



**"Little things matter."**



# ACHIEVING OUR GOALS

## SECOND QUARTER RESULTS

April to June 2011



# Being Accountable

WorkSafeNB is committed to ensuring the highest standards in governance and administration. As such, management is pleased to present to the Board of Directors, WorkSafeNB's quarterly results. This document provides a summary of WorkSafeNB's progress towards achieving its five strategic goals, targets, and strategies as established during the Board of Directors' annual strategic planning and risk assessment process. In addition, this document contains Risks that the Board continues to monitor, legislative and policy priorities, and Statements of Operations and Cash Flows. The current strategic plan and risk assessment is available at [www.worksafenb.ca](http://www.worksafenb.ca).

## Contents

Annual Results: Strategic Goals	2
Safety	4
Balance	5
Service	6
Return to Work	7
Staff Satisfaction & Engagement	8
Risk Assessment	9
Legislative & Policy Priorities	10
Statement of Operations and Cash Flows	12
Endnotes and Contact	14

## Vision

Healthy and Safe Workplaces in New Brunswick

## Mission

WorkSafeNB 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.

## Mandate

Promote the creation of a workplace safety culture in which all employees and employers view all occupational diseases and accidents as being preventable.

Provide timely compensation benefits, medical aid, rehabilitation, and safe return-to-work services to injured workers.

Provide sustainable insurance and insurance-related services to the employer community.

Represent stakeholders and provide recommendations and advice to government with respect to legislation and publish such reports, studies, and recommendations.

## Values

We dedicate ourselves to the provision of prompt, effective, efficient, and caring services to each of our clients.

We believe that a team approach ensures that all members of WorkSafeNB are working towards a shared Vision, Mission, Values, and Goals.

We are committed to providing competent and energetic leadership that is focused on a clear direction for WorkSafeNB.

We ensure that our decisions are made with integrity, credibility, and accountability.

We ensure that our communications are based on trust, mutual respect, openness, and clear and reliable information.

We manage our human, material, and financial resources effectively in responding to our mandate and established priorities.

# Annual Results:

## Strategic Goals

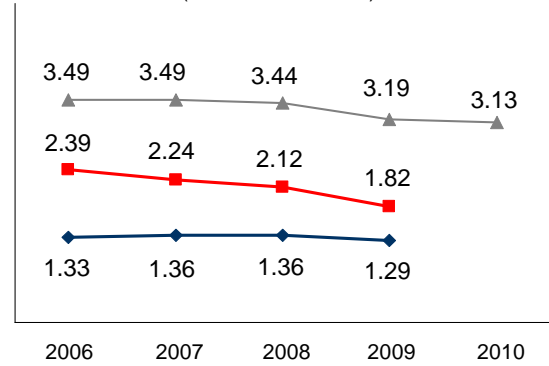
### Safety

Our vigorous pursuit of a safe work culture will lead to a decline in the overall frequency of workplace injuries, and a decline in the perception of the inevitability of workplace injuries in New Brunswick.

#### Annual Targets

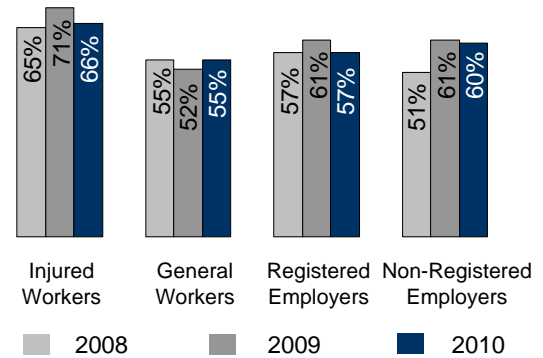
- The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than the previous five-year average.
- The lost-time workplace injury frequency rate per 100 FTE in New Brunswick will be lower than the Canadian average.
- The percentage of workers and employers agreeing that workplace injuries are inevitable will be lower than the previous five-year average.

