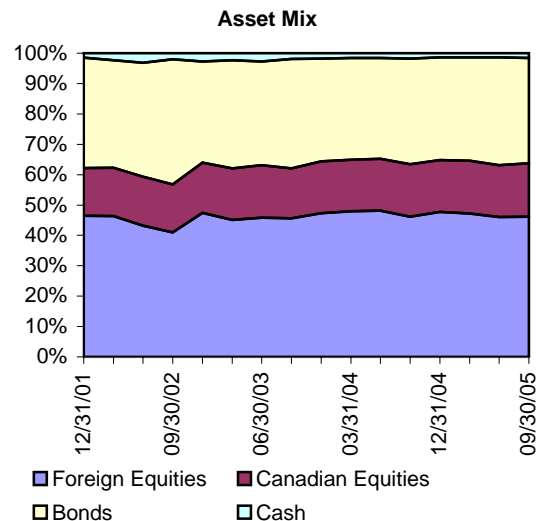
Investment Portfolio Overview

The Markets

The 3rd quarter of 2005 was characterized by strong returns in Canadian and emerging markets equities, and weaker returns in United States equities. Stock markets overcame uncertainty about the impact of hurricanes Katrina and Rita in the U.S. and increasing inflation worries spurred by record high oil prices to post positive returns. Emerging markets equities achieved the strongest return in the quarter as the MSCI (Morgan Stanley Capital International) EMF (CAD) index gained 11.92%. Canadian equities also had a good quarter as the S&P TSX (Standard and Poor's Toronto Stock Exchange) index gained 11.63%. International equities also had a positive return in the quarter with the MSCI EAFE (CAD) index gaining 4.65%. U.S. equities were the worst performing asset class in the third quarter, with the S&P 500 (CAD) index losing 1.83%. The Canadian bond market was almost flat in the quarter as the Scotia Capital Universe Bond index gained 0.12%. The market value of the Commission's share of the investment fund at September 30, 2005 was \$754,220,981.

Growth in the Canadian economy was slightly higher than expected in the 2nd quarter of 2005, with an annualized GDP growth rate of 3.2%. Preliminary figures for the 3rd quarter of 2005 show GDP growth slowing to an annualized rate of 3.0%. The Canadian labour market improved in the 3rd quarter, with the unemployment rate falling to a 30-year low of 6.7% in August. Canada's overall inflation rate increased in the 3rd quarter of 2005, with the year over year inflation rate at 2.6% in July, up from 1.9% at the end of June. The Bank of Canada raised its key policy rate by 0.25% to 2.75% at its September meeting, in order to help keep inflation in check. The Canadian dollar increased relative to the U.S. dollar in the 3rd quarter. The dollar ended the 3rd quarter at 86.07 cents U.S., compared with 81.51 cents U.S. at the end of the 2nd quarter.

U.S. economic growth is forecast to slow somewhat in the 3rd quarter of 2005, with GDP growth expected to decrease to an annualized rate of 2.6%. Most of the predicted slowdown is as a result of the hurricanes that hit the U.S. Gulf Coast. Fourth quarter GDP growth is expected to rebound to an annualized rate of 3.9% as the gulf area recovers. U.S. employment figures improved slightly in the 3rd quarter of 2005, as the unemployment rate fell to 5.0% from a revised 5.1% at the end of the 2nd quarter. The overall annualized U.S. inflation rate increased to 3.6% in August, up from 2.9% in June. The U.S. Federal Open Market Committee increased its target for the federal funds rate by a quarter point at both its August and September meetings. The rate stood at 3.75% on September 30th.



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

Fund Performance Versus Policy Objectives

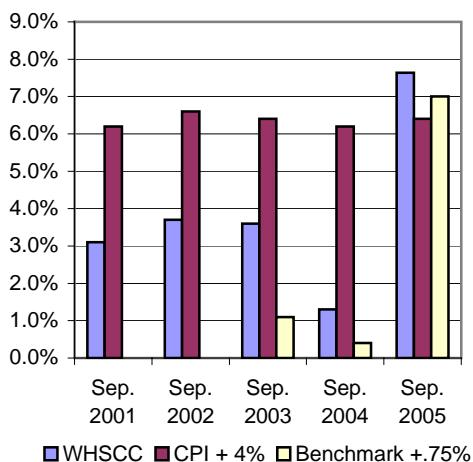
The Commission's portfolio underperformed its benchmark this quarter, but continued to exceed its benchmark on a four-year annualized basis. The Commission's portfolio produced a quarterly return of 2.2%, compared to 2.8% for the benchmark. For the four years ended September 30th, 2005, The Commission's portfolio returned 7.6%, compared to 6.3% for the benchmark. Asset mix deviations added 0.2% in performance during the

quarter. Security selection cost 0.7% in performance for the quarter. Much of this underperformance was attributable to Canadian equities.

