



**"Little things matter."**



# ACHIEVING OUR GOALS

## FIRST QUARTER RESULTS

January to March 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.

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## 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

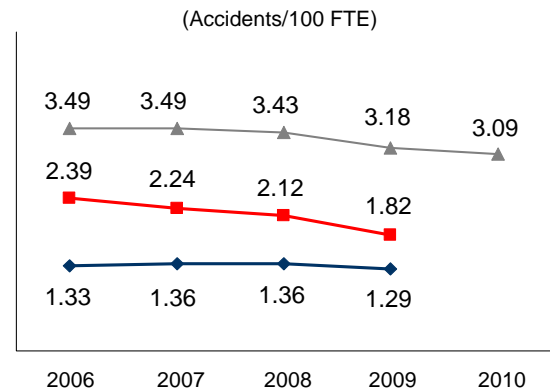
### Safety

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

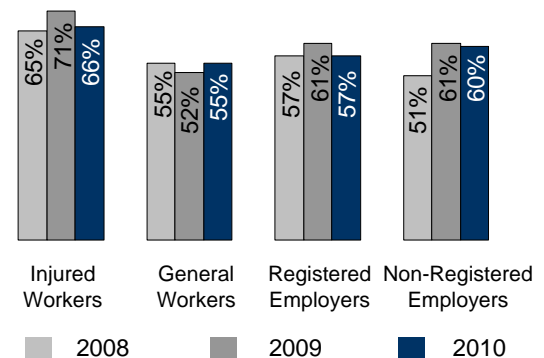
- The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than the previous five-year average.
- The lost-time workplace injury frequency rate per 100 FTE in New Brunswick will be lower than the Canadian average.
- The percentage of workers and employers agreeing that workplace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

Accident Frequency Rates<sup>10,12</sup>



- ▲ 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)



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

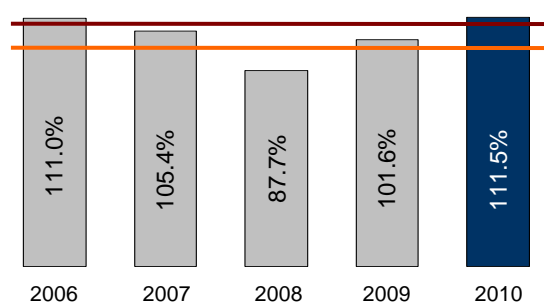
### Balance

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>



- Percent Funded
- Funding Target 110%\*
- Legislative Requirement 100%

\*Target of 105% prior to September 2006

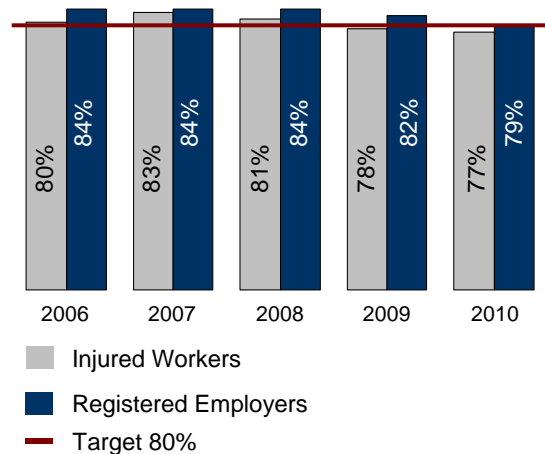
## Service

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>



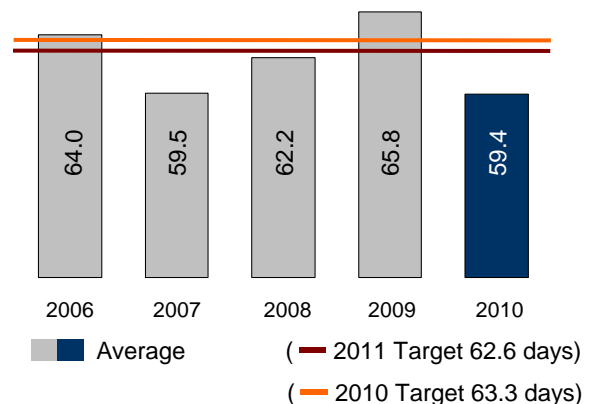
## Return to Work

We will decrease the time by which injured workers return or are ready to 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>



