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***Being Accountable: Working Toward Healthy  
and Safe Workplaces in New Brunswick***



***2006 Second Quarter Results***

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## 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

WHSCC - Three-day JHSC Core Training Program  
WHSCC - Ergonomics Workshop

### October

October 22-24, 2006 - WHSCC Annual Health and Safety Conference, Saint John

### November

WHSCC - Supervisors and Due Diligence Workshop

**For more information on these events, 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 second quarter Corporate Report for 2006. Please note the report has been renamed as *Being Accountable: Working Toward Healthy and Safe Workplaces in New Brunswick*.

To remain accountable to the Board of Directors, the Commission will continue to report on its progress in achieving its five strategic goals and their measures.

Throughout the spring and summer, the Board of Directors conducted an extensive review of their governance, strategic plan, and accountability framework.

In keeping with the Board’s direction, new - summary of results tables have been introduced in each section of the report providing a five-year comparison to previous periods of the key measures for each of the goals. For example, year-to-date (YTD) data illustrates current information for January to June 2006 as compared to the same period of the previous years.

The main body of the report is organized around the five strategic goals and summarizes the Commission’s activities that support each goal. Beneath each of the strategic goals you will find an account of the Commission’s performance, drawing on operational indicators and other data.

## At the WHSCC

The Commission gathers and analyzes data on the number of claims created, claims accepted, lost-time, no lost-time, and active claims.

	2002	2003	2004	2005	2006
Claims created (YTD)	13,002	13,030	12,197	12,139	12,389
Newly accepted claims (YTD)	5,945	5,911	5,496	5,805	5,645
Lost-time claims accepted (YTD)	3,048	3,107	2,782	3,151	2,934
No lost-time claims accepted (YTD)	2,894	2,802	2,710	2,651	2,709
Fatalities	3	2	4	3	2
Ratio of no lost-time claims to lost-time claims	1.05	1.11	1.03	1.19	1.08
Average active claims (YTD)	1,950	1,948	1,823	1,826	1,864
LTDs beginning of the year	1,869	2,117	2,226	2,324	2,338
LTDs accepted	140	173	150	117	147
LTDs finalled	54	105	79	109	86

**Claim Volumes**

The above table provides a summary of claim volumes specific to the adjudication and management of work-related injuries.

Information in the table reflects a decrease in newly accepted claims, lost-time claims, no-lost-time claims and fatalities. Lost-time claims accepted showed the greatest decrease at 6.9%. There was an increase in the number of long-term disability claims accepted.

**Long-Term Disability Claims**

Long-term disability (LTD) claims are those claims where the injured worker has a permanent work restriction that prevents them from returning to pre-accident employment, following rehabilitation.

The 2005 strategic planning process identified that fewer injured workers with capable earnings and fewer with Canada Pension Plan offsets were factors contributing to an

increase in long-term disability claims costs. The Board identified the increase in LTDs as a risk due to increased:

- Cost to the system;
- Reliance on investment revenue to balance the increase in long-term liabilities; and
- Increased assessment rates.

A summary of long-term disability claims is presented in the table above.

The number of LTD claims active at the beginning of the year steadily increased for the five-year period as a result of the factors identified below.

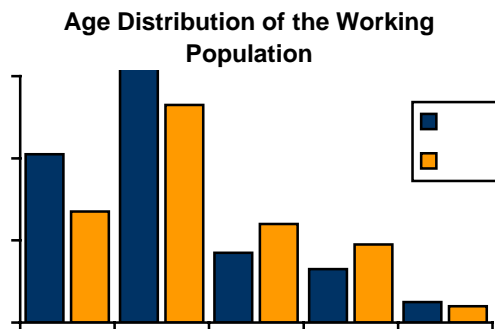
**Impact of Aging on LTD Claims**

The WorkSafe Services division recently commissioned Morneau Sobeco to conduct a study of trends of LTD claims as it relates to:

- Demographics;
- Socio-economics; and

- Other factors driving LTD costs.

The study identified that there was a significant shift in the age distribution of the working population, with the exception of those aged 60 and over as illustrated in the graph below.



The study concluded that the age distribution of the working population is a significant factor in the increase in LTD claims. The incidence of lost-time claims for those in the age group 40-49 tends to be higher, while those aged 60 and over tend to have fewer lost-time claims.

In addition, the proportion of lost-time claims that become LTD claims increases as the age of the claimant increases. This increase is noted particularly in the age groups of 40-49 and 50-59. These are the same age groups in which there has been significant growth in their proportion of the working population.

With the aging of the baby boomer population, the age distribution of the working population will continue to shift toward the older age groups. It is expected that this will lead to an increase in the number of LTD claims.

As baby boomers gradually leave the workforce, it is expected that the number of new LTD claims should decrease, as the age of the workforce shifts toward the younger age groups. It may be several years before this trend impacts claims.

## **Report on Governance & Planning**

The Board of Directors provides strategic leadership by planning for the future of the Commission. Through corporate governance and their annual strategic planning and risk assessment process, the Board sets the Commission's priorities for ensuring that the compensation system is affordable for employers, that benefits are secure for workers, and that the system is sustainable in the years to come. Through this process the Board of Directors affirms and/or adjusts the Vision, Mission, Mandate, Values, Goals, and Strategies.

Throughout the first two quarters of 2006, the Board of Directors completed an extensive review of its Strategic Plan and Risk Assessment. Since the March 2006 meeting, the Board of Directors:

- Reviewed the 2005 Vision, Mission, Mandate, Goals, and Values and recommended adjustments;
- Reviewed results related to the 2005 Strategic Plan and Risk Assessment;
- Analyzed environmental information through which the Board identified opportunities, risks, and policy priorities; and
- Identified and prioritized both risk responses and opportunities that may advance the Commission's Goals.

