

Workplace Health,
Safety and Compensation
Commission
of New Brunswick

WHSCC
CSSIAT

Commission de la santé, de la
sécurité et de l'indemnisation
des accidents au travail
du Nouveau-Brunswick

Report to Stakeholders

2001

Working Hard and Working Together

Dedicated to your Safety and Security

The Workplace Health, Safety and
Compensation Commission of New Brunswick
2001 Report to Stakeholders

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Vision

New Brunswick workers have access to a safe and healthy work environment.

Mission Statement

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

The Mandate of the Commission is:

1. To create an environment where workplaces view all accidents as being preventable;
2. To provide insurance and related services to the employer community; and
3. To provide rehabilitation benefits including compensation, medical, vocational, and counseling services to injured workers.

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1 Portland Street, P.O. Box 160
Saint John, New Brunswick E2L 3X9

www.whscc.nb.ca

Leadership

THE BOARD OF DIRECTORS



Raymond Campbell
Chairperson



Douglas Stanley
President & CEO



Paul LeBreton
Chairperson of the
Appeals Tribunal



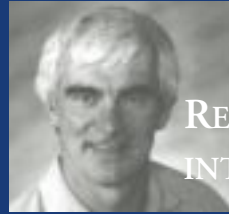
Norman Bernard



Robert Davidson



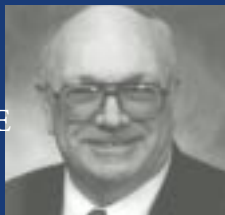
Donna McNeill



John Murphy

REPRESENTATIVE OF THE
INTERESTS OF

workers



Gerry Cluney



Pat Darrah



Fraser MacLeod



John Mahar

REPRESENTATIVE
OF THE
INTERESTS OF

employers



Bernice Chiasson

REPRESENTATIVE
OF THE

general public

Working Hard and Working Together

Management

OUR TEAM

R. Brian Connell

Vice-President, Compensation and Rehabilitation Services

David Greason

Vice-President, Prevention Services

Peter Murphy

Vice-President, Corporate Services

Richard Tingley, Q.C.

General Counsel

Our Enduring Foundation – “The Historic Compromise”

THE MEREDITH PRINCIPLES

Sir William Meredith, appointed in Ontario in 1910 to chair a Royal Commission to study workers' compensation, developed the five principles of compensation:

1. No-fault compensation
2. Collective liability
3. Security of payment
4. Independent board
5. Exclusive jurisdiction

A Partnership in New Brunswick since 1919

~ Employers and Workers ~

Workers' Rehabilitation Centre

THE COMMISSION'S CENTRE OF EXCELLENCE



Working Hard and Working Together

MESSAGE TO STAKEHOLDERS

The *2001 Workplace Health, Safety and Compensation Commission Annual Report* is the accountability document to the Legislative Assembly and the general public. This report, the *2001 Workplace Health, Safety and Compensation Commission Report to Stakeholders*, is presented as a companion document to the annual report, published to highlight a number of the key activities we deliver on your behalf. Since the annual report contains detailed financial statements, this report offers brief, summarized, financial results. The information is presented against a backdrop of trends occurring in today's environment. We also provide statistical data in the areas of claims, health and safety, investments, and legal activities – results previously published in the annual report.

The Workplace Health, Safety and Compensation Commission's (WHSCC) work in 2001 was driven by our six major goals:

- 1. Accident Frequency and Severity:** "Our vigorous pursuit of safety will lead to a significant decline in the frequency and severity of accidents."
- 2. Injured Worker Satisfaction:** "We will be respected for the prompt, effective, efficient, and caring provision of services to our injured worker clientele."
- 3. Return to Work:** "We will decrease the time by which injured workers return, or are capable of returning, to work."
- 4. Assessments and Funding:** "We will hold the assessment rates to employers at the lowest level possible, consistent with the conscientious provision of benefits to clients."
- 5. Employer Satisfaction:** "Our stakeholders will judge the WHSCC to be a well-managed, responsible organization."

6. WHSCC Staff Satisfaction: "Our employees will consider the Commission 'a good place to work'."

In pursuing these goals we have achieved financial stability, opened communication channels with clients and stakeholders, and made positive strides in improving the quality of our services.

In 2001, when planning for the next five years, the Board of Directors established new goals to ensure the Commission will be well positioned to meet the demands of the future. The new goals will be reviewed annually, a process through which the Commission discharges its responsibility to ensure effective leadership and management. The annual review will also fulfill the Board of Directors' responsibilities for providing strategic, long-term planning.

The final step in the adoption of the new goals involves the identification of operational objectives – a responsibility of the WHSCC administration. The new performance indicators will be presented to the Board of Directors for consideration during 2002, and will be the basis for assessing our continuous improvement.

As the Commission moves forward to meet tomorrow's challenges, we will continue to act in the best interest of our stakeholders and the organization. Our decisions will be balanced and transparent, and we will be accountable to our stakeholders.



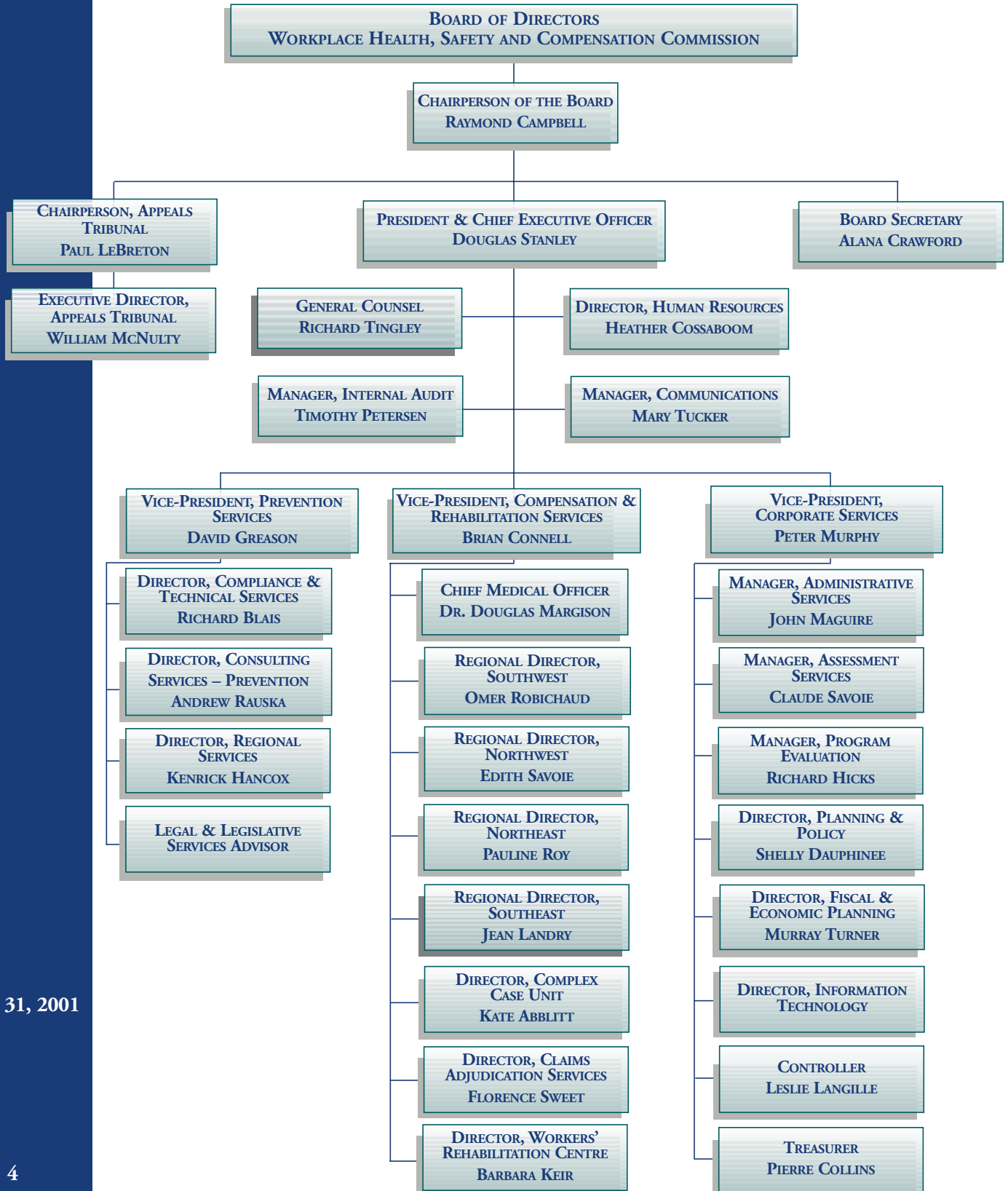
Raymond P. Campbell
Chairperson



Douglas C. Stanley
President & CEO

Our Most Valuable Asset

THE WHSCC ORGANIZATION



AT DECEMBER 31, 2001

Dedicated to your Safety and Security

GOAL 1 – ACCIDENT FREQUENCY AND SEVERITY

“Our vigorous pursuit of safety will lead to a significant decline in the frequency and severity of accidents.”

Our first goal addresses the number one priority of WHSCC: to help prevent occupational injury, illness, and disease. Programs are designed to encourage employers and workers to make health and safety their main concern in the workplace. The services we deliver to our stakeholders in pursuit of safe work environments are supported by New Brunswick’s *Occupational Health and Safety Act*.