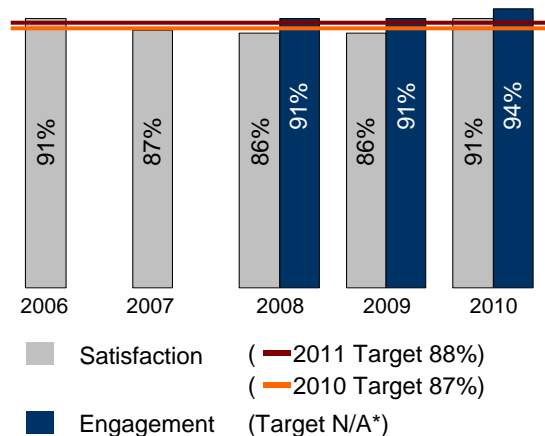
## Staff Satisfaction & Engagement

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>

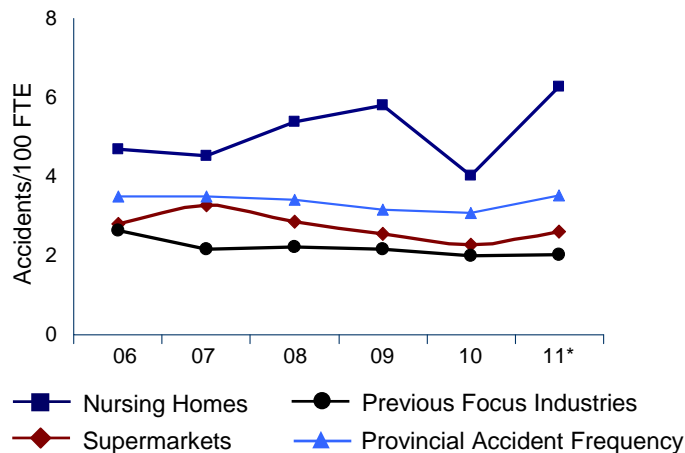


\* Target to be established once five years of data is available

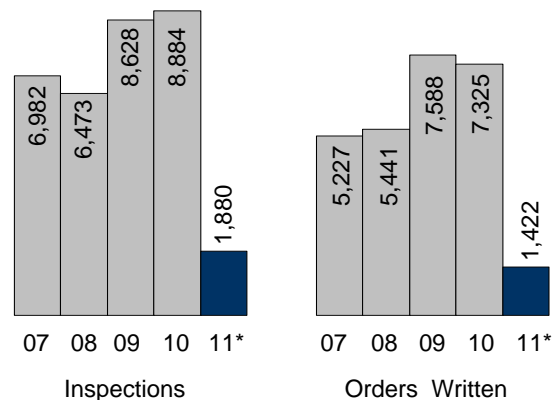
# Achieving Our Goal: 1st Quarter Management Notes

## Safety

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



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



### Annual Target Year-to-Date

- As of March 2011, the provincial accident frequency is 3.52 accidents per 100 FTE. Similar to previous years, it is expected that this number will decline as data matures.

### High-risk Industries

- WorkSafeNB continues to focus on high risk industries to develop a sustainable safety culture. Year-to-date:
  - Accident frequency of previous focus industries continues to remain stable at 2.03 accidents per 100 FTE, lower than the previous five year average (2.23) and lower than the overall provincial rate; and
  - Accident frequency per 100 FTE for current focus industries is below the previous five-year average for supermarkets at 2.62 (5yr = 2.76) and it is higher for nursing homes at 6.27 (5yr = 4.89).

### Firm-level Intervention

- Firm level interventions with primary, secondary, and maintenance focus firms continue to show positive results in creating sustainable health and safety infrastructure within these firms. As of March 2011, the aggregate accident frequency for focus firms is 5.28 accidents per 100 FTE, below the previous five year average (8.27).

### Regulatory Renewal

- A series of 11 sessions were held throughout the province in February 2011 to inform and educate stakeholders on the amendments to the fall arrest regulations under the *Occupational Health and Safety Act*. Over 1,400 stakeholders attended. Resource materials are available at [www.worksafenb.ca](http://www.worksafenb.ca).

### WorkSafe Culture

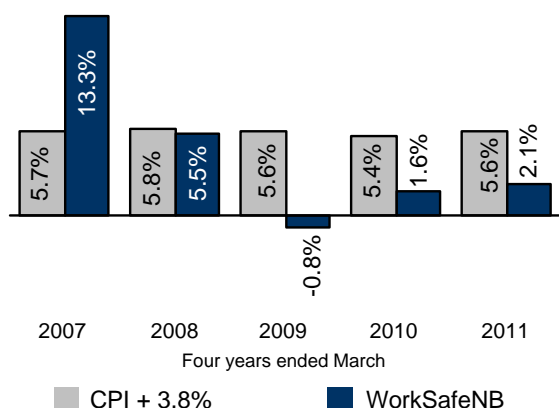
- New Brunswick K to 2 students and their teachers were invited to create an original safety-themed story based on the WorkSafeNB mascot – Stella the Safety Skunk. The winning story will be published and featured on [www.youthsafenb.ca](http://www.youthsafenb.ca).