The next step is for the Board of Directors to confirm the goals and measures, and develop strategies to encompass the identified objectives. The completion of this process will establish the Commission's Strategic Plan and Risk Assessment, which is intended to guide the Commission and the President/CEO's priorities for the next five years.

In addition, the Injured Workers Advisory Committee (IWAC) discussed policy topics related to workers under the age of 21 and self-employment. The results of the 2005 Annual Client Satisfaction Study were also presented to the IWAC group. Two new members for the IWAC were recruited in the second quarter of 2006.

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

Safety Goal (As of April 30, 2006) <sup>1</sup>		2001	2002	2003	2004	2005
Provincial accident frequency per 100 FTEs		4.08	3.50	3.56	3.43	3.54
Lost-time accident frequency per 100 FTEs within jurisdictions <sup>2</sup>	New Brunswick	1.80	1.59	1.47	1.30	N/A
	National Average	3.13	2.96	2.72	2.61	N/A
Average costs per \$1 million of payroll		\$2,755	\$2,520	\$2,569	\$2,306	\$2,615
By industry sector per 100 FTE's						
Agriculture, Natural Resources		5.36	4.50	3.91	3.98	4.43
Manufacturing, Light		8.36	7.80	7.54	7.22	7.38
Manufacturing, Heavy		9.76	7.63	9.07	8.31	8.87
Manufacturing, Metal & Machinery		8.72	9.55	8.79	7.41	7.11
Construction		4.27	3.55	3.85	3.92	3.86
Wholesale Trade		2.80	1.13	2.65	2.48	2.64
Retail Trade		2.45	1.94	2.09	2.23	2.71
Finance & Insurance		0.93	0.96	0.81	0.69	0.85
Government, Education, & Health		3.39	3.30	3.00	2.89	2.71
Accommodation, Amusement		2.22	2.53	2.31	2.10	2.25

<sup>1</sup> In calculating accident frequency, the data must be allowed to age. Therefore, when reporting on this goal the current year is not reported.

<sup>2</sup> AWCBC Key Statistical Measure: Note - NB has a 3 day waiting period therefore, the number of lost time claims listed in this report may not reflect every lost time injury.

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By focus industry per 100 FTE's					
Logging industry (except contract logging)	5.82	4.56	4.06	3.87	4.28
Homes for personal and nursing care	8.82	8.30	7.11	8.02	6.75
Sawmills and planing mill products (except shakes and shingles)	16.41	17.68	14.77	14.14	16.33
Fish processing industry	6.34	5.17	4.74	4.87	5.47
<b>By focus firms per 100 FTE'S (by year selected as a focus firm):</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
2002	16.74	21.33	15.16	22.87	15.05
2003	15.63	15.41	14.37	17.11	14.60
2004	9.10	10.91	13.92	15.56	17.37
2005	--	12.70	13.13	10.79	16.01
Total	15.71	17.04	14.35	17.82	15.26

Note: FTEs are an estimate and vary from period to period, as such, the reported accident frequency may fluctuate.

### 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.

In the table below, provincial accident frequency and costs per \$1 million dollar payroll are presented for the five-year period ending December 31, 2005. In 2005, the accident frequency increased 3.2% from 2004, after several years of decline. Preliminary projections for 2006 suggest that there may be a decline in accident frequency from the 2005 rate.

### Focus Industries

In support of the safety goal, the Commission focuses its greatest efforts on those industries and workplaces that are identified through statistical analysis as being above the average for number and severity of workplace injuries. For each focus industry, a strategy is designed to address the health and safety issues in that industry across the province. Strategies focus on awareness at the industry or association level, which in turn is filtered down to workplaces.

For 2006, the Commission continues to focus its attention on the four industries that received interventions in 2005. Those are:

- Logging;
- Sawmills and planing mill products;
- Homes for personal and nursing care; and
- Fish processing.

Preliminary 2005 accident frequency estimates for each focus industry suggest an increase in accidents for all industries except nursing homes. Fish processing was added as a new focus industry for 2006.

### Activities

The Commission administers the New Brunswick *Occupational Health and Safety Act (OHS Act)* and promotes workplace health and safety through accident prevention activities.

### General Education

In the second quarter, 469 participants attended public calendar workshops offered by the Commission. Courses offered included:

- WHMIS (156 participants);
- Lock Out and Tag (128 participants);

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- Claims Management and Workplace Accommodation (45 participants); and
- The three-day JHSC Core Training Program (140 participants).

To assist in the delivery of health and safety training, the Commission offers a nine-day Train-the-Trainer program to local companies. The program consists of two three-day workshops on instructional technique and JHSC program content. In addition, companies must demonstrate that they can successfully deliver a three-day course in their own workplace.

This quarter, four companies (Connors Bros. Ltd., Bowater Dalhousie, Maple Leaf Foods, and Imperial Sheet Metal) completed this program.

### **Youth Programs**

One of the objectives of the safety goal, identified in the 2005 Strategic Plan & Risk Assessment is to continue to instill a Work-Safe attitude in the next generation of workers through education on healthy and safe work practices.

In the second quarter, progress toward the goal was made through the completion of the following activities:

- Announcing the second round of student video contest winners;
- Attending a provincial subject council day in which the Commission organized the keynote speaker from Passport to Safety, setup a trade show booth, and offered three information sessions for teachers;
- Participating in a Cross Canada Youth Advisory annual meeting;
- Distributing evaluations to all New Brunswick schools seeking feedback on the level of use of Commission youth programs, and resources;
- Participating in the Youth Apprenticeship (YAP) training program and distribution of an OHS orientation checklist to employers involved in hiring YAP students; and

- Developing a youth campaign for the fall of 2006, which will include a new safety slogan, poster series, and web site.