Accident Frequency Rates<sup>10,12</sup>  
(Accidents/100 FTE)



- ▲ All Accidents per 100 FTE (2011 Target <3.37)  
(2010 Target <3.48)
- Canada Lost Time
- ◆ NB Lost Time (Target <Canada)

Workplace Accidents & Injuries are Inevitable<sup>1\*</sup>  
(Percent Agreeing)



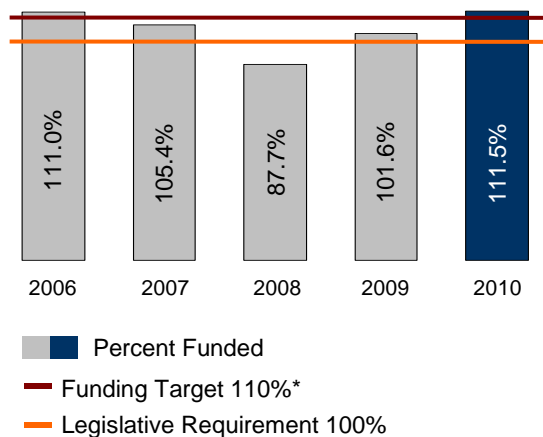
### Balance

We will provide the best possible benefits to injured workers while maintaining the lowest possible assessment rates for employers.

#### Annual Target

At a minimum, we will maintain a 100% funded liability.

Funding History<sup>1</sup>



\*Target of 105% prior to September 2006

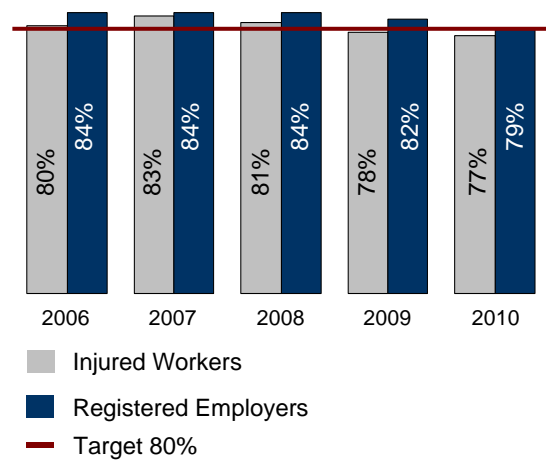
## Service

We will provide effective programs and services, implemented with care, compassion, efficiency, promptness, and fairness, to benefit both workers and employers.

### Annual Target

We will maintain or exceed the high level of satisfaction, in excess of 80%, that both our injured worker and employer clients have come to expect.

Client Satisfaction<sup>1</sup>



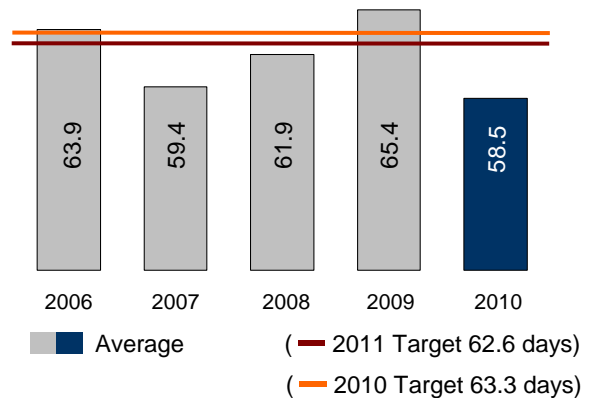
## Return to Work

We will decrease the time by which injured workers safely return or are ready to safely return to employment.

### Annual Target

The average paid compensation days for claimants with a return to work goal will be lower than the previous five-year average.

Paid Compensation Days<sup>10</sup>



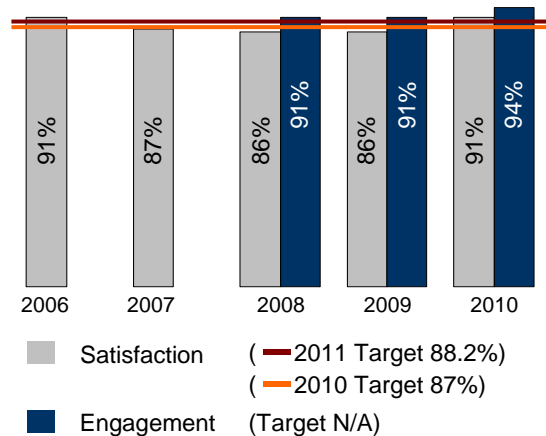
## Staff Satisfaction & Engagement

Our employees will feel their work is valuable and makes a difference, motivated by the understanding of how their role and individual contribution is critical to achieving our Vision, Mission, Mandate, Values, and Goals.

### Annual Targets

Employee satisfaction and engagement levels will meet or exceed the previous five-year average.