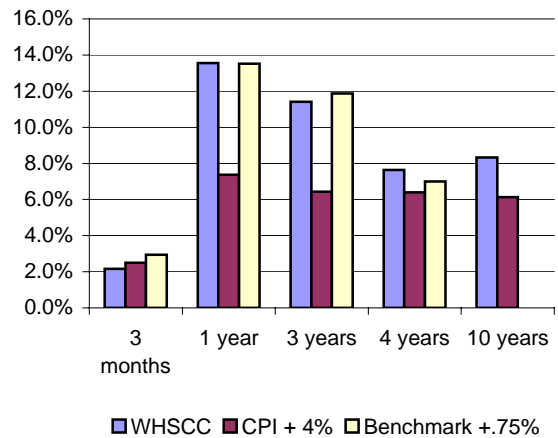
The Commission's portfolio outperformed its performance objective of CPI + 4% for the four year period ended September 30th, 2005. The portfolio's annualized return for this period was 7.6% compared with the performance objective of 6.4%. In the quarter the portfolio did not achieve the CPI + 4% target, which was 2.5%. On a ten year annualized basis the portfolio continues to achieve 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 - September 30, 2005



*Data Sources: TD Quantitative Capital, CIBC World Markets

Activities

Internal Audit

Audits completed or in progress at the end of the 3rd quarter of 2005 include:

- Assessment Revenue;
- General Ledger Balancing
- HST; and
- VISA Expenditures.

Fraud & Abuse

In the 3rd quarter of 2005, the Commission's investigators completed 39 claim investigations that were referred from the Adjudication and Benefit Services, Case Management, and Pensions and LTD Unit. The Investigation Unit also assisted the Employer Services Representatives on 13 payroll audits.

The Commission also investigated nine 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:

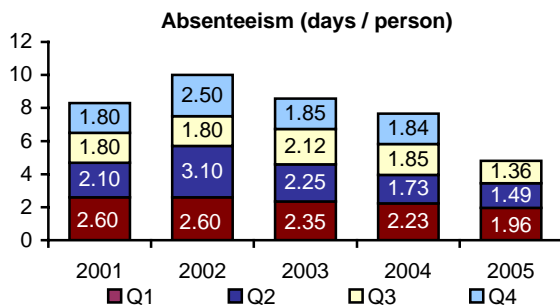
- Absenteeism;
- Accepted claims for Commission staff;
- Internal promotions; and
- Staff turnover.

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 high job satisfaction. These measures along with other factors contribute to success in the staff satisfaction goal.

Absenteeism

In the 3rd quarter, the average number of days absent per employee was 1.36 days. On average, since 2000, the number of days absent per employee to the end of the 3rd quarter was 1.89. The rate for 2005 shows an improvement in attendance and continued positive movement (a four year improvement of approximately 35%).

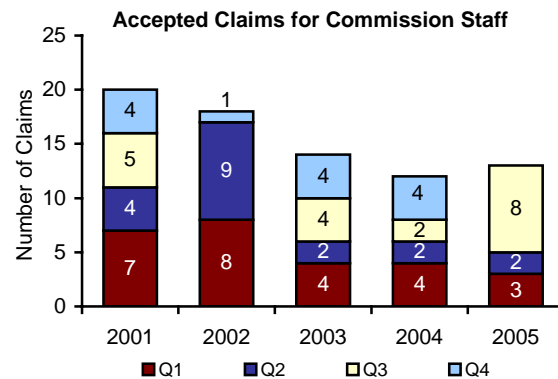


* Absenteeism = total days absence / actual yearly budgeted positions-vacant positions

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

Accident Analysis

Twelve claims were filed in the 3rd quarter; bringing the total number of claims in 2005 to 31. The total number of accepted claims by the end of the quarter was 13. Nineteen (61%) of the filed claims are categorized in the grouping of sprains, strains and tears. This category accounts for eight of the thirteen accepted claims. Education on the signs and symptoms of repetitive strain injury was delivered to employees this quarter as part of the H&S Plan, and monitoring will continue.