### **Deviations to the OHS Act**

Section 3(3) of the *OHS Act* allows an employer to apply in writing to the Chief Compliance Officer (CCO) for authorization to deviate from any provision of the regulations. Deviations can be granted by the CCO under terms and conditions considered advisable and:

- In accordance with the standards, if any, prescribed by regulation for granting such deviations; or
- Where no standards for granting deviations afford protection for the health and safety of employees equal to or greater than the protection prescribed by the regulation.

In the second quarter, the Commission received 30 requests for deviations from the *OHS Act*. Of these:

- Ten requests were granted,
- One was denied;
- Five were not required; and
- Fourteen had no decision as of the end of the quarter, as further information was required.

### **Variances to the OHS Act**

Employers can apply in writing to the Chief Compliance Officer for a variance to reduce the frequency of JHSC meetings where the nature of the employment presents a low risk to the health and safety of employees in the workplace. For a variance to be considered:

- JHSC co-chairs are required to attend the three-day JHSC training program;
- The workplace is required to demonstrate that their committee has been in place for a one-year period; and
- The Committee terms of reference must be presented for review.

At the end of the second quarter, 22 requests for variance were received. Two applications were granted and four were



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denied. The remaining 16 applications are pending due to a need for additional information.

### **Appeals to the Chief Compliance Officer**

Section 37(1) of the *OHS Act* allows an owner, employer, contractor, sub-contractor, employee, or supplier to appeal the order to the Chief Compliance Officer (CCO) within 14 days after the date the order was served by an Occupational Health and Safety Officer. The CCO may confirm, vary, revoke, or suspend the order.

There were 12 appeals received as of June 30, 2006, of which:

- Eight were denied;
- One was not required;
- One was granted; and
- Two required additional information.

A decision of the CCO can be appealed to the Appeals Tribunal. To date, none of these decisions have been appealed.

### **Prosecutions**

In the second quarter of 2006, the Crown laid charges against two employers and two supervisors. These charges included failing to:

- Have an adequate job plan;
- Provide adequate supervision;
- Notify the Commission of an accident; and
- Ensure that all workers were safe before a lock was removed from a machine.

Trial dates for the two employers are scheduled for later this year. The two supervisors entered guilty pleas and were sentenced, as indicated below.

In the second quarter, the Provincial Court made the following rulings:

- Two supervisors who had removed an employee's lock from a machine without ensuring that the employee was in a position of safety were each fined \$720;
- A small fish plant was charged and entered a guilty plea for failing to provide

adequate instruction and supervision and for failing to properly maintain equipment. A young worker was electrocuted. The company was fined \$10,000; and

- A small lumber mill was charged with a lockout offence and entered a guilty plea. The Court imposed a low sentence of \$600 in recognition that the employer's premises recently had been destroyed by fire.

### **Arbitrations**

In the second quarter of 2006, the Commission received four new complaints of discriminatory action. These include employees alleging discriminatory action by their employer after the employee complained of an employer:

- Dictating issues and outcomes to a Joint Health and Safety Committee;
- Requiring the use of hazardous chemicals without proper protection; and
- Failing to provide required personal protective equipment (two separate complaints).

One of these complaints has since been settled through negotiations. The three remaining were heard, or will be heard in the near future by arbitrators. Decisions are expected in the third quarter.

### **Emerging Health and Safety Issues Needle-stick Injuries**

New Brunswick currently does not have specific legislation that requires the use of safety-engineered needles in the healthcare industry. Health care workers' unions have lobbied governments across Canada to introduce legislation requiring the use of safety-engineered needles in the healthcare industry to reduce the risk of needle-stick injuries.

To better understand the current use of safety-engineered needles, a survey was sent to health authorities across the province in the second quarter.

### **High-risk Industries**

The Commission continues to identify and monitor industries in which the potential for injury or damage to property or the environment is high should an accident occur.

In the second quarter, the High-risk Industry Committee continued to review the liquefied natural gas project, pandemics and epidemics, and the Point Lepreau refurbishment as high-risk industries.

The Committee works with industries and high-risk employers to reduce the potential of injury for projects identified that pose risk.

# 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.

Service Goal	2001	2002	2003	2004	2005
<b>Satisfaction Indices (Weighted)</b>					
Injured Workers	83%	81%	81%	87%	82%
Registered Employers	86%	85%	86%	85%	84%
<b>Days to First Cheque:</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
All Claims (YTD)	29.4	28.8	28.6	27.8	27.7
Manageable Claims (YTD)	17.0	16.8	16.0	15.3	15.5

**Indicators & Analysis**

Satisfaction with the Commission is measured with an index prepared by an independent research firm. The index provides an average satisfaction score derived from the service delivery attributes considered important to injured workers (12 attributes) and employers (9 attributes) overall satisfaction.

In 2005, the weighted satisfaction index was 82% for injured workers and 84% for employers. These satisfaction ratings are consistent with other years.

**Key Research Findings  
Health and Safety in the Workplace**

Four in ten injured workers (37%) do not recall receiving training on how to do their job safely. Among the LTD group, six in ten report that they had not received this information.

In an opened-ended question where injured workers were asked, “if you were working in an area or job that you thought was unsafe, what would you do?” the majority of injured workers reported that they would refuse the work or report the situation to a supervisor.

In the table below, LTD clients are less likely to immediately report an accident to their supervisor or to complete an accident report when compared to the injured worker population.

If you were working and an accident happened, what would you do?		
	Injured Workers	LTD
Report it to a supervisor immediately	74%	66%
Get medical help/ go to a hospital	43%	51%
Fill out an Accident report/Form 67	19%	10%

When registered employers were asked what they were supposed to do in the event of a workplace accident, the most common answers given:

- Report it to the WHSCC (59%);
- Fill out an accident report/Form 67 and send it to the WHSCC (55%); and
- Get medical care for people hurt in the accident (19%).