Under the *Act*, workers and employers have rights and responsibilities. The role of the Commission is to make certain that all workers in the province have a safe workplace by ensuring compliance with the legislation and regulations that state the minimum health and safety requirements. It is the responsibility of every worker and every employer to comply with the legislation and to exercise the rights provided.

THE COMMISSION’S ROLE

The Commission supports workers’ and employers’ rights and responsibilities in a number of ways:

Compliance and Inspections

In 2001, officers conducted over 6,700 inspections and wrote over 4,800 orders for change. Each officer is highly skilled in health and safety and trained in the specific requirements of the industries for which they are responsible. The Commission also investigated 147 serious accidents, resulting in 14 prosecutions and fines of \$51,225.

We Deliver Focused Interventions

Some workplaces and industry sectors have significantly higher accident rates and costs. The Commission focuses its activities on these sectors, working with employers and workers in those sectors to improve their health and safety records. Six industry groups will receive particular attention in 2002:

- Trucking
- Highway Construction
- Sawmills
- Prefabricated Housing
- Homes for Personal and Nursing Care
- Logging

Specialists in Health and Safety

Each of the Commission regional offices is staffed by specialists in health and safety. In addition to the health and safety officers, occupational hygienists, and health and safety consultants, the Commission has ergonomics and education consultants on staff. The health and safety consultants’ role, implemented in 2002, is to provide assistance and advice to employers and workers regarding health and safety. The ergonomics consultants provide advice to employers and workers regarding musculoskeletal injuries that can occur as a result of sustained awkward or static posture, exertion, and repetition. The education consultants provide awareness sessions on a number of topics including: Workplace Hazardous Materials Information System (WHMIS); legislated responsibilities of workers and employers; fall protection; tag and lockout; and accident investigations. The Commission also provides “Train the Trainer” programs.

Marven Jordan, York Steel Inc.;
Bruce Messer, WHSCC Health and Safety Officer; Merlin Colford, York Steel Inc.



We work with companies to improve safety, but, when it comes down to it, it's the people on the jobsite who really make the difference - the workers and employers.

Bruce Messer, Health and Safety Officer

Dedicated to your Safety and Security

We Teach the Fundamentals of Health and Safety

The 5*22 system is a health and safety framework that provides useful information and tools to help workplaces develop action plans and implement safe work practices.



*As the Senior Health and Safety Consultant, my role includes the managing and facilitating of provincial prevention initiatives in New Brunswick workplaces. My occupational health background and working experience in prevention was instrumental in allowing me to take the lead role in designing, developing, and implementing the Commission's latest health and safety initiative – 5*22. Through research, piloting, and partnering with stakeholders over the last four years, our regional health and safety consultants are now able to deliver a focused intervention strategy with selected companies throughout the province.*

**Susan Linton,
Senior Health and Safety Consultant**

Susan Linton, Senior Health and Safety Consultant; Monique Comeau, Barry Roberts and Lynn Pinfold, Health and Safety Consultants

Public Promotion of Health and Safety

The Commission provides a wide variety of health and safety awareness programs and publications, intended to make employers, workers, and all New Brunswickers more aware of the importance of working safely and of accident prevention.

The Results

The frequency of lost-time accidents has remained at a static level of 2 accidents per 100 workers since 1994 – one of the lowest rates in Canada.

The Commission believes that most work injuries and illnesses can be prevented if unsafe work practices and workplace hazards are identified and corrected. In serving our stakeholders, we will continue to search for the ways and means of preventing workplace tragedies.



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GOAL 2 – INJURED WORKER SATISFACTION

“We will be respected for the prompt, effective, efficient, and caring provision of services to our injured worker clientele.”

Injured workers’ satisfaction is tracked and measured through the satisfaction index prepared by an external research firm. The index provides a composite score derived from 12 satisfaction drivers. The WHSCC has been tracking injured workers’ satisfaction since 1999, and we are proud of the continuous improvement of the cumulative index score. The 2001 target of 3.28 (82%) was exceeded with a score of 3.32 (83%).

While all 12 satisfaction drivers are important, the opening of their claims and the timely receipt of benefits is essential to injured workers. At the Commission, the primary entry point in processing a claim is Claims Adjudication Services (CAS), located in Saint John. To assist in providing the “prompt, effective, efficient, and caring provision of services to our injured worker clientele,” as promised in Goal 2, the department employs 53 staff servicing the front lines. They handle telephone enquiries, process mail, adjudicate claims, pay 40% of the medical bills, and are responsible for the clinical chart-keeping for the Workers’ Rehabilitation Centre (WRC).

PROMPT PAYMENT OF
BENEFITS

The Claims Adjudication Services Management Team



Teamwork within WHSCC Claims Adjudication Services is key to coordinating the many issues surrounding a workplace injury claim. Promptly getting benefit cheques into the hands of those who qualify for them is an important measure of our efficiency.

Florence Sweet, Director

Sandra Blagden,
Assistant Director,
Claims Processing;
Carol Veysey, Assistant
Director, Claims
Adjudication;
Florence Sweet, Director;
Pat Titus, Supervisor,
Document Processing.
Betty Fergus, Supervisor,
Health Records (not
present)

WHSCC Processes Claims Electronically

CLAIMS ADJUDICATION SERVICES

Robert Jeffrey



MAILROOM

Mail is opened and sent for processing.

Gerard Gionet



SCANNING UNIT

Mail is prepared for electronic scanning.

Cathy Ramsay



INDEXING

New claims are created, new mail indexed / coded and sent to electronic claim files.

Beverly Humphrey



CLAIMS PROCESSING

New claims are distributed to staff. Information is gathered and once completed and prepared, the claim is sent to adjudication.

Michel Daigle



CASE MANAGEMENT

Claims are case managed.

Nadine Breau



ADJUDICATION

Claims are reviewed by the adjudicator and a decision is made. The first cheque is issued upon acceptance of the claim. Claims where disablement is judged to extend beyond 6 weeks are forwarded to Case Management.

Dedicated to your Safety and Security

GOAL 3 – RETURN TO WORK

“We will decrease the time by which injured workers return, or are capable of returning, to work.”

After a workplace accident, the Commission’s goal is to return injured workers to work in a safe and efficient manner. The staff of the Compensation and Rehabilitation Services Division work to minimize the disruption that workplace injuries cause in the lives of workers and employers. Early return to work allows the worker to remain a productive and valuable member of the workforce.

CASE MANAGEMENT

Case management is a way of coordinating everyone involved in the case to help achieve that goal – the worker, the employer and the health care providers. Case management is usually for long term cases: those where the injured worker is off work for six weeks or more.

The WHSCC team, which includes the case manager, an occupational therapist, a medical advisor, and a rehabilitation specialist, is dedicated to the rehabilitation of the injured worker. The team utilizes the services of external health care providers such as physicians, physiotherapists, and chiropractors.

Cooperation is the key to helping injured workers return to work after being injured.

**Cindy Phinney,
Case Manager**



The case manager is the injured worker’s main contact person with the WHSCC and all other team members. They are responsible for the development, implementation, monitoring, and evaluation of the rehabilitation plan to assist the worker in returning to the workforce.

RECOVERY AND RETURN TO WORK

The Workers’ Rehabilitation Centre and a network of private clinics around the province deliver “work conditioning” services as part of the WHSCC’s efforts for an early and safe return to work. Work conditioning is an active physiotherapy approach that focuses on exercise and education. It has been more effective in returning clients to work in a timely manner than traditional approaches to physiotherapy.

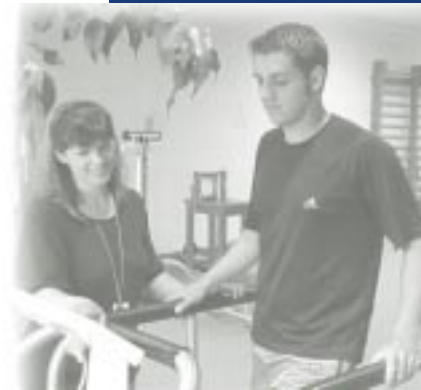
Krista Hartery, a physiotherapist with the Work Conditioning Program, has been working with injured worker, Philip Dempsey, an equipment operator at Wirsbo Manufacturing.

On March 10, 2002, Philip was using his right hand to tighten a large nut with a wrench and felt a pull in his right shoulder. He described a constant “migraine headache-like” pain and pinch inside his shoulder.

Philip received local physiotherapy treatment for approximately a month: it brought him to only a 30% improvement level. Krista was then assigned to his case at WRC and started treatment with acupuncture. Philip reported the constant ache ceased and his shoulder pain improved to a “tired” level after exercise. With Krista’s continued treatment, Philip has progressed to the point where he now reports a level of 70% recovery.

Philip’s positive attitude is reflected in his comments regarding the staff at the WRC. He states, “they’re helpful, friendly, and ready to help me meet my program goals.”

Philip is progressing well and he is keenly interested in returning to work upon the completion of his treatment program. “Get better as fast as you can without hurting yourself,” he advises other injured workers.



**Krista Hartery,
Physiotherapist and
Philip Dempsey**

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WIN! WIN!