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 3rd quarter, specific activities of the 2005 Health and Safety Action Plan included the:

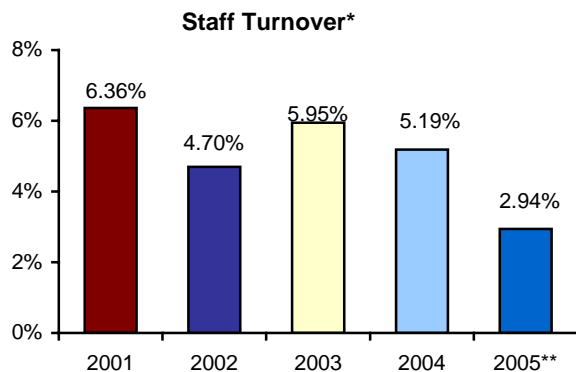
- Implementation of an audit to evaluate our status in the H&S plan;
- Approval and distribution of the Purchasing Directive;
- Development of an educational program for Managers/Directors and JHSCs on the processes to control hazards;
- Approval of the revision to the Emergency Plan, which will be communicated to staff in the 4th quarter;
- Presentation from management to staff of the early signs and symptoms of RSIs;

- Completion of the action plan to meet the legislated requirements of the First Aid Regulations 240-130; and
- Development of the draft Directive on H&S education for employees.

The Commission's H&S plan is developed from the same program the Commission provides to New Brunswick employers (5*22 model).

Staff Turnover

The turnover rate for YTD 2005 is 2.94%, compared to 4.02% in YTD 2004. Five employees exited the organization during this quarter. One resigned to work elsewhere, and the four 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.



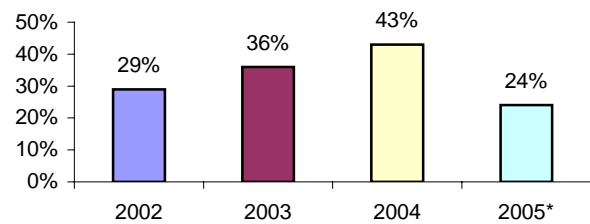
*Staff Turnover per HRIS Data

** January 1 to September 30

Internal Promotion

In the 3rd quarter, the Commission opened 12 competitions, and closed 17, of which seven of these were for regular positions. One of the closed competitions for regular positions resulted in a promotion for internal staff. To date in 2005, seven out of the 29 closed competitions for regular positions have promoted internal staff.

Internal Promotions



* January 1 to September 30 – Regular positions

Activities

Wellness Program

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

- July – Summer Safety;
- August – Family Wellness; and
- September – Teamwork/Financial.

Some of the activities this quarter included:

- Lunch and learn sessions on Self-defense, Introduction to Pilates & Credit Counselling;
- Presentation by Family Services on "Just For the Fun Of It";
- Presentation on Calcium & Bone Health
- Distribution of "Body Bulletin" newsletters; and
- Purchase of a magazine entitled Healing Foods/Special Issue for the wellness kiosk at Portland Street.

Training Programs

The delivery of the 1st phase of the Insights Discovery model has been provided to two departments during the quarter. Other courses delivered this quarter include:

- Growing Leaders Program – Management I;
- Growing Leaders – Peer support group – Dealing with Stress;
- Workplace Standard First Aid and CPR;
- CPR Recertification Level B; and
- Employee Orientation.

Six different weekly French courses have started this quarter for oral and written competency for basic to advanced levels.

Related Information

- Spending on R&D in Health. No. 88-001-XIE. www.statscan.ca.
- Socio-Economic Profile of Atlantic Canada: Characteristics of Rural and Urban Regions of Atlantic Canada, With Implications for Public Policy. www.acoa.ca
- Return-to-work Outcomes of Injured Workers: Evidence from California, Massachusetts, Pennsylvania, and Texas. www.wcrinet.org