Specific questions were asked on the use of WHSCC training. Twenty-two percent of

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registered employers reported that they have had an occupational health and safety inspection, while only 15% reported that they have used safety training services and workshops offered by the WHSCC. Almost one in five employers report having used the assessment payroll review offered by the WHSCC, or accessing assessment information services through the 1-800 WHSCC telephone number.

### **Days to First Cheque**

The timeliness of benefits is an important factor in injured worker satisfaction. The Client Satisfaction Survey conducted in 2005 reports that most injured workers expect to receive their first benefit cheque within two weeks.

Year-to-date, the number of days from the date of accident to first cheque is 27.7 days, consistent with 27.8 days reported for the same period in 2005 for all claims.

For manageable claims<sup>3</sup>, the average number of days, year-to-date from the date that the claim was created to the issue of the first cheque was 15.5 days. This represents an increase of 1.3% from 2005. The average number of days year-to-date for the same period of 2005 was 15.3.

### **Contacting the Commission**

To improve clients' access to the right person at the right time, the Commission has introduced one central toll-free number to access all departments and staff. Clients can now contact the Commission at 1-800-222-9775.

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<sup>3</sup> Manageable claims, exclude claims:

- Filed late (more than ten working days after the accident date when the Commission received first documentation of the claim);
- Accepted initially as no lost-time claim;
- Accepted as part of an Appeals Tribunal decision;
- Involved third-party action; and
- Required special investigations, such as occupational disease, fatalities, and pre-existing conditions.

### **Direct Fax**

Introduced in June 2005, this system allows documents to be imported electronically into the database of electronic claim files. This system provides Commission staff with timely access to medical information and other important decision making documents.

During the first two quarters of 2006, there was an increase in the number of direct faxes received by the Commission, rising more than 5% over the last two quarters of 2005.

### **Clearance Certificates**

Since the introduction of this online service in February 2006, more than 2,100 clearance certificates were provided electronically.

### **E-Pay Enhancements**

Recent enhancements to the pharmaceutical e-pay system now allow Commission medical advisors to assign more than one drug formulary code to a claim.

Initially, the system only permitted one formulary of drugs to be assigned to a claim, which was determined by the nature of injury. It was later determined that certain claims required an alternate drug formulary as treatments required drugs that existed in other formularies.

With this improvement, an additional formulary can be assigned to individual claims to customize the medications needed to treat the work-related injury.

### **WCB Medical Directors Annual Meeting**

The Chief Medical Office (CMO) hosted the WCB Medical Directors annual meeting in Fredericton, June 21-23, 2006. Themes discussed included opioids, physician networks, electronic medical records, chronic pain, physician advocacy, and physiotherapy.

### **Claim Decisions**

The WorkSafe Services division is reviewing selected files that are submitted for appeal.

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The original decision letter is reviewed to determine whether it:

- Documents the issue and is comprehensive;
- Provides evidence to support the decision; and
- Includes references to relevant policies and legislation.

The Commission may provide an additional letter to the injured worker which summarizes its rationale in the decision making process.

### **Communications Advertising**

The 2005 Client Satisfaction Survey reported that about half of the general worker population saw or heard a WHSCC-sponsored advertisement. 80% of those who reported seeing or hearing a WHSCC-sponsored advertisement recalled seeing television ads and 22% reported that they saw a WHSCC-sponsored print ad at their workplace.

### **Publications**

Several publications were produced and issued in the second quarter, including a variety of reprints:

- The 2005 Report to Stakeholders;
- WHSCC News;
- WHSCC E-News (monthly editions);
- Accident reports (monthly listings posted on website);
- Day of Mourning poster and letter;
- Hazard Alert – Hook Smashes Through Window, Strikes Worker;
- Hazard Alert – NB Worker Killed in Cable-Pulling Operation; and
- Hazard Alert – Frozen “Mushroom Cap” Handle Traps Worker Inside Freezer.

### **Communications Campaign**

Following a review of proposals, the contract for the social marketing campaign was awarded to Hudson Design Group, during the second quarter.

### **Zero Tolerance Campaign**

The Communications department supported WorkSafe Services division's second quarter Zero Tolerance campaign, focusing on fall protection.

A number of print materials were updated or created, including a flyer, several safety talks, a poster, and a new section for the website. The department also co-ordinated a large mail out to New Brunswick employers engaged in industries that use fall protection equipment.

### **Speaking Engagements**

Commission staff regularly speak to external stakeholders on a variety of topics. Speaking engagements in the second quarter included:

- Personal protective equipment at solid waste sites;
- Fall protection requirements;
- Fraud and abuse investigation; and
- Claims adjudication.

### **Events**

The Commission hosted the AWCBC 2006 Congress in St. Andrews from June 25-28, with more than 200 delegates and guests attending. Results from a survey conducted following the event were positive.

Staff assisted the Canadian Society of Safety Engineering with NAOSH week activities.

In recognition of Disability Awareness Week, the fifth annual open house at the Workers' Rehabilitation Centre was held.

Plans continued for the 26th Annual Health and Safety Conference. Program and registration documents are being finalized for print and speakers are now confirmed.

### **Website**

There were more than 88,000 hits on the Commission's website during the second quarter.

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The Commission is currently developing a new WorkSafe themed home page. It will feature upgrades to facilitate access to on-line services, new publications, stakeholder documents, events, and workshops. Additionally, a new youth portal strategy will be implemented later in the year.

The 2005 Client Satisfaction Study reports that 94% of registered employers and 75% of injured workers have Internet at either home or work.

While three-quarters of registered employers were aware that information related to the WHSCC's programs and services was available online, less than half of these employers (40%) reported that they had accessed this information. One in five injured workers have used the WHSCC website for information on programs or policies.