Percent Satisfied & Engaged<sup>1\*</sup>

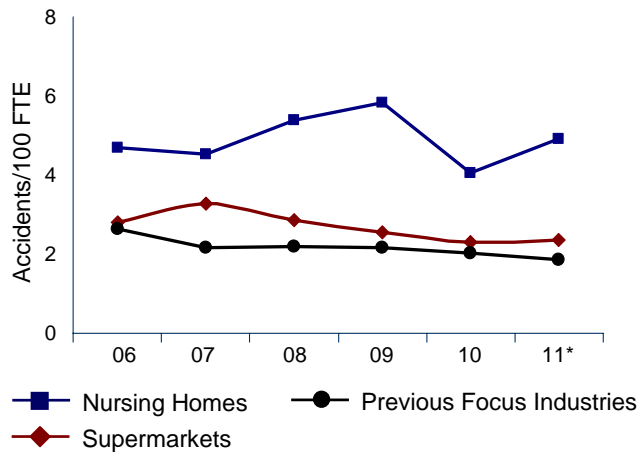


\* Target to be established once five years of data is available

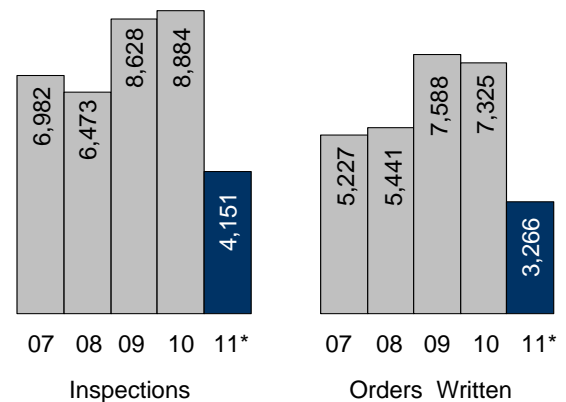
# Achieving Our Goal: 2nd Quarter Management Notes

## Safety

Focus Industries Lost Time Accident Rate<sup>2,10,11</sup>  
(Annual / YTD\*)



OHS Compliance<sup>2, 11</sup>  
(Annual / YTD\*)



### Annual Target Year-to-Date

- At the end of June 2011, the provincial accident frequency for all accidents is 3.19 accidents per 100 FTE. This is an improvement from first quarter and is below the 2011 target of 3.37.

### High-risk Industries

- WorkSafeNB continues to focus on high-risk industries to develop a sustainable safety culture. Year-to-date:
  - Lost time accident frequency per 100 FTE for current focus industries is below the previous five year average for supermarkets at 2.35 (5yr = 2.76) and it is higher for nursing homes at 4.93 (5yr = 4.90); and
  - Lost time accident frequency of previous focus industries continues to improve; the rate is 1.85 accidents per 100 FTE, lower than the previous five year average (2.24) and lower than the overall provincial rate.

### WorkSafe Culture

- The social marketing campaign - Little Things Matter – aired four weeks of television ads and radio ads.
- 104,933 student contacts concerning health and safety information were made by WorkSafeNB in the 2010-2011 school year. With an increase of 0.16% this is comparable to the 2009-2010 school year.

- Registration is open for the 31<sup>st</sup> Annual Health and Safety Conference scheduled for October 12, 13, and 14, 2011. The conference includes 26 workshops, two plenary sessions, and an ammonia safety workshop, offered for the first time in Canada.
- WorkSafeNB partnered with NB Power to promote safety focused on working around overhead and underground electrical wires.
- AASCIF presented WorkSafeNB with the best external campaign award for its *Lost Youth Tour*. The campaign featured two young injured workers who present to audiences about safety on the job and work place injury prevention.
- Located at the Lily Lake Pavilion in Saint John, the Workers Memorial Monument honoring fallen workers was unveiled on April 28, 2011 at the National Day of Mourning ceremony.

### Firm level Intervention

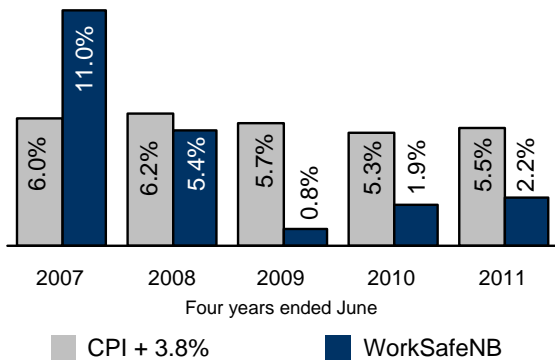
- WorkSafeNB provides focused attention to individual firms based on their accident record and the accident history of the industry group. This focused attention contributes to creating a sustainable health and safety infrastructure within these firms. As of June 2011, the aggregate accident frequency for focus firms is 5.77 accidents per 100 FTE, below the previous five year average (8.16).