NEW JOB – SAME EMPLOYER

Maurice Levesque was a winder operator with Nexfor Fraser Papers in Edmundston. On December 6, 1996, he suffered a crushing injury to his left leg when it got caught between two large rollers. Maurice underwent an emergency mid-thigh amputation.

After a long period of physical rehabilitation, the WHSCC case management team, which included: Sandra Soucy, Case Manager; André Gauvin, Occupational Therapist; and Léo Verret, Rehabilitation Specialist, worked with Maurice and Nexfor Fraser to accommodate him at his workplace. Maurice was unable to return to his pre-accident job due to his physical work restrictions.

Maurice was a quick learner with transferable skills who was very motivated, liked to study, and was eager to return to work for Nexfor Fraser. The employer, recognizing Maurice's potential, offered him a position as a graphic artist in the training department. Appropriate computer courses were arranged at the local Community College.

"I love my new job and consider it very challenging. I have gone from a physically demanding job in the mill to an office job using computers to do all my work. My computer skills were limited prior to my accident, now I have become accomplished in using the required hardware and software in about 6 months."

Maurice remains a valued asset at Nexfor Fraser Papers. An additional benefit of his return to work for the pre-accident employer is his commitment to health and safety. He has been invited by his workplace joint health and safety committee to speak throughout the company about his accident experience and the importance of safety.

NEW JOB – NEW EMPLOYER

Troy Cook, age 24, was injured on January 2, 2001 while working for Hub Meat Packers. While Troy was washing down a large mixer, he kept the mixer running to see if

there was any meat left in the machine. The paddle from the mixer caught his glove and pulled his right index finger and thumb between the bottom of the machine and the paddle.

Troy's right index finger and thumb were partially amputated and he endured 3 subsequent surgeries on his hand over the following year.

Since Troy suffered a permanent work restriction to his pre-accident job, he and members of his case management team, Melody Mladineo, Case Manager and Darlene Doiron, Rehabilitation Specialist, examined possible re-training opportunities. One of the opportunities examined produced a positive result for Troy. He stated, "definitely going back to school was a plus, as it was something I had always wanted to do but didn't think I could." The accident has given Troy "the opportunity for a career instead of just a job."

"The WHSCC staff has been great. They helped me with medical, vocational guidance as well as the financial assistance I needed during my course. There was support and follow-up in addition to assisting me in finding a job at the end of my training."

Troy is very positive about his future, having graduated from Oulton's Technology Institute with a Diploma in Business Management. He has received an employment offer as a customer service specialist at the Royal Direct Bank call centre, a position he considers offering definite potential for advancement within the banking industry.



Troy goes back to school

Maurice, back on the job at Nexfor Fraser Papers



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IT WORKS WHEN WE ALL WORK TOGETHER

The duty to accommodate injured and disabled workers is a legal obligation that stems from provincial and federal human rights legislation, as well as Supreme Court of Canada rulings. Employers and unions in New Brunswick are required to make every reasonable effort, short of undue hardship, to accommodate an employee covered by a protected ground of discrimination within human rights legislation, including physical or mental disability. This duty applies to employers of all sizes and is not time limited.

In addition, in New Brunswick, when the disability is caused by an accident or illness covered under the provincial *Workers' Compensation Act*, there are additional legislative requirements to accommodate the worker.

In 1998, the Commission undertook an initiative that assists workplaces in their efforts to accommodate injured workers and offers assistance with the establishment of disability management programs.

Loch Lomond Villa Limited, a nursing home in Saint John, took advantage of this initiative and decided to develop a disability management program. Representatives from Loch Lomond Villa had attended a WHSCC Return-to-Work Coordinator Workshop presented by Richard Grasse, Disability Management Coordinator, in the fall of 2001. Following the workshop, they contacted Richard to get started.

The first step was to appoint a Return-to-Work (RTW) Coordinator and assemble a program development team with representation from both labour and management. The Loch Lomond Villa team is: Deborah Gatien, RTW Coordinator; Kathy Butler, New Brunswick Nurses Union representative; Fernan Butts, New Brunswick

Government Employees Union representative; Carol Henderson, management representative; and Sandra McCann, management representative.

“Disability management programs are important to help reduce the human and financial costs of injury and illness. It has been a pleasure to work on developing this program,” states Carol Henderson. Kathy Butler adds, “Developing our disability management program has been a positive team experience. We look forward to effective results from the program’s implementation.”

Fernan Butts says, “I feel disability management is a positive program for Loch Lomond Villa and all stakeholders will greatly benefit.”

WORKING WITH HEALTH CARE PROVIDERS

WHSCC New Brunswick has established joint committees with the New Brunswick Medical Society (NBMS) and the New Brunswick Private Practitioners of Physiotherapy (NBPPP) to address clinical issues and to improve the relationship with these two health care groups. Outside of formal committee work, the joint chairs have addressed many operational issues – including reporting and billing.

The Commission is dedicated to working with our care providers to develop a system that uses the resources of the health care sector effectively, while ensuring the injured worker’s optimal recovery from work injury.



Our goal with this initiative is to help workplaces establish disability management programs, developed jointly by labour and management representatives, to accommodate injured or ill workers.

**Richard Grasse,
Disability Management
Coordinator**



**Dr. Jose Ledezma,
WHSCC Physician**

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GOAL 4 – ASSESSMENTS AND FUNDING

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

The Corporate Services Division provides key services to stakeholders through the provision of financial, planning, policy, technological, and performance measurement infrastructure. The Division supports the Board of Directors and staff in defining, implementing, and measuring the corporate goals. Goal 4 is particularly supported by the work of this Division.

employers to reduce both the number of workers injured (frequency) and the length of lost time (severity). This is accomplished by encouraging the employer to establish and maintain safety and prevention programs, and to assist the worker to return to work as soon as possible. Employers can accomplish these goals by preventing accidents and injuries in the workplace, by actively participating in the management of claims, and by rehabilitating and re-hiring injured workers.

The assessment rate payable by participating employers may vary above or below the standard industry rate applicable to the rate group. In New Brunswick, the assessment rate adjustment is limited to a maximum discount of 40% or a surcharge of 80%.

As employers react to the information provided through experience rating, their own prevention and return to work activities will affect their experience rating assessment. Contributing to this information, the annual worker survey helps staff in their prevention efforts to educate workers and employers on accident causes.

The Commission’s financial objective of “holding assessment rates to employers at the lowest level possible, consistent with the conscientious provision of benefits to clients,” combines the Board of Directors’ governance responsibilities for rate setting with staff’s responsibilities for financial reporting. The results of the financial decisions are reported in our annual report.

2001 FINANCIAL RESULTS

The Commission ended the year with excess of expenses over revenue of \$35.7 million. The shortfall was driven by a drop in assessment income resulting from lower than expected provincial payrolls.

EXPERIENCE RATING

The Commission raises revenues by annual assessments levied on employers in the industries covered. The collective liability system ensures that injured workers receive adequate compensation without placing an undue burden on any particular employer. Industries are grouped according to their accident potential, and industries found to have a greater risk of injury contribute a proportionally greater amount to the scheme than industries with a lower accident potential.

Experience rating shifts a greater degree of the responsibility for workers’ compensation costs from the industry rate group as a whole to the particular employers actually incurring the accident costs. Additionally, experience rating is intended to serve as an incentive for

Financial incentives for employers are used to support the Commission’s focus on the prevention of accidents and return to work activities.

Safety Pays Off for Kenneth E. Spencer Memorial Home Inc.!



Jackie Murphy, Joint Health and Safety Committee worker co-chair;
Stephen Campbell, Executive Director;
Fred Hoyt, WHSCC Manager, Regional Services;
Ruth Flanagan, Joint Health and Safety Committee employer co-chair

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Revenue

Total revenue for 2001 was \$158.8 million, compared to \$178.5 million in 2000.

The Commission's revenue comes from:

- assessments paid by employers who fund the system, and
- income earned on investments.

Assessments

Average assessment rates have remained relatively stable in the last five years. At \$1.58 per \$100 of payroll, the average rate was 8% lower than the average rate of \$1.67 in 2000. This decrease reflects a shift in the payroll base away from higher risk industries. This, coupled with the completion of several major construction projects, caused assessment revenue to fall to \$89.8 million – \$6 million less than in 2000.

Investments

Investment income in 2001 fell to \$35.4 million, down \$18 million from 2000 due to a major decline in markets. If not for the Commission's practice of smoothing, or leveling out market fluctuations by averaging gains and losses over a five-year period, the Commission would have lost money in investments during last year's disappointing market drop. In addition to smoothing, the Commission mitigates the risk of market volatility by managing asset mix through a diversified portfolio, managed by several independent investment managers.

Costs

Costs are incurred in three major areas:

- Claims costs – short-term disability (compensation for lost wages), rehabilitation, long-term disability, health

care benefits, and survivor benefits.

- Administrative costs – the costs of day-to-day operations including the Appeals Tribunal.
- Legislated obligations – employer and worker advocate services provided by the Province of New Brunswick.

Claims Costs

Claims costs in 2001 of \$167.3 million reflected an increase of \$3 million over 2000. Within this increase, the cost of new claims increased to \$86.2 million from \$78.8 million in 2000. This combination of increased new accident costs and declining economic activity was last seen in the 1990/91 recession.

Administrative Costs

In 2001, administrative costs for operating the Commission were \$18.9 million, up slightly from 2000. Occupational health and safety and Appeals Tribunal costs were slightly ahead of 2000.