**E-News**

The subscriber list for the Commission's monthly E-News continues to grow, with over 2,500 subscribers.

**Statistics**

Additional communications activities for the second quarter are in the table below.

<b>Communications Activities Second Quarter 2006</b>	
Number of media enquiries	16
Number of words translated	114,985
Backlog of words to be translated at the end of the quarter	57,487

## 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.

Return to Work Goal	2002	2003	2004	2005	2006
Return to work of longer-term claims					
Returned to work	79.5%	78.1%	78.3%	82.3%	82.5%
Ready to return to work, not employed	16.3%	17.2%	17.1%	14.9%	13.7%
Unable to return to work	4.3%	4.7%	4.6%	2.8%	3.9%
Lost-time claims finalled (YTD)					
	2,534	2,601	2,791	2,816	2,582
Average days paid to date – finalled claims (YTD)					
	139.3	136.4	133.9	139.4	144.3

### Indicators & Analysis

The measurement of the return to work goal is listed in the following table. This table shows lost-time claims only and excludes claims where the injured workers removed themselves from the workforce (i.e., retirement, return to school not resulting from Commission interventions). The data in the following table is generated from the internal management information system and includes data up until June 30, 2006.

Second Quarter Actual Return to Work Status (As of June 30)				
# of days	Q2 - 2006		Total Q2 2006	Total Q2 2005
	RTW	Ready but not working		
20	54.2%	0.2%	54.4%	49.4%
80	64.5%	1.3%	65.8%	60.7%
130	66.3%	1.4%	67.7%	61.1%
260	86.8%	4.4%	91.2%	88.5%
520	89.6%	4.9%	94.5%	93.0%

*Note 1: Due to other data not included in total figures, numbers for total return to work will not correlate.*

*Note 2: Measures for 260 days are based on an accident year of 2005 and for 520 days the accident year is 2004.*

Compared to the second quarter of 2005, the combined percentage of injured workers who returned to work, or who were ready to return to work, increased in all categories.

### Number of Claims Closed & When

Another way to examine return to work outcomes is by considering the number of claims finalled in the quarter, the average length of time those claims were open, and the injured worker's return to work status upon file closure.

As of the end of the second quarter, an 8.3% decrease in the number of claims finalled is noted compared to the same period of 2005. This may be a result of the decrease in newly accepted claims. Claims are considered to be finalled when loss of earnings is no longer paid.

There was a 3.5% year-to-date increase for the average days paid on finalled claims when compared with the same period of 2005.

Upon file closure, 82.5% of injured workers returned to work, consistent with the number reported for the same period of 2005.

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There was an increase of 3.9% in the number of injured workers who are considered unable to return to work compared to the number reported year-to-date for 2005. A decrease of 8.0% is noted in the number of workers that were ready to work but were not employed at the end of the second quarter, compared to the number reported for the same period of 2005.

### **Return to Work Status**

The return to work status can also be illustrated by examining the percentage of injured workers who had an active claim finalised in the second quarter. The Commission defines an active claim as one that will generally last longer than two weeks.

Of the 1,683 claims finalised as of June 30, 2006:

- 1,389 injured workers returned to work;
- 230 were ready to return to work but were not employed; and
- 64 were unable to return to work.

A 4.5% increase is noted in the number of injured workers who were unable to return to work year-to-date for 2006 compared to the number reported for 2005.

### **Activities**

#### **Rehabilitation Program Development and Evaluation Department**

The audit of the approved network of work capacity evaluation providers monitored compliance to the wait time for service standard and performance to Commission standards. The service standard for a referral is 21 calendar days and all providers met the standard.

The audit of the Commission and private sector clinicians, who deliver gradual return to work services monitored compliance to the wait time for service standard and performance to Commission standards. The referral to service standard is seven calendar days. The average for all providers was six calendar days.

### **Work Conditioning Review**

The Rehabilitation Program Development and Evaluation (RPDE) department completed the annual review of the approved network of work conditioning providers.

Work conditioning is an active physiotherapy approach incorporating transitional return to work and is provided as required in the sub-acute phase of recovery.

The review concluded that there were 620 clients admitted into the network of 11 work conditioning providers in 2005. The providers:

- Met the referral to service standard of two working days;
- Discharged 84% of clients as ready to return to work;
- The 90-day claim closure of all discharges was 63%; and
- Achieved average client satisfaction of 95% and average case management satisfaction of 85%.

The review identified that 20% of clients commenced a transitional return to work during the clinic-based treatment phase. The return to work results and 90-day claim closure improved when the client commenced transitional return to work during the treatment phase.

A meeting with providers and case managers presented findings of the review and encouraged the incorporation of transitional return to work earlier in the process. This meeting also addressed topics of work conditioning reporting form changes, functional assessment education, and transfer training for injured workers who work in the health care field.

### **Decile Review**

The RPDE department completed a decile review in the second quarter of 2006. The review consisted of examining 100 cases of varying claim duration in order to identify claim characteristics, case management practices, and medical/rehabilitation practices that result in longer claim duration.



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Study factors were identified through focus groups held with case managers and a literature review. Findings suggest that increased claim duration may be attributable to the following factors:

- Injury severity;
- Surgery;
- Client participation;
- Presence of psycho-social factors and comorbid conditions;
- History of previous claims;
- Employer inability to accommodate;
- Timing of case manager first face-to-face meeting with client;
- Wait times for medical services;
- Wait times for vocational rehabilitation services; and
- Multiple specialists and special tests.

The RPDE department is conducting a pilot, in conjunction with claims adjudication and case management, to confirm the risk factors in follow-up to the decile review study. Information on factors is being captured on each claim transferred into case management during the month of June. The claims will be followed until year-end to confirm the factors identified in the decile review.