# Achieving Our Goals: 2nd Quarter Management Notes

## Balance

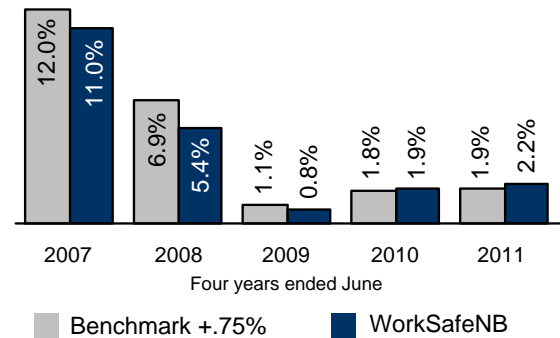
### Performance Objective 1<sup>4</sup>

The investment portfolio's rate of return is to exceed the increase in the CPI +3.8%, on a four-year, moving-average basis



### Performance Objective 2<sup>4</sup>

The investment portfolio's rate of return is to exceed the return generated by the investment policy-defined benchmark portfolio by 0.75% on a four-year, moving-average basis



### Disciplined Investment and Financial Management

- WorkSafeNB's investment portfolio gained 0.7% in the second quarter of 2011, and has gained 3.7% year-to-date to June 30, 2011. World equity markets were volatile in the second quarter of 2011 as there was concern that the economic recovery was slowing and about the possibility of European sovereign debt default. The Long Term Fiscal Strategy and Investment policies document WorkSafeNB's strategy for maintaining a fully funded status and maintaining investment discipline in volatile market conditions.
- Assessment income for the six-month period ending June 30, 2011 was greater than budgeted by \$830,000. Investment income for the same six-month period was \$3,817,000 greater than budgeted. Total expenses for the six months ending June 30, 2011 were less than budgeted by \$4,771,000. Claims costs were less than budgeted by \$2,616,000. Administration, appeals tribunal costs and Legislative obligations were less than budgeted by \$2,155,000. The above results yielded an excess of income over expenses for the period of \$21,481,000 compared to a budgeted excess of income over expenses of \$12,163,000.

### Disciplined Decision-making Process

- The Board of Directors completed its annual strategic planning and risk assessment process where it:
  - Reaffirmed its vision, mission, mandate, and values;
  - Reaffirmed four of its goals and added "safely" to its Return to Work Goal;
  - Approved 30 strategies to achieve the goals;
  - Identified and responded to 23 risks to achieving its strategic direction; and
  - Resourced 55 priorities related to legislative amendments, policy, policy evaluation, and stakeholder engagement.

### Oversight, Audit, and Evaluation

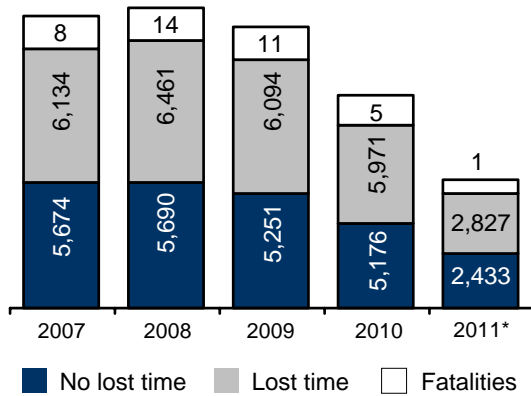
- Internal Audits completed year-to-date include:
  - Benefit payments;
  - General ledger balancing; and
  - Possible duplicate medical aid payments.
 These audits examined the existence and reliability of internal controls, vulnerabilities with the information technology, and compliance with legislation and policies to ensure that risks are effectively controlled.

Note: Statements of Operations and Cash Flows are available on page 12 & 13.