Benefits Liability and Fund Balance

The Commission is required by legislation to be fully funded – that is, to maintain sufficient funds to cover the anticipated future costs of existing injuries. The amount of this obligation appears in the financial statements as the benefits liabilities. In 2001, the benefits liability increased to \$670 million from \$623 million, an increase of \$47 million. The \$47 million increase resulted from liability increases in short-term disability, rehabilitation, long-term disability benefits, health care (in total \$61 million), and a decrease in survivor benefits as a result of the special payment of \$14 million to certain dependent spouses.

Note: The WHSCC Audited Financial Statements are published in the WHSCC 2001 Annual Report to the Legislative Assembly – available online at www.whsc.nb.ca. Printed versions are available by calling (506) 633-5660 or 1 800 222-9775.

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GOAL 5 – EMPLOYER SATISFACTION

“Our stakeholders will judge the WHSCC to be a well-managed, responsible organization.”

The Corporate Services Division supports the objective: “Our stakeholders will judge the WHSCC to be a well-managed, responsible organization,” by gathering information on service delivery through the annual stakeholder surveys. As stated earlier, the surveys provide much of the data for quality improvement of service levels. Injured workers have an additional

opportunity, through their Advisory Committee, to comment directly on Commission activities.

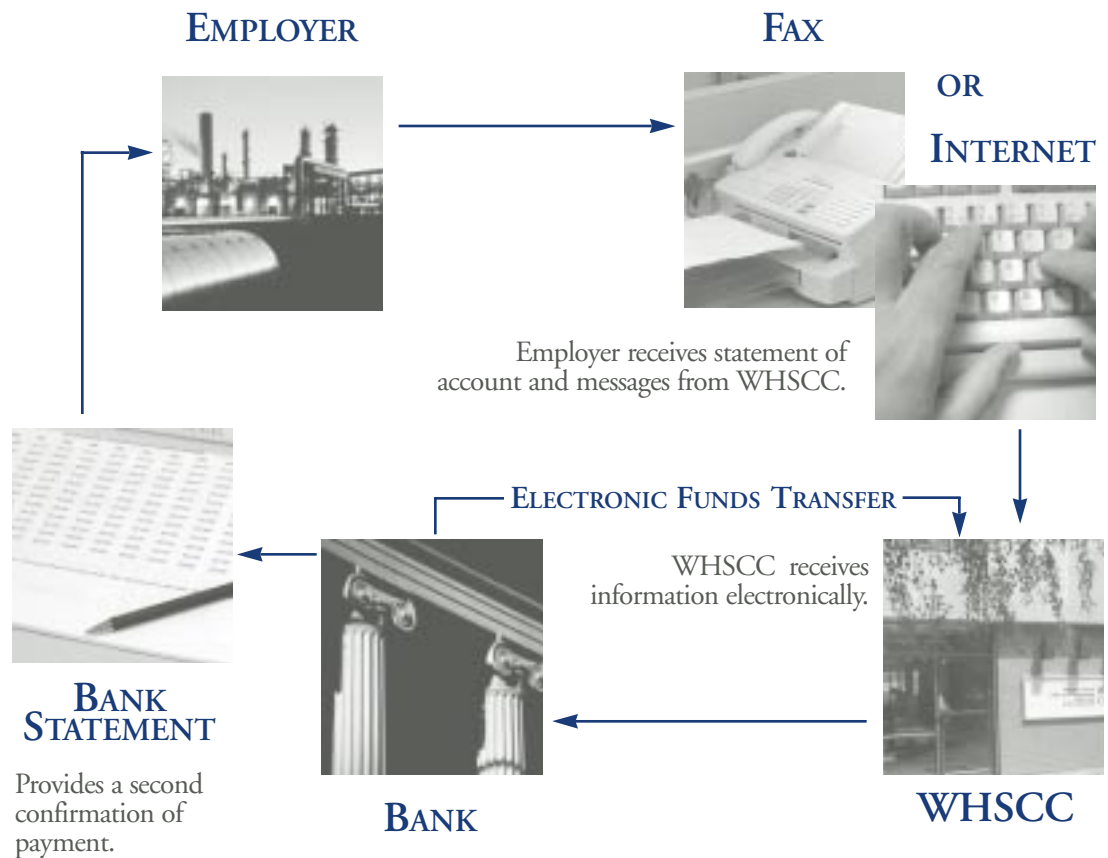
For example, in response to employers’ desire for alternate payment systems, the Commission developed the Monthly Assessments on Actual Payroll (MAAP) payment option for any employer wishing to participate. MAAP allows employers to file their actual payroll and pay their premiums monthly. Available through the Internet and by fax, this payment solution permits employers to match their payment to cash flow ratio and allows the Commission to improve service without increasing costs.



Claude Savoie,
Manager, Assessment
Services

MONTHLY ASSESSMENTS ON ACTUAL PAYROLL (MAAP)

Electronic Information Processing



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IMMUNITY FROM LAWSUIT

In addition to continually evaluating our current programs for employers, staff at the Commission provides responsive assistance to individual employers.

Tri Scan Technology Inc. was awarded a contract with Newfoundland Hydro. They subsequently obtained Newfoundland workers' compensation coverage for their New Brunswick employees while they were working in Newfoundland. Unfortunately, one of their workers was injured at Newfoundland Hydro's Holyrood Plant.

The injured employee threatened to sue Tri Scan based on the fact that he was a New Brunswick worker, working for a New Brunswick employer outside the Province of New Brunswick. He believed that because the accident did not happen in New Brunswick, his employer had no immunity from lawsuit. Elaine and Terry Fulton, Tri Scan's owners, called the WHSCC's Legal Department. The help they received put their minds at ease. After obtaining the facts, Richard Tingley, WHSCC General Counsel, contacted the Newfoundland WHSCC's Legal Department and confirmed that there was no right of action by the injured worker in the Courts of Newfoundland. He immediately wrote a letter to the employer outlining the law, the protection that the workers' compensation "immunity from lawsuit" provides, and the procedure that the employer should communicate to the injured worker.

The response time from the first contact with the General Counsel and receipt of the letter of comfort by the employer was very short. The employer's satisfaction can be summed up in these comments from Mrs. Fulton:

"We are so grateful because we did not know where to turn. We had been in business for eleven years and not encountered such a situation. Within an hour, Mr. Tingley had put our minds at rest and had faxed documents supporting our legal position. It was such a relief."



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GOAL 6 – WHSCC STAFF SATISFACTION

“Our employees will consider the Commission ‘a good place to work’.”

The Commission believes that its human resources are one of its most valuable assets. The objective: “Our employees will consider the Commission a good place to work,” considers not only the physical environment, but all other aspects of the employee’s psychological, social, and spiritual environment.

The Commission conducted an employee satisfaction survey in 1999 to obtain employee opinions on a variety of topics that related to the work itself, the organization, and its environment. Since the survey in 1999, the Commission has been diligent in its efforts to improve results by concentrating on specific areas. These areas include equity, opportunity, recognition, compensation, and development. The

Commission acknowledges such principles and recognizes them in its statement of values and in the development and application of policies and directives for human resources. It is committed to compliance with the spirit and the intent of Equal Opportunity, Human Rights, the *Public Service Labour Relations Act* and the *Occupational Health and Safety Act*. All human resources directives and procedures are reviewed and revised as required to reflect this intent and spirit.

The Commission encourages its employees to upgrade their professional qualifications and skills through educational pursuits. In support of this principle, \$493,000 was allocated in 2001 for the educational development and enhancement of our staff.

The Commission’s Executive Committee recognized and promoted the importance of a

Wellness Program for employees. The goals of this initiative are long-term – habits and lifestyles take time to change, but the benefits are many. Wellness activities continue to be ongoing through a local committee network.

The Commission sponsors an Employee Assistance Program (EAP) through an external provider. The type of services most utilized by employees relates to family counseling services, e.g. relationships, separation / divorce. This identified area of need will assist in focusing the work of the Wellness Program for 2002.

SAFETY – WE’RE WORKING ON IT

Accident Analysis

For an organization to be considered a ‘good place to work’, it must be seen as a safe place to work. The Commission is “committed to maintaining the highest standard for a safe and healthy work environment in all work situations...” (WHSCC Policy – Health and Safety).

There was a steady increase in the number of workplace accidents at the Commission from 1996 to 1999, from 3 to 6.1 per 100 employees. By 2001, the number had decreased to 4 per 100 employees. The analysis report for 2001 indicates that body mechanics injuries continue to be the prevalent type of all lost-time injuries – in fact, they account for 62% of the accepted claims.

Recommendations from this analysis focused our efforts on the resolution and prevention of soft-tissue and repetitive strain injuries. A number of initiatives have been implemented to reduce body mechanic injuries and will be monitored over the next year.

Heather Cossaboom,
Director, Human
Resources; David Cool,
Manager, Employee
Services



WHSCC is committed to providing the tools and training needed for employees to stay current!

Heather Cossaboom,
Director, Human
Resources

Dedicated to your Safety and Security

The Commission also began implementation of the Health and Safety Improvement Plan. This initiative is aimed at enhancing the overall level of health and safety at the Commission and is tied to Prevention Services' 5*22 program. The first implementation steps of this plan are scheduled in 2002.

Long Service Employees

The Commission realizes that employee efforts and contributions toward the achievement of its objectives are fundamental to its continued success.