### **Augmented Work Conditioning**

The Commission continues to work on the augmented work conditioning pilot program trialing a treatment approach for clients who are flagged as potentially having prolonged claim duration. To date 23 clients have been admitted.

### **Vocational Rehabilitation**

During the second quarter, the RPDE department commenced a review of vocational rehabilitation. All clients referred to voca-

tional rehabilitation over a 12-month period are being followed.

The review will focus on:

- The number of cases;
- Costs for vocational rehabilitation;
- Program type;
- Success rate; and
- Analysis of several factors to assess their impact on program effectiveness.

### **Workers' Rehabilitation Centre**

Monthly admissions were as follows:

- April – 141 WHSCC Clients;
- May – 184 WHSCC Clients; and
- June – 145 WHSCC Clients.

During the second quarter, the average active caseload was 75 injured workers per day, compared with 72 for the same period of 2005.

Of the 115 injured workers discharged from the Work Recovery program, 96% reported that they were satisfied with the program. The second quarter survey response rate was 59%.

Specific to the Pain Management program, of the thirteen injured workers discharged in the second quarter, 11 indicated that they were completely satisfied with the program and two injured workers reported that they were mostly satisfied.

In the second quarter, the Commission expanded the number of service providers that it uses for the accommodation and transportation of injured workers completing rehabilitation programs at the WRC. Four hotels now provide these services.

# 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.

Efficiency Goal	2001	2002	2003	2004	2005
Liabilities ('000s)	\$680,319	\$735,789	\$786,041	\$842,048	\$899,878
Assets ('000s)	\$673,746	\$694,123	\$725,887	\$832,256	\$920,221
Ratio	99.0%	94.3%	92.3%	98.8%	102.3%

**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. As reported in the first quarter report, the Commission’s ratio of assets to liabilities was 102.3% for 2005.

Assessment income for the six-month period ending June 30, 2006 was less than budgeted by \$602,000. Investment income for the same six-month period was \$27,928,000 less than budgeted.

**Statement of Operations and Cash Flow**

The Statement of Operations details the Commission’s income and expenses for the first six months of 2006 compared to the budgeted figures, and to the corresponding period for the previous year. The Statement of Cash Flow details the cash received and paid for the first six months of 2006 compared to the corresponding period for the previous year.

Total expenses for the six months ending June 30, 2006 were greater than budgeted by \$1,639,000. Claims costs were greater than budgeted by \$3,166,000. Administration and appeals tribunal costs were lower than budgeted by \$1,527,000 while legislative obligations were on target. The above results yield a deficiency (loss) for the period of \$21,716,000 compared to a budgeted excess of income over expenses of \$8,453,000.

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**Unaudited  
Statement of Operations  
For the Six Months Ending June 30, 2006**

	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
<b>Income</b>			
Assessments including self-insured investments Province of NB	\$ 88,744	\$ 88,142	\$ 86,779
	26,993	(935)	31,382
	450	450	450
	<b>\$ 116,187</b>	<b>\$ 87,657</b>	<b>\$ 118,611</b>
<b>Expenses</b>			
Claims costs incurred	89,808	92,974	91,313
Administration	16,599	15,229	14,378
Appeals Tribunal	737	580	584
Legislative obligations	590	590	447
	\$ 107,734	\$ 109,373	\$ 106,722
Excess of income over (expenses) for the period	<b>\$ 8,453</b>	<b>(\$ 21,716)</b>	<b>\$ 11,889</b>

**Unaudited  
Statement of Cash Flows  
For the Six Months Ending June 30, 2006**

	Actual YTD	Previous YTD
	(000's)	(000's)
<b>Cash flow from operating activities:</b>		
Cash received from:		
Assessed employers	\$ 91,776	\$ 92,538
Self-insured employers	10,885	10,613
Interest and dividends	12,065	10,849
Province of New Brunswick	900	900
	<b>115,626</b>	<b>114,900</b>
Cash paid to:		
Injured workers or third parties on their behalf	62,667	59,637
Suppliers and employees, for administration and other services	17,123	16,377
	<b>79,790</b>	<b>76,014</b>
Net cash provided by operating activities	35,836	38,886
<b>Cash flow from investing activities:</b>		
Cash received from:		
Sale of investments	122,380	98,277
Cash paid for:		
Purchase of investments	141,542	119,962
Purchase of capital assets	576	463
	<b>142,118</b>	<b>120,425</b>
Net cash (used in) investing activities	(19,738)	(22,148)
<b>Increase in cash during the year</b>	<b>16,098</b>	<b>16,738</b>
Cash and short-term investments, beginning of period	21,784	21,255
<b>Cash and short-term investments, end of period</b>	<b>\$ 37,882</b>	<b>\$ 37,993</b>

Note: The statements above have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in the Commission's 2005 Annual Report.

**Investment Portfolio Overview**

**The Purpose of the Investment Fund**

The primary goal of the investment fund is to ensure that the awarded benefits are secured. Each year, the Commission collects assessments from the province’s employers and uses the assessment revenue to pay the benefits promised to workers injured on the job. The assessment revenue collected in any one year is intended to fund the benefits for all injuries occurring in that year.

A considerable amount of the assessment revenue collected in each year is set aside to provide for the future costs of providing benefits to workers injured in the current year. This assessment revenue that has been set aside to cover the future benefits costs for accidents that have already occurred forms the Commission’s investment fund. As of June 30, 2006, the market value of the Commission’s investment fund was \$784,945,568.

**Fund Governance**

The Commission’s portfolio is invested in cash, bonds, and publicly traded equities listed on domestic and foreign exchanges. The portfolio is managed in accordance with a disciplined process that is documented in the policies and directives set by the Commission’s Board of Directors and administration. The portfolio is managed by external investment managers. The compliance of these managers with the investment policies is monitored on a regular basis.