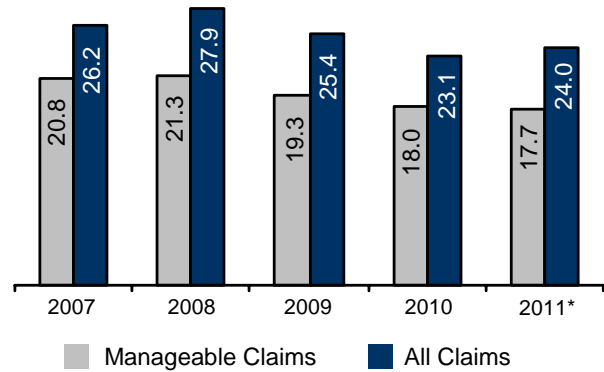
# Achieving Our Goal: 2nd Quarter Management Notes

## Service

Claims Accepted by Type<sup>2,6,7</sup>  
Annual / YTD\*



Days-to-First-Benefit Cheque<sup>2,5</sup>  
Days from Date of Disablement  
(Annual / YTD\*)



### Claims Volume

- Year-to-date claims volume is down when compared to the same quarter in 2010, total claims accepted decreased 4.66%, no lost time claims decreased 6.35%, and lost time claims decreased 3.15%.

### Cost-effective Service Delivery

- 2,427 employers paid assessments through Monthly Assessments on Actual Payroll (MAAP) an increase of 2.84% from the same period in 2010. MAAP service is now completely internet based with the last facsimile users migrating to the internet service during the first half of 2011.
- Over 20% of 11,941 annually assessed employers are reporting their assessable earnings electronically with the E100 online form. Use of the E100 form increased 15.8% from 2010 year end to 2,408 users.

### Time to First Cheque

- Days to first cheque were relatively stable in the second quarter. When compared to the second quarter of 2010:
  - Manageable claims decreased by 0.2 of a day (1.1%); and
  - All claims increased by 1 day (4.3%).

### Helping Clients Navigate the System

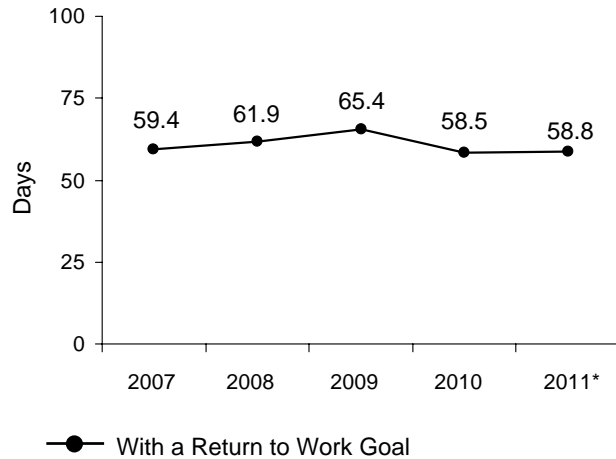
- WorkSafeNB developed a contingency plan to accommodate services for injured workers, employers, and service providers during a postal disruption that included:
  - Electronic service options such as direct deposit of benefits for injured workers and electronic assessment filing for employers;
  - Drop off and pick up of information and cheques at four regional offices; and
  - Use of our existing toll-free facsimile.



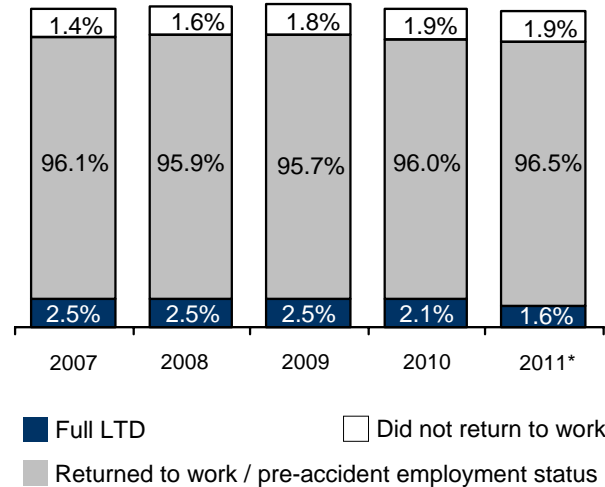
# Achieving Our Goal: 2nd Quarter Management Notes

## Return to Work

Paid Compensation Days<sup>2,10</sup>  
(Annual / YTD\*)



Lost-time Claim Disposition<sup>2,10</sup>  
RTW Goal & Full LTD (Annual / YTD\*)



### Annual Target Year-to-Date

- As of June 2011, the number of paid compensation days for claimants with a return to work goal is well below the 2011 target of 62.6 days. Historic numbers continue to improve as data matures and at mid-point for the year, the target for return to work is projected to be achieved.