Employee recognition is partly achieved at the Commission through the Long Service and Retirement Awards event.

This event is held yearly and is the formal setting for honouring long service employees and those who are retiring.

The 2002 employee recognition event occurred on May 24, and it is with pride that the Commission recognized the following employees:

SERVICE AWARDS

5 years:

Gregory Baker	Michael Hallett	Nola McGinn
J. Malcolm Burns	Douglas Malcolm	Delcia Wentzell

10 years:

Monique Bergeron	Diane Green	Marilyn Sood
John Brown	Katherine Kennedy	Archibald Steeves
Line Connors	Judith McGrattan	Richard Tingley
Joanne Coulombe	Elaine Moyer	

15 years:

Julie Barrette-Cairns	Beverly Humphrey	John Robertson
Robert Cormier	Susan Lagacy	Carmélia Savoie
Katherine Fitzgerald	Gisèle Lanteigne	Claude Savoie
Leslie Foldi	Susan Linton	Pauline Savoie
Louise Godbout	Lee O'Blenis	Sheila Springer
James Gray	Jeannette Richard	

20 years:

Patrick Graham	Barbara Keir	Cindy Phinney
Bandu Imbulgoda	John Maguire	Barry Roberts
Eileen Keating	Linda Matheson	Mary Tucker

25 years:

Valerie Edgett	Bruce Harquail	Marie-Louise McDonald
Gerard Gionet	Welman Liston	

30 years:

Diane Cartwright

Retirees:

Martine Cormier	Myrtle McCarthy	Denise Ross
Lorraine Howe	Conrad Pitre	Donna Walker



**Three of our retirees:
Lorraine Howe,
Myrtle McCarthy,
Martine Cormier**

Dedicated to your Safety and Security



Dr. Martin Collis

The 2002 event theme featured “Wellness in the Workplace.” Dr. Martin Collis, scientist, educator, and humorist was the guest speaker. In 1997, he was one of the first four people recognized as a “pioneer of Canadian wellness.” The Prime Minister of Canada and the White House have recognized his work.

Employee feedback regarding the event was excellent with an approval rating of over 90%.

Comments made by employees concerning the event included the following:

“I enjoyed the speaker very much. Although the topic he was speaking about was serious, I enjoyed the way in which he presented it. It was light-hearted and funny. The message came through although I laughed. A nice change. Thank you.”

“Dr. Collis was excellent! What a great choice for a speaker!”

“The possibility to meet with the staff of every region is a very positive part of having the meeting centrally.”

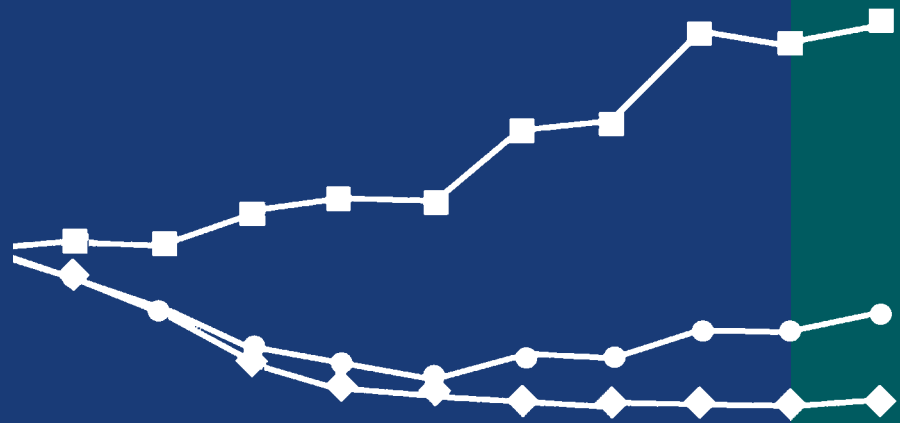
“The over-all meeting was good but we only see the majority of these people yearly. It is always interesting to know what activities have taken place at the regional level. It is also a time for the Vice-Presidents to give an overview of changes, plans, etc.”



It is an honour for me to have the opportunity to work with our employees at the Commission. They're the best!

**Raymond Campbell,
Chairperson**

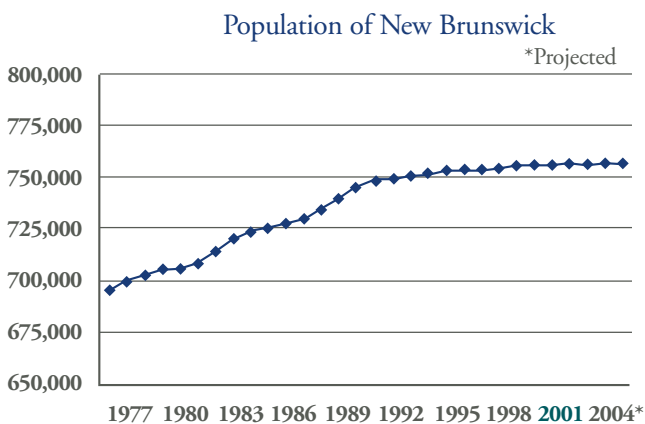
Our Current Environment



Our Current Environment

Population of New Brunswick

In 2001, there were over 756,000 inhabitants of New Brunswick. In general, the provincial population is growing, but at a decreasing rate. Over the last decade, the population increased by 1.5%, down from a 5.6% growth rate over the previous decade. The population should level off over the next five years with a modest decline (-0.4%) projected from 2001 to 2006.



Source: Conference Board of Canada and Statistics Canada

With approximately 1,000 additional residents per year, New Brunswick has grown at a much slower rate (1.5%) since 1991 than most other provinces (3.1% to 24.4%) and the national average (10.8%).

Population by Region (WHSCC Regions)

Over one-third (40%) of New Brunswick residents live in the Southwest region of the province. The remainder of the population is spread out between the other three regions with approximately one-quarter residing in Northeast, one-quarter in the Southeast region, and one-tenth in the Northwest region.

Population by Mother Tongue

New Brunswick is the only officially bilingual province in Canada. The *Official Languages of New Brunswick Act* recognizes the fundamental right of residents of New Brunswick to receive government services in both official languages. As such,

the WHSCC provides services to injured workers and employers in either official language.

Employment

The Conference Board of Canada projects continued growth in employment in New Brunswick over the next five years. In 2001, there were 334,000 jobs in New Brunswick, 40,000 more than in 1991. Despite this, a recent Statistics Canada report put New Brunswick's unemployment rate at more than 4 points higher than the national average.

Type of Employment

One key indicator of the strength of any economy is the relationship of full-time to part-time employment. Recently, there has been an increase in the level of both full-time and part-time employment. Despite this, the proportion of full-time to total employment has decreased, while the proportion of part-time to total employment has increased. The increase in part-time positions may cause challenges for return-to-work and prevention activities.

The Aging Workforce

In New Brunswick, the median age of the population is projected to move from approximately 38 in 1999 to 53 by the year 2046 (Research Institute for Quantitative Studies in Economics and Population). Over this same time frame, the median age of the labour force is projected to increase from approximately 38.7 to 42.

Changes in Duration of Claims

Given that older individuals require longer healing times, it is suggested that the average duration of claims will increase with the aging workforce. Injured workers over the age of 45 (mature workers) have an average return-to-work (RTW) rate of 94.9%; conversely, injured workers below the age of 45 have an average RTW rate of 98.4%. However, figures show that longer claim durations may be mitigated by the fact that mature workers have fewer accidents.

Our Current Environment

Prevention and Mature Workers

It appears that the cost of claims for older workers is greater than that of younger workers with comparable injuries. This may indicate the need for a greater emphasis on prevention, disability management, ergonomics, and wellness as the population ages. This is especially important since older workers generally have a more difficult time finding a new job or career.

Changing Gender Composition

In the last 50 years, the number of women in the labour force has continued to climb, resulting in a converging of the participation levels for both men and women.

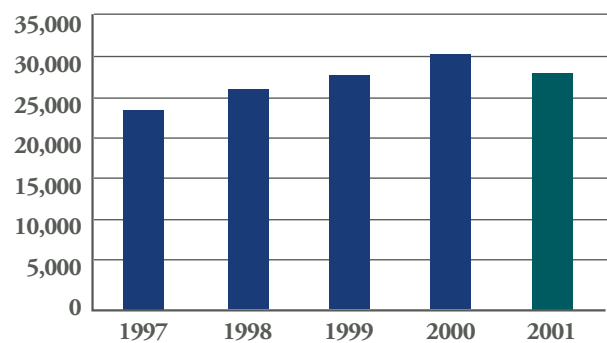
Younger Workers Have a Greater Propensity For Injuries

Younger workers experience a higher percentage of accidents, perhaps because of their inexperience and lack of knowledge and understanding of the risks involved in their work. A sustained focus on prevention, specifically awareness and knowledge, is key in trying to rectify these situations.

Accident Trends

Approximately 28,000 workplace accidents were reported in New Brunswick in 2001, a decrease of approximately 7% over the previous year. The increased number of workers in the labour force over the last several years may have contributed to the steady increase in reported accidents.