# Achieving Our Goals: 1st Quarter Management Notes

## Balance

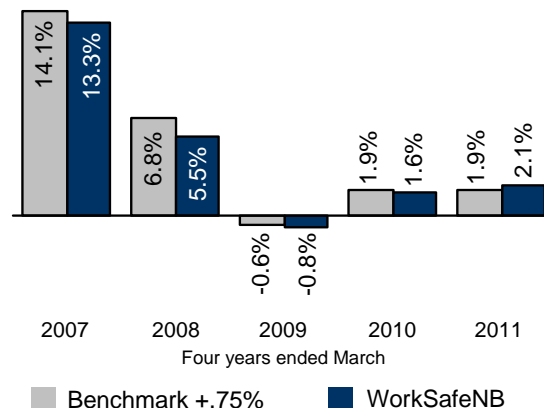
### Performance Objective 1<sup>4</sup>

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 was 111.5% funded as of December 31, 2010. 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.
- In the first quarter, WorkSafeNB's investment portfolio gained 3.0%, and has gained 11.8% for the year ended March 31, 2011. Most world equity markets experienced gains in the first quarter of 2011 despite much uncertainty stemming from unrest in the Middle East and North Africa, and the earthquake, tsunami, and nuclear crises in Japan.
- For the three months ending March 31, 2011, financial results yielded an excess of income over expenses of \$19,666,000 compared to a budgeted excess of \$4,900,000, primarily due to higher than anticipated investment income.

### Oversight, Audit, and Evaluation

- WorkSafeNB appeared before the Legislative Assembly Standing Committee on Crown Corporations to discuss results related to its 2008 & 2009 performance.
- WorkSafeNB submitted to Government its 2010 Annual Report and the 2010 Annual Report of the *Firefighter's Compensation Act Disability Fund*. Reports are available at [www.worksafenb.ca](http://www.worksafenb.ca).
- The Board of Directors directed staff to request proposals for external audit services and reappointed Morneau Shepell as its independent consulting actuary while initiating a market rate comparison for these services.

### Disciplined Decision-making Process

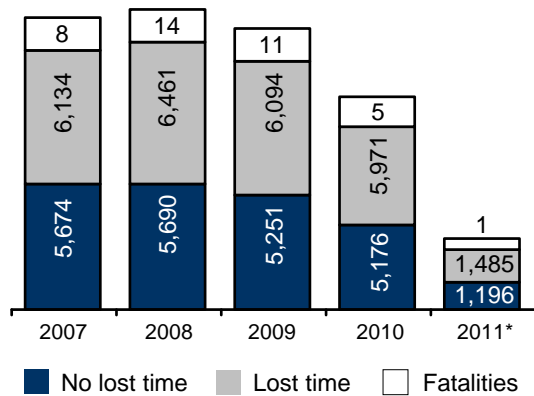
- The Board of Directors began its strategic planning and risk assessment process in March by reviewing the 2010 annual results.

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

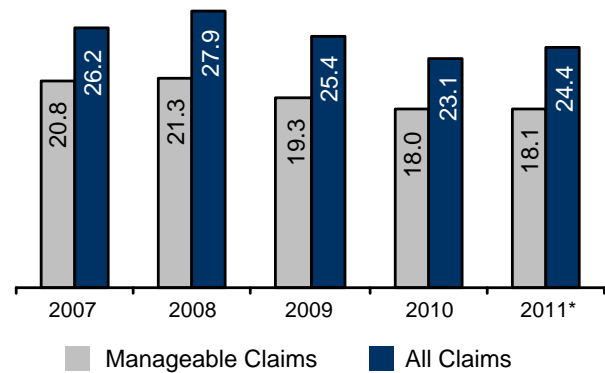
# Achieving Our Goal: 1st Quarter Management Notes

## 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

- When compared to the same quarter in 2010, total claims accepted were up slightly (0.7%), no lost time claims decreased slightly (0.6%), and lost time claims increased slightly (1.7%). There was one workplace fatality in the first quarter of 2011.

### Service Delivery and Evaluation

- In 2010, WorkSafeNB engaged injured workers and employers to explore the factors that influence client satisfaction. WorkSafeNB continues to analyze this information in 2011 to better understand clients' service delivery expectations and identify drivers of client satisfaction.
- In the first quarter, WorkSafeNB responded to 90% of 43,000 phone calls within 20 seconds, exceeding the standard of answering 80% of calls within 20 seconds. This result is similar to the same period in 2010 at 89%.

### Time to First