### Best Practices in Medical Rehabilitation

- WorkSafeNB's program to integrate best practices into the management of Traumatic Psychological Injury continues with:
  - Issuing a RFP for a psychology consultant;
  - Training of case management staff;
  - Implementation of standard reporting tools and templates; and
  - Developing case management standards.

### Best Practices in Return to Work Management

- The contract to develop a bank of training on the job opportunities concluded in May 2011. This process resulted in:
  - The creation of 90 job opportunities with 51 employers;
  - Positive contact with 291 employers allowing for education about training on the job processes with WorkSafeNB clients; and
  - Additional return to work resources to assist injured workers back to the workforce.

### Medical Case Management

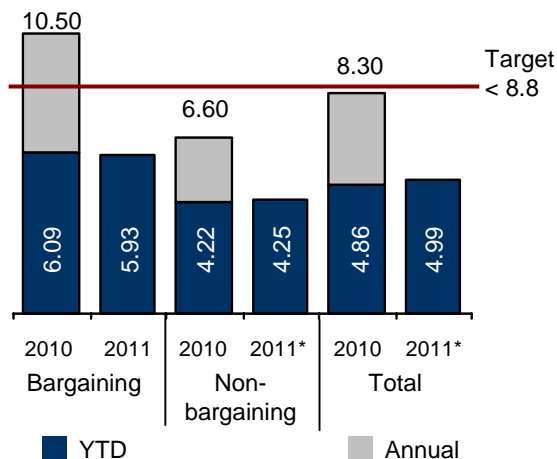
- WorkSafeNB concluded negotiations with the Clinical Practice Physiotherapy Committee representing 58 approved physiotherapy providers. The new contract covers a three year period ending May 2014 and addresses fees associated with:
  - Assessment and treatment;
  - Reporting including functional abilities;
  - Administering the Pain and Activity Questionnaire; and
  - Telephone consultation for return to work planning.

# Achieving Our Goals: 2nd Quarter Management Notes

## Staff Satisfaction and Engagement

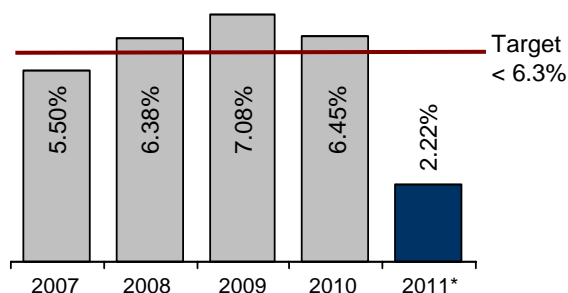
Days Absent <sup>3,8</sup>

Annual / YTD



Staff Turnover <sup>3,9</sup>

Percentage of all Staff (Annual / YTD\*)



### Health, Safety, and Wellness

- WorkSafeNB employees reported two incidents of violence in the second quarter.
- Four employees were assisted through the disability management program to remain at work or return to work.
- One staff claim was accepted under the *Workers' Compensation Act*, for a total of three claims at the end of the second quarter. The cost of the three claims to date is \$4,063.65.
- WorkSafeNB managers participated in sessions on:
  - Regulations under the *OHS Act*; and
  - Responsibilities when dealing with contractors.
- The Fredericton/Grand Bay Wellness Committee held an expo with 15 exhibitors where approximately 80 attendees received information on such topics as blood pressure, weight loss, and diabetes.

### Evaluating Wages and Benefits

- Non-bargaining employees were provided with an information session on salary and benefits.

### Succession and Development

- In the second quarter, nine competitions were opened and 19 competitions were concluded, resulting in two internal promotions.
- Two new staff joined the growing leaders program for a total of four year-to-date.
- Professional development activities involved 111 employees in presentations and workshops on:
  - Working effectively with others;
  - Bridging generations in the workplace;
  - Microsoft Excel; and
  - New employee orientation.

### Employee Satisfaction and Engagement

- 131 employees participated in the 2011 Walk and Roll Challenge in support of Disabilities Awareness Week.
- On April 15<sup>th</sup> employees attended the Annual Staff Meeting and Service and Retirement Awards Banquet. 75 employees were recognized for their long-term commitment to the organization (5 to 35 years), and seven retirees were honoured.

# Risk Assessment

As part of its annual strategic planning process, the Board identifies and assesses risks that could impact WorkSafeNB's ability to achieve its goals.

## Management's Cautionary Notes:

No issues identified in the second quarter.