WHSCC Reported Accidents
(Number of Reported Claims)

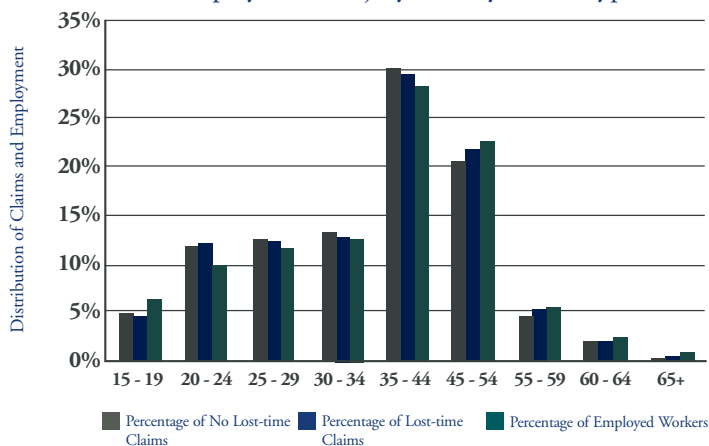


Source: WHSCC Data

Accident Frequency Rates

Accident frequency statistics can be used to compare the risk of injury between sectors, to compare our provincial rates with other jurisdictions, or used to verify improvements over time. The accident frequency rate is calculated by dividing the number of claims by the number of full-time employees in a given year. A full-time employee or full-time equivalent (FTE) is defined as an employee who works the equivalent of 35 hours per week for 50 weeks of the year.

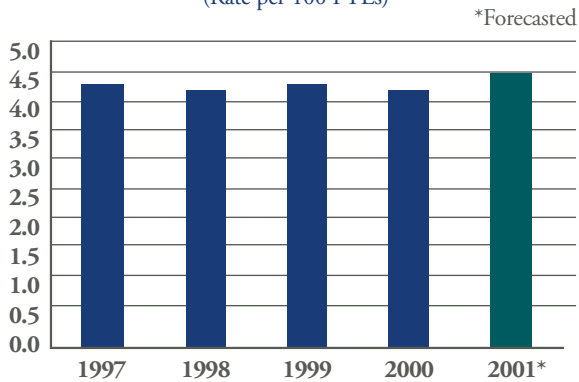
Percentage of Injuries Compared with Percentage Employed and Injury Rate by Claim Type



Source: WHSCC Data

Our Current Environment

Provincial Accident Frequency Rate
(Rate per 100 FTEs)



Source: WHSCC Data

Changes to Provincial and Federal Income Tax

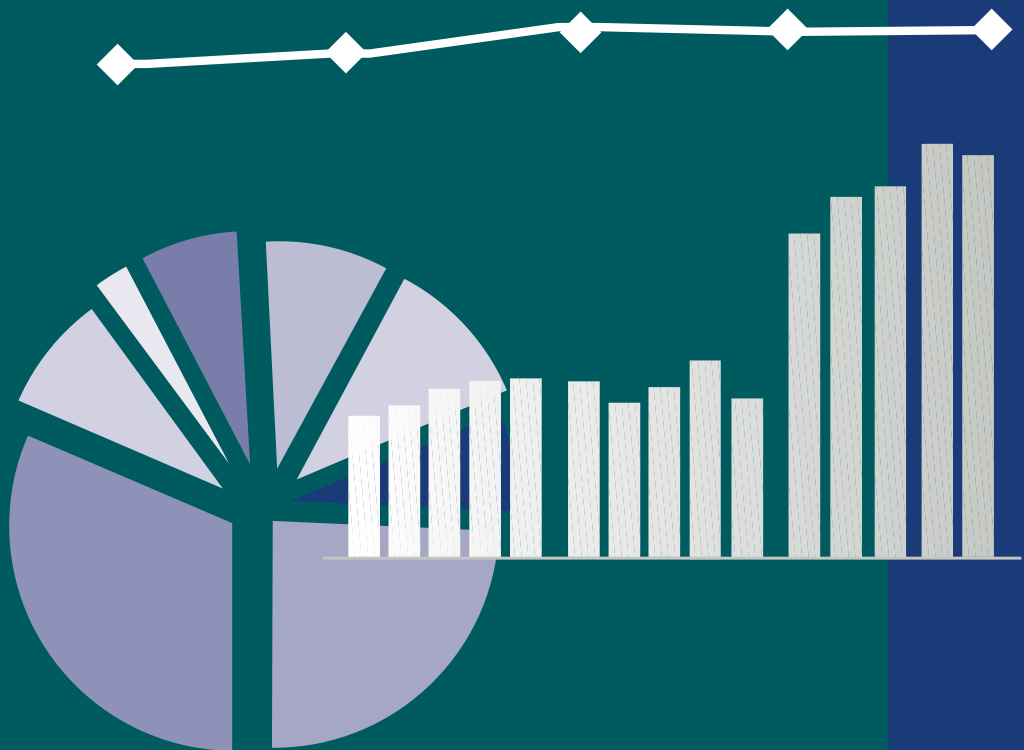
Both the federal and provincial governments have announced significant reductions in personal income tax. These reductions are to be phased in over a period of years. As the lost-time benefits paid by the Commission are based on net income lost, a reduction in the tax rate results in an increase in the lost time benefits payable. Allowance has been made for an anticipated cost increase of \$0.01 per \$100 of payroll. We expect similar increases in 2003 and 2004, assuming the announced tax reductions are implemented.

Health-care Trends

The health system in Canada and New Brunswick is faced with many challenges in delivering health services. As costs continue to increase, our health system is not meeting all of our needs, even with significant increases in health care spending during the past two years.

One important challenge is the nation-wide shortage of health professionals, making it increasingly difficult for individuals to access the health system. There are difficulties in accessing the system on a timely basis, tracking individuals and their care throughout the system, and determining who is responsible for specific services. Also, there has been little investment in wellness, resulting in a system that is more concerned with disease management than health promotion and illness prevention.

Statistical Information



Statistical Information

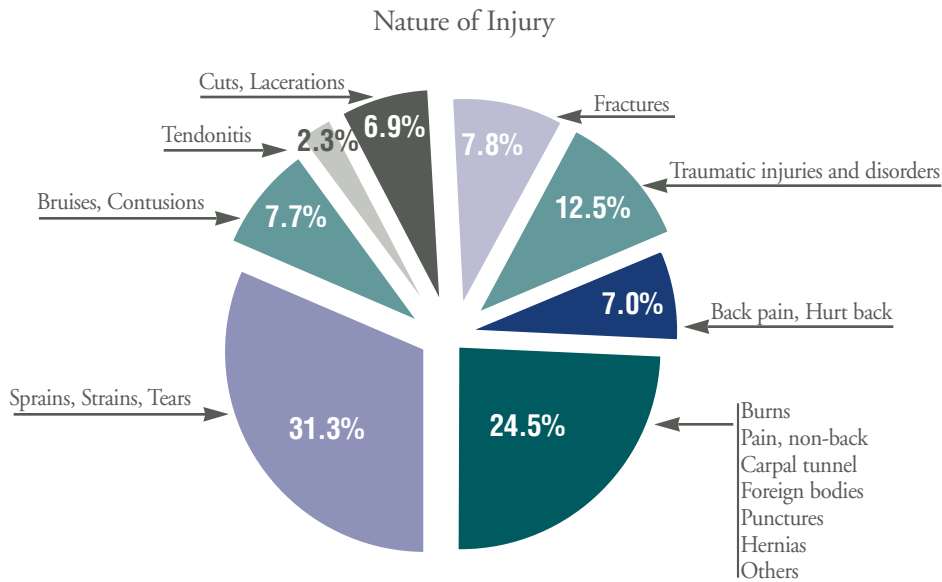
PREVENTION / OCCUPATIONAL HEALTH AND SAFETY STATISTICS

GENERAL HEALTH AND SAFETY	2001	2000
Workplace inspections	6,470	7,230
Orders written	4,548	5,358
Stop-work orders	133	93
Accident investigations	147	164
Fatalities investigated	7	2
Court cases	14	8
Awareness education / Training	128	133
Consultation	1,676	1,583
OCCUPATIONAL HYGIENE		
Workplace inspections	275	240
Orders written	213	163
Stop-work orders	9	4
Awareness education / Training	10	28
Consultation	132	139
Evaluation and analysis	155	131
Tests	57	53
EDUCATION		
Awareness education / Training	434	501
Consultation	817	735
ERGONOMICS		
Awareness education / Training	16	24
Consultation	45	300
Evaluation and analysis	53	86
OCCUPATIONAL HEALTH		
Awareness education / Training	29	44
Consultation	356	297
Evaluation and analysis	88	31
RISK MANAGEMENT		
Awareness education / Training	7	6
Consultation	228	285
Evaluation and analysis	145	229

Note: Certain figures have been restated from previous publications to reflect more up-to-date information.