**Asset Mix**

The Commission’s Board of Directors believes that the most important factor in determining investment risk and return is the asset allocation decision (i.e. how much of the investment portfolio to allocate to the various asset classes, for example: bonds, equities, and real estate). The asset mix decision is a balancing act for the Board. This is because asset mix policy, funding policy, the level and volatility of assessment rates, and the volatility of the Commission’s financial results are all linked. If the Board decides to lower volatility (or risk) by adopt-

ing a less volatile asset mix (more bonds), this will result in lower long-term returns, which reduces the amount of income from investments. If benefit levels are held stable, the reduction in investment income must be made up through higher assessment rates.

Current policy states that the Board will rely on periodic asset liability studies, performed by actuarial consultants, to help them set the strategic long-term asset mix. This process is designed to help the Board members find the appropriate balance between volatility and contribution level, and to help set asset mix policy and funding policy, in light of the nature of the benefits liabilities and the financial position of the Commission.

The last asset liability study was completed in 2001. The following charts compare the actual asset mix of the investment fund as of June 30, 2006 with the strategic long-term asset mix that was approved in the Board’s policy after the completion of the 2001 study. The policy allows for variances of plus or minus five percentage points from the target allocations. Cash is allowed up to a maximum of 10%. As of June 30, 2006, all asset classes are within their target ranges as defined by policy.

<b>As of June 30, 2006</b>	<b>Target Allocation</b>	<b>Actual Allocation</b>
Bonds	35%	34%
Canadian Equity	17%	17%
US Equity	27%	25%
EAFE Equity	17%	16%
Emerging Markets	4%	6%
Cash	0%	2%

### **Investment Fund Performance**

The Board of Directors has adopted two performance objectives for the Commission's investment portfolio.

The first objective is to exceed the annualized rate of inflation in Canada, as measured by the Consumer Price Index by at least 4%, on a four-year moving average basis. The rationale behind this performance measure is that it is intended to show the impact of investment performance on the funded position of the Commission. This can be measured by the difference between the total fund return and the discount rate used to value the Commission's liabilities. The discount rate is the real rate (in excess of inflation) at which the liabilities are expected to grow over time. If the return on assets is equal to the discount rate, the Commission's funded position will be unchanged. The 4% target in excess of inflation approximates the actual discount rate of 3.8%.

The second performance objective is to exceed the return of the policy-defined "benchmark portfolio" by 0.75% (before fees), on a four-year moving average basis. The "benchmark portfolio" return is the return that the fund would have earned if it was passively managed with the asset mix maintained at the long-term policy targets. This performance objective is intended to show the value added (or lost) through active management.

The second quarter of 2006 was characterized by poor returns in most equity markets. Concerns that the U.S. Federal Reserve might have to increase interest rates more than previously thought, along with indications of tighter monetary policy in Europe and Japan, rising oil prices, and inflation all drove markets lower.

Emerging markets equities suffered the lowest return for the asset classes the

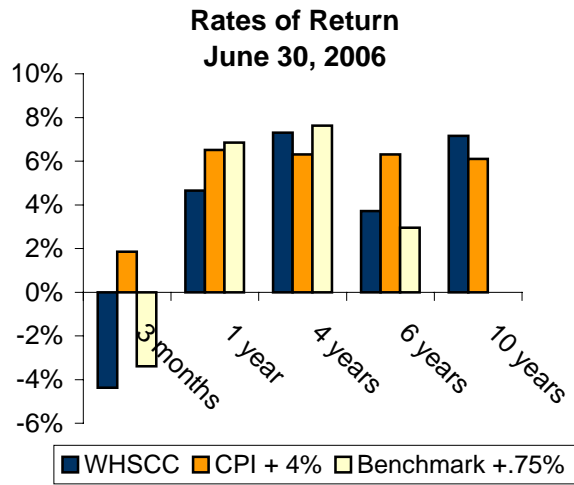
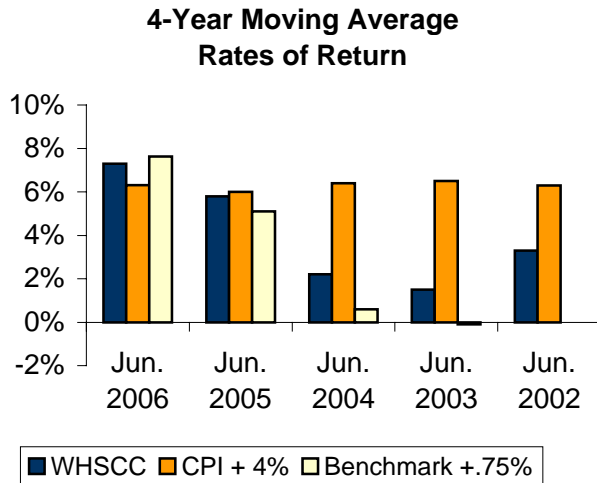
Commission is invested in, as the MSCI EM (CAD) index lost 8.74%. U.S. equity returns were also poor, with the S&P 500 (CAD) index losing 6.04%. International equities fared a little better as the MSCI EAFE (CAD) index lost 3.77%.

Canadian equities had a difficult quarter as well, with the S&P TSX index losing 3.50%. The Canadian bond market also lost value in the quarter as the Scotia Capital Universe Bond index lost 1.02%.

The Commission's investment portfolio outperformed its performance objective of CPI +4% for the four-year period ended June 30, 2006. The portfolio's annualized return for this period was 7.3% compared with the performance objective of 6.3%. On a ten year annualized basis the portfolio continues to achieve this objective, as well. However, the portfolio did not achieve the CPI +4% target for the quarter, returning -4.4% compared with the objective return of 1.9%.