	Level	Strategy
<b>Unique Mandate Risks</b>		
Balancing benefit-related decisions to ensure intergenerational equity and system sustainability	Cautionary	Reduce
Balancing benefit improvements and assessment rates	Cautionary	Reduce
Impact of Board's policy agenda not being achieved	Unacceptable	Reduce
Board succession planning	Cautionary	Reduce
Appeals Tribunal decisions that are inconsistent with WorkSafeNB policy	Unacceptable	Reduce
Varying expectations of WorkSafeNB's role in health and safety	Acceptable	Reduce
Gaps and delays in OHS legislation	Cautionary	Reduce
Funding level	Cautionary	Accept
Defining WorkSafeNB's role in return to work	Cautionary	Reduce
Higher accident frequencies in focus industries	Cautionary	Reduce
<b>Operational Risks</b>		
Impact of catastrophic events on business continuity	Cautionary	Reduce
Employee retirement levels	Unacceptable	Reduce
Retaining WorkSafeNB employees in specialized fields	Cautionary	Reduce
<b>Risks To Reputation</b>		
Government decisions that are independent of WorkSafeNB advice	Unacceptable	Reduce
Protecting the integrity of the system	Acceptable	Reduce
Impact of external agencies' recommendations upon WorkSafeNB	Cautionary	Reduce
<b>External Risks</b>		
Impact of culture, language, and literacy	Acceptable	Reduce
Increased accidents associated with skills and labour shortages	Acceptable	Accept
Emerging high-risk industries	Cautionary	Reduce
Changes to legislation, regulation, and policy in other jurisdictions	Cautionary	Reduce
General health status of New Brunswick workers	Cautionary	Accept
Availability and cost of health care	Cautionary	Accept
Impact of aging on safe workplaces	Acceptable	Accept

# Legislative and Policy Priorities

The WorkSafeNB Board of Directors identifies and allocates resources towards key legislation and policy priorities. This scorecard identifies when the priority is completed.

2010/2011 Priorities Approved in the First Quarter of 2011	Completed
21-207 Pension Benefits – Pre-1982 Accidents	February 17, 2011
21-213 Transitional Entitlement	January 27, 2011
21-260 Minimum Benefits	January 27, 2011
24-013 Occupational Health and Safety Inspections & Investigations	January 27, 2011
26-005 Occupational Health and Safety – Provincial Jurisdiction	January 27, 2011
31-401 Purchasing Goods and Services	January 27, 2011
2011/2012 Priorities Established April 2011	Completed
<b>Governance</b>	
41-002 Governance Statement	May 27, 2011
NEW - 41-011 Governance – Engaging Stakeholder Technical Committees in Legislative and Regulatory Reform	May 27, 2011
NEW – Benefit balance policy	
<i>WHSCC Act</i> : Appeals Tribunal Adhering to Board Policy	
<b>Occupational Health &amp; Safety</b>	
General Provisions under the <i>OHS Act</i>	
Conventional logging	
Occupational hygiene	
WHMIS	
Liquefied natural gas (LNG) processing	
Demerits	
<b>Medical Aid &amp; Rehabilitation</b>	
21-220 Claim-related Travel Expenses	May 27, 2011
29-220 Travel Expenses	May 27, 2011
29-223 Child/Dependent Care Expenses	May 27, 2011
29-224 Training-related Travel Expenses	May 27, 2011
21-400 Rehabilitation	
25-003 Home Care & Independence	
29-550 Care Allowance	
21-402 Vehicle Modifications	
21-403 Home Modification Projects	
29-551 Hearing Aids and Batteries	
29-510 Prescription Eyeglasses	