Statistical Information

INJURIES

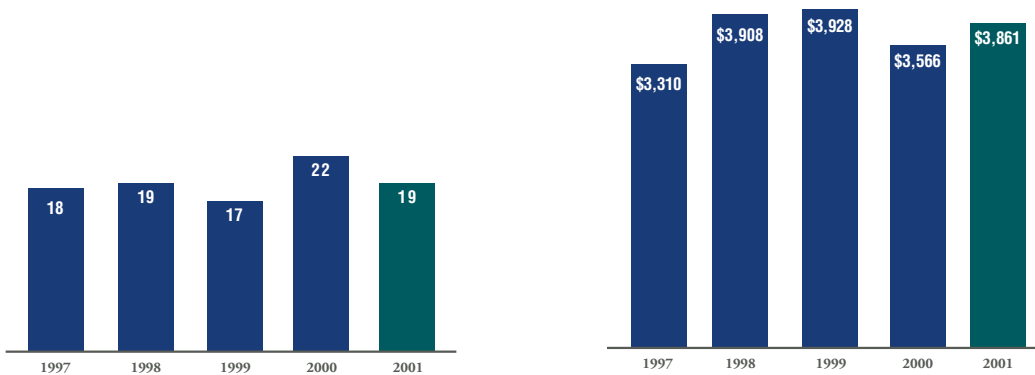


SUMMARY OF BENEFITS

MAXIMUM ANNUAL COMPENSABLE EARNINGS	PERCENTAGE RATE FOR DETERMINING BENEFITS	MAXIMUM WEEKLY BENEFITS	EFFECTIVE DATE
\$46,200	85% of net 85% of net	\$517.13* \$544.70**	January 1, 2001 January 1, 2001

* No dependents
** Dependent spouse

CLAIMS

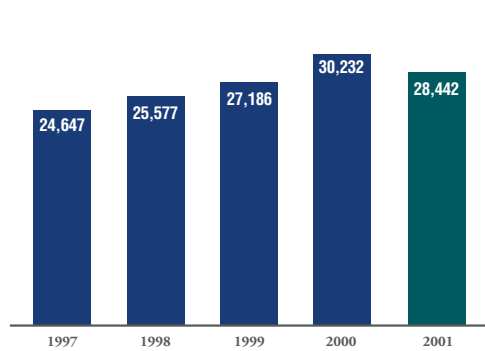


Average Work Days from Date of Accident to First Payment – Manageable Claims

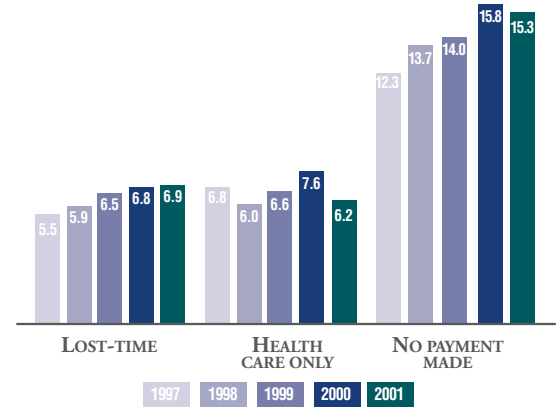
Average Payment per Claim

Statistical Information

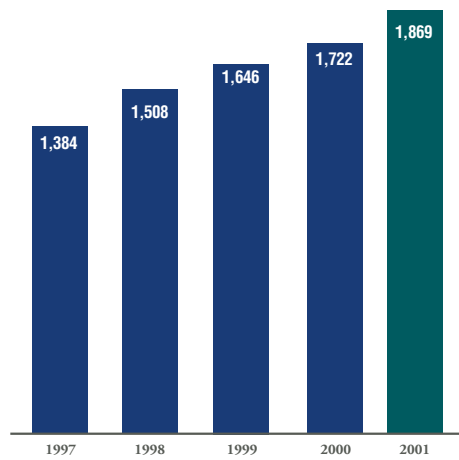
CLAIMS



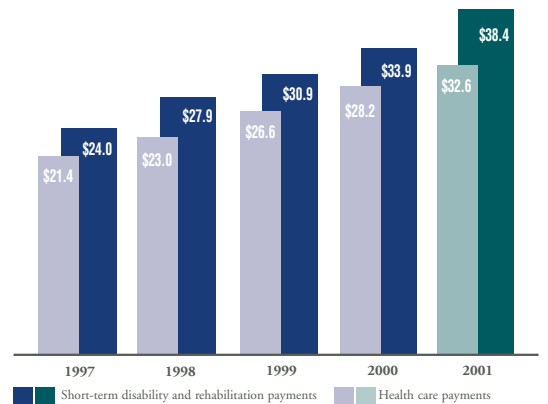
Number of Claims Adjudicated



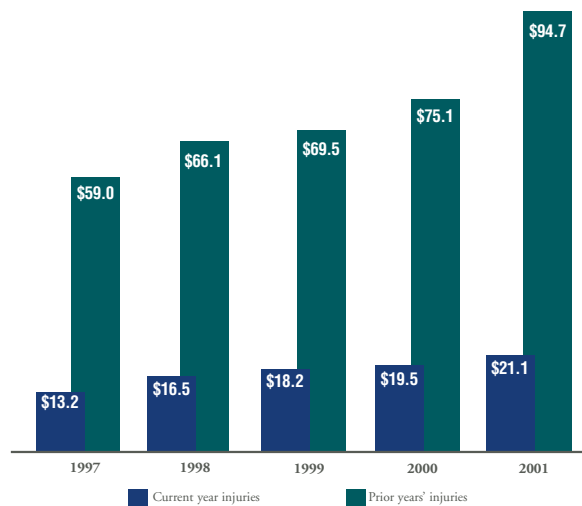
Number of Claims Adjudicated by Type (in Thousands)



Number of Injured Workers Receiving Long-term Disability Benefits at December 31



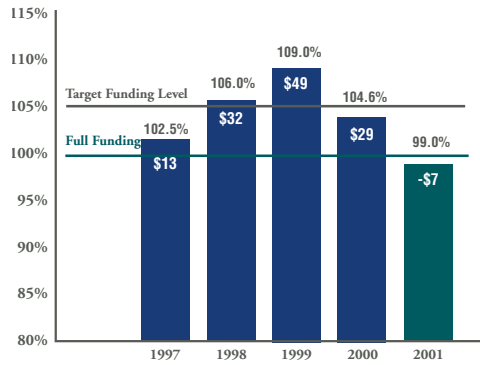
Short-term Disability and Rehabilitation, and Health Care Payments (in Millions)



Benefits Payments (in Millions)

Statistical Information

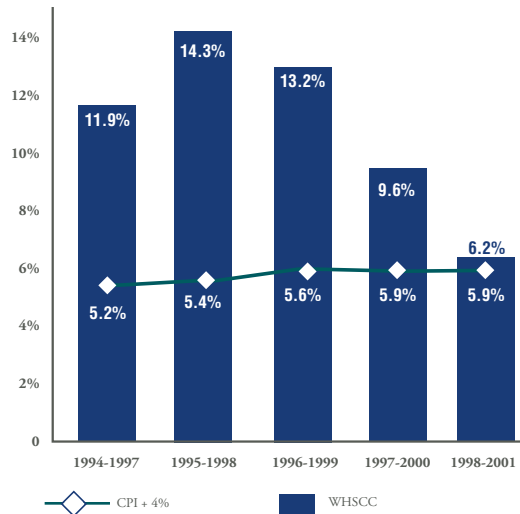
FINANCIAL



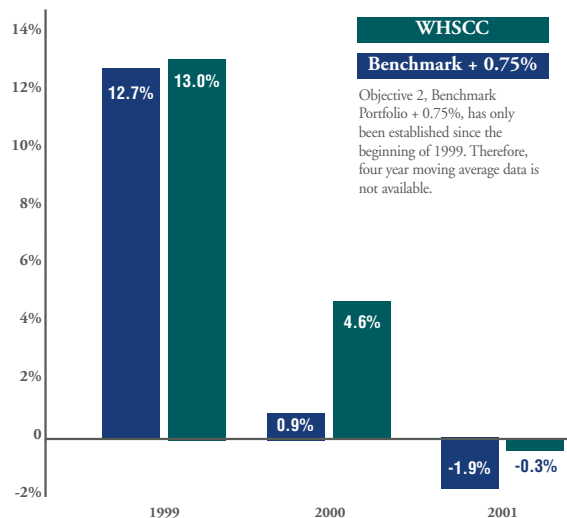
Funding History – Dollar Amounts (in Millions) and Percentage Funded

INVESTMENTS

Performance Objectives



OBJECTIVE 1: The investment portfolio's rate of return is to exceed the increase in the Consumer Price Index (CPI) + 4%, on a four year moving average basis.



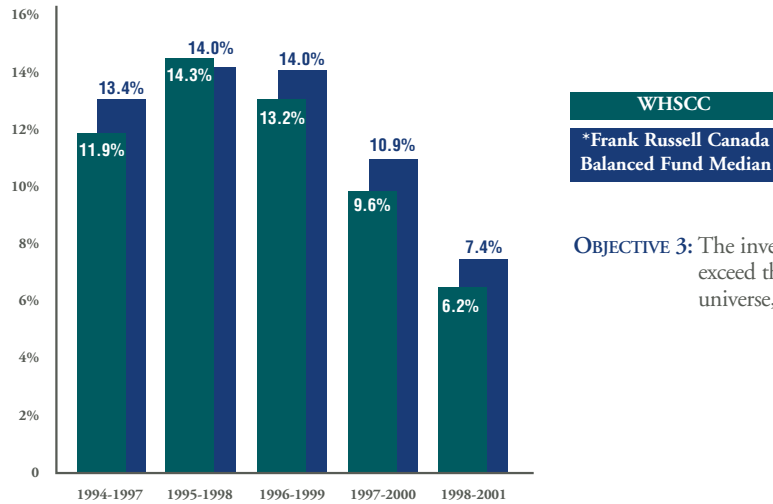
Objective 2, Benchmark Portfolio + 0.75%, has only been established since the beginning of 1999. Therefore, four year moving average data is not available.