The Commission's portfolio underperformed its benchmark this quarter, and was slightly above the return of the benchmark portfolio on a four-year annualized basis. The WHSCC portfolio produced a quarterly return of -4.4%, compared to -3.6% for the benchmark. For the four years ending June 30, 2006, the Commission's portfolio returned 7.3%, compared to 6.9% for the benchmark. Asset mix deviations did not add or subtract from performance during the quarter. Security selection cost 0.8% in performance for the quarter.

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: (1) CPI +4%, and (2) the benchmark portfolio +0.75%. Only seven years of data is available for the second objective (relating to the benchmark portfolio).



**Activities**

**Fraud & Abuse**

In the second quarter of 2006, the Commission investigated:

- 20 new claims to determine initial entitlement to compensation;
- 36 active claims to determine ongoing entitlement to compensation; and
- Seven third-party actions to determine the feasibility of pursuing recovery of claim costs.

The Commission’s legal department also assisted with five payroll audits in the second quarter of 2006.

Currently, the Commission has 17 information sharing agreements in place with federal and provincial government departments, other compensation boards, and other external service providers.

**Internal Audit**

Audits completed or in progress at the end of the second quarter included:

- Benefit payments;
- Network logon accounts;
- Screen saver passwords; and
- Home modification projects.

# 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:

- Attendance;
- Accident analysis;
- Competition analysis;
- Internal promotions;
- Staff turnover;
- Exit interview analysis; and
- Vacancy rates.

Staff Satisfaction Goal	2002	2003	2004	2005	2006
Absenteeism (days absent)					
Total	10	8.57	7.65	6.52	4.22
First Quarter	2.60	2.35	2.23	1.96	2.13
Second Quarter	3.10	2.25	1.73	1.49	2.09
Third Quarter	1.80	2.12	1.85	1.36	--
Fourth Quarter	2.50	1.85	1.84	1.71	--
Accepted claims for Commission staff					
Total	18	14	12	15	8
First Quarter	8	4	4	4	7
Second Quarter	9	2	2	5	1
Third Quarter	0	4	2	6	--
Fourth Quarter	1	4	4	0	--
Internal Promotions					
Year-to-date	33%	31%	42%	33%	20%
Bargaining	13	8	9	7	1
Non-Bargaining	15	7	6	6	3
Staff turnover (YTD)	4.7%	5.9%	5.2%	3.6%	2.7%

**Indicators & Analysis**

The Commission recognizes that employee satisfaction levels are directly linked to its ability to achieve its goals. Through promoting a healthy and safe environment, the Commission can create a good place to work and provides employees with the tools they need to succeed.

In the second quarter of 2006:

- Employees were absent on average 2.09 days;
- Staff turnover was 2.7%; and
- Vacant positions totalled 8.8.

Staff turnover decreased since 2003, supporting that the Commission made progress on the staff satisfaction goal.

Exit interviews are conducted with employees who leave the organization. Year-to-date, 11 employees left the organization, seven of which sought employment elsewhere and four retired. Five employees left the organization in the second quarter.

The number of days absent per employee was 2.2% higher than the number for the same period of 2005. Although this is not indicative of a trend, the Commission will continue to monitor absenteeism.

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As of the end of the second quarter, there were 8.8 vacant budgeted positions, lower than the reported number for 2004 (14.98) and 2005 (9).

### **Competition Analysis**

In the second quarter, the Commission opened 17 competitions, the majority to fill temporary positions. Four competitions were for regular (permanent) positions.

Twenty-six competitions closed during the second quarter. Of the permanent full-time positions that were closed this year, 20% resulted in internal employees being promoted. As of June 30, three bargaining staff and one non-bargaining staff member were promoted.

### **Accident Analysis**

The Commission promotes a healthy and safe workplace for its employees to work.

A total of eight claims have been accepted year-to-date, consistent with nine accidents reported year-to-date for 2005. However, the majority of claims in 2006 occurred in the first quarter, whereas in 2005 the third quarter had the highest incidence of accepted claims. To date, the majority of accepted claims this year involved sprains, strains, and tears.

In the second quarter, thirteen claims filed by staff were finalised.

### **Return to Work & Disability Management Programs**

Meetings were held with three employees and managers in the second quarter. One employee returned to work, while two others were monitored.

### **Activities**

#### **General**

A new employee and family assistance program provider (EFAP) was adopted in the second quarter of 2006. To assist employees in wellness both at work and at home, the Commission and its EFAP provider con-

ducted information sessions in each of the regional offices for all employees.

### **Wellness Program**

Monthly themes this quarter included Earth Month (April), Fitness and Foot Month (May), and Mental Health Month (June). The Wellness Committee provided the following activities this quarter:

- Aquacise classes;
- Fitness testing;
- Fitness/foot health presentation;
- "Talking Trash" presentation;
- "Creating Balance in Your Life" presentation;
- Fitness challenge;
- Wellness healthy picnic;
- Cholesterol and blood sugar testing;
- Fundy Region Solid Waste Commission presentation;
- Pedometer challenge; and
- Solar ray exposure presentation.

Additionally, a variety of bulletins and newsletters were distributed.

### **Health & Safety Program**

The second quarter concluded with the following activities:

- Operating instructions required to maintain the Health & Safety Program were commenced;
- Completing the final two safety talks and placing them on the shared drive;
- Approving the Repetitive Strain Injuries Procedure. It will be implemented in the next quarter; and
- Reviewing Directive No. 33-000.43 Incident/Accident Investigations, Procedure No. 33-000.43.01 Incident/Accident Investigation procedure, and the incident/accident form.

### **Training Programs**

The Commission continued to promote employee development. Courses offered this quarter included employee orientation, French language lessons, and the Insights program with a focus on team building.