<b>Compensation</b>	<b>Completed</b>
Burial Expenses	
Permanent Physical Impairment Regulations	
21-211 Three-Day Waiting Period	
21-215 Supplements to Compensation	
25-010 Personal Non-compensable Intervening Conditions	
<b>Funding and Administration</b>	
32-401 Expenses, Allowances & Per Diems for Part-time Members of the Board of Directors and the Appeals Tribunal	May 27, 2011
39-205 Expense Rates and Allowances for Part-time Members of the Board of Directors and the Appeals Tribunal	May 27, 2011
34-200 Investment Goals & Objectives	
34-205 Statement of Investment Philosophy & Beliefs	
21-300 Allocation of Claim Costs	
49-200 Release of AT Transcripts & Recordings	
49-310 Release of AT Decisions	
<b>Entitlement to Benefits</b>	
NEW - <i>Firefighters' Compensation Act</i> Policy	
21-100 General Principles	
21-104 Tests of Time, Place and Activity	
21-101 Pre-existing Conditions	
21-102 Recurrences	
21-103 Stress	
21-106 Accident Reporting & Application for Benefits	
21-108 Injuries During Rehabilitation	
21-112 Hearing Loss	
21-150 Cardiac Injuries & Diseases	
21-011 Federal Government Employees	
<b>Employer Services</b>	
23-100 Employer Registration	
23-200 Assessable Earnings	
23-305 Administration of Out-of-Province Operations	
23-400 Auditing Employer Accounts	
23-500 Payment of Employer Assessments	
23-703 Underestimated/Underreported Payroll	
29-301 Assessment of Volunteers	
<i>Workers' Compensation Act</i> penalties, fines, accident reporting	
<b>Evaluation &amp; Stakeholder Engagement</b>	
Quality of Life Grant	
Client Satisfaction	

# Statements of Operations and Cash Flows

## Unaudited Statement of Operations For the 6 Months Ending June 30, 2011

	Budget (YTD)	Actual (YTD)	Previous (YTD)
	(000's)	(000's)	(000's)
<b>Income</b>			
Assessments including self-insured	\$100,348	\$101,178	\$102,999
Investments	32,713	36,530	(15,027)
Province of NB	200	100	(175)
	<b>\$133,261</b>	<b>\$137,808</b>	<b>\$87,797</b>
<b>Expenses</b>			
Claims costs incurred	98,854	96,238	100,733
Administration	20,646	18,678	18,165
Appeals Tribunal	910	753	762
Legislative obligations	688	658	649
	<b>\$121,098</b>	<b>\$116,327</b>	<b>\$120,309</b>
Excess of income over (expenses) for the period	<b>\$12,163</b>	<b>\$21,481</b>	<b>(\$32,512)</b>

The Statement of Operations and Statement of Cash Flows have been prepared in accordance with International Financial Reporting Standards, which were adopted January 1, 2011.

# Statements of Operations and Cash Flows

## Unaudited Statement of Cash Flows For the 6 Months Ending June 30, 2011

	Actual YTD	Previous YTD
	(000's)	(000's)
<b>Cash flow from operating activities</b>		
Cash received from:		
Assessed employers	\$ 105,643	\$ 107,508
Self-insured employers	13,594	14,407
Interest and dividends	14,137	14,013
Province of New Brunswick	400	400
	<u>133,774</u>	<u>136,328</u>
Cash paid to:		
Injured workers or third parties on their behalf	66,000	65,691
Suppliers & employees, for administration and other services	22,092	19,728
	<u>88,092</u>	<u>85,419</u>
<b>Net cash provided by operating activities</b>	<b>45,682</b>	<b>50,909</b>
<b>Cash flow from investing activities</b>		
Cash received from:		
Sale of Investments	210,020	150,199
Cash paid for:		
Purchase of investments	232,153	200,557
Purchase of capital assets	549	1,094
	<u>232,702</u>	<u>201,651</u>
<b>Net cash (used in) investing activities</b>	<b>(22,682)</b>	<b>(51,452)</b>
<b>Increase in cash during the year:</b>	<b>23,000</b>	<b>(543)</b>
Cash and short-term investments, beginning of period	28,374	51,092
<b>Cash and short-term investments, end of period</b>	<b><u>\$51,374</u></b>	<b><u>\$50,549</u></b>

# Endnotes

1. Annual outcomes are reported using the data provided in the 2010 Annual Results Document.
  2. Source: WorkSafe Services, June 30, 2011.
  3. Source: Human Resources, June 30, 2011.
  4. Source: Corporate Services, June 30, 2011.
  5. Manageable claims excludes, for example, claims that were reported late, appealed, or where an employer filed a form of election.
  6. Excludes files opened that do not result in a claim.
  7. All fatalities occurred under the *WC Act* in 2011, based on year of accident.
  8. Days absent = the total days absent / (actual yearly budgeted - vacant positions).
  9. Staff turnover = active positions / (active positions + terminated positions) per year.
  10. Numbers are adjusted quarterly as data matures.
  11. More precise trends can be determined at year-end, when data has matured and seasonal influences have diminished.
  12. Source: AWCBC Key Statistical Measures #21. Note: New Brunswick has a three-day waiting period; therefore, the number of lost time claims may not reflect every lost-time injury as defined by AWCBC.
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## Contact

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