OBJECTIVE 2: The investment portfolio's rate of return is to exceed the return generated by the investment policy defined benchmark portfolio by 0.75% (75 basis points), on a four year moving average basis.

Statistical Information

INVESTMENTS

Performance Objectives



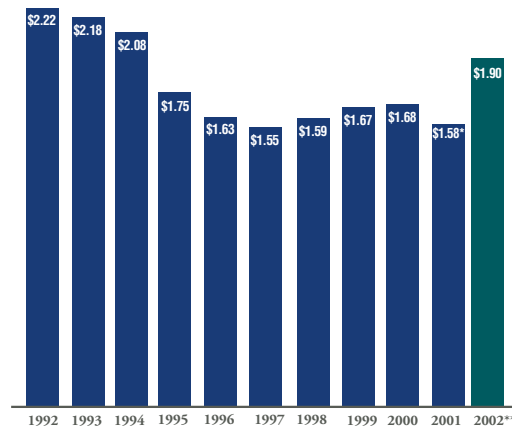
OBJECTIVE 3: The investment portfolio's rate of return is to exceed the median fund return of a recognized universe,* on a four year moving average basis.

Investment Returns by Asset Class for the Year ended December 31, 2001

	WHSCC	MEDIAN*	QUARTILE RANKING
Canadian Bonds	8.5%	8.2%	1 st
Canadian Equities	-2.2%	-4.3%	2 nd
U.S. Equities	-3.6%	-5.8%	2 nd
EAFE Equities	-12.8%	-16.0%	2 nd
Emerging Market Equities	6.7%	4.2%	2 nd

* The median return refers to the Frank Russell Median for all asset classes except Emerging Market Equities which refers to the SEI Median.

ASSESSMENTS



* Projected, pending receipt of final figures for 2001
 ** Provisional average assessment rate as per 2002 rate setting

New Brunswick Actual Average Assessment Rates

Statistical Information

ASSESSMENTS

Canada – Average Assessment Rates
(in 2002 Ascending Order)

JURISDICTION	ACTUAL 1997	ACTUAL 1998	ACTUAL 1999	ACTUAL 2000	PROVISIONAL 2001	PROVISIONAL 2002
Northwest Territories & Nunavut	\$2.36	\$1.93	\$1.20	\$1.04	\$1.00	\$1.18
Yukon	\$1.59	\$1.58	\$1.41	\$1.29	\$1.25	\$1.25
Manitoba	\$2.07	\$1.86	\$1.49	\$1.49	\$1.49	\$1.49* \$1.56**
Alberta	\$1.48	\$1.34	\$1.07	\$1.12	\$1.28	\$1.68
Saskatchewan	\$2.18	\$1.82	\$1.77	\$1.73	\$1.70	\$1.75
Quebec	\$2.52	\$2.53	\$2.27	\$2.12	\$1.90	\$1.85
New Brunswick	\$1.55	\$1.59	\$1.67	\$1.68	\$1.64	\$1.90
British Columbia	\$2.22	\$2.01	\$1.88	\$1.73	\$1.79	\$1.91
Ontario	\$2.85	\$2.59	\$2.42	\$2.29	\$2.13	\$2.13
Prince Edward Island	\$2.05	\$2.12	\$2.11	\$2.08	\$2.24	\$2.29
Nova Scotia	\$2.51	\$2.53	\$2.56	\$2.55	\$2.54	\$2.54
Newfoundland	\$2.96	\$3.24	\$3.23	\$3.23	\$3.24	\$3.24

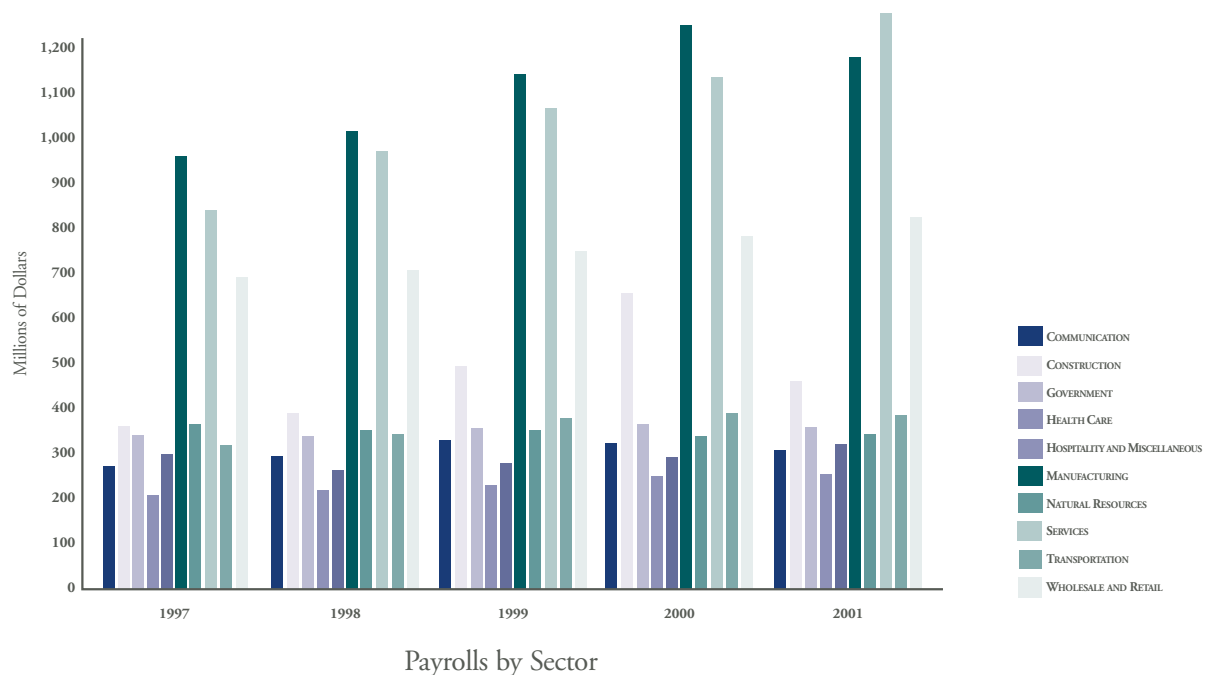
* January 1, 2002 - June 30, 2002

** July 1, 2002 - December 31, 2002

Note: Caution should be exercised in comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry mix, benefits levels and assessable maximums can affect average assessment rates. The 2001 and 2002 figures are provisional based on rate setting projections, as actuals were not all available at the time of printing.

Source: Association of Workers' Compensation Boards of Canada

Certain figures may have been restated to reflect more up-to-date information.



Statistical Information

LEGAL

Arbitrations – Occupational Health and Safety Act

	2001	2000
Number of arbitrations	8*	6
Arbitrations allowed	1**	1
Arbitrations dismissed	3	3
Arbitrations resolved	1	1
Arbitrations withdrawn	1	1

* Two decisions are outstanding.

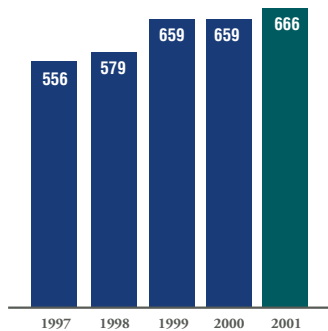
** Not fully allowed, but complainant awarded back wages.

Prosecutions – Occupational Health and Safety Act

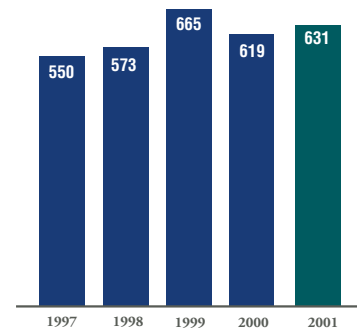
	2001	2000
Number of charges	44	22
Number of employers charged*	18	17
Number of workers charged	2	5
Number of convictions	19	14
Number of charges dismissed	–	–
Number of charges withdrawn	19	6
Number of charges outstanding	6	–
Value of fines	\$51,225	\$68,975

* In some cases, more than one charge has been laid.

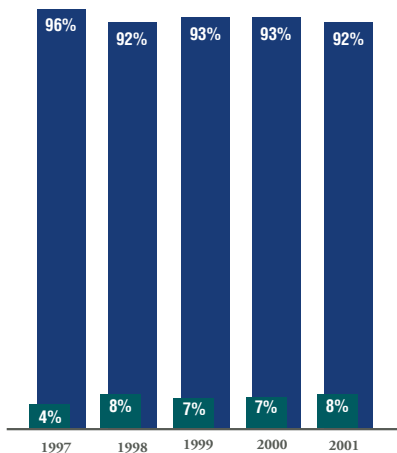
APPEALS



Appeals Received



Appeals Resolved



Appeals Initiated by:

Injured Workers

Employers

Appeals Tribunal Decisions

	1997	1998	1999	2000	2001
Accepted	45%	45%	46%	52%	49%
Partial	19%	22%	23%	16%	18%
Denied	35%	32%	31%	32%	33%
Withdrawn	1%	1%	–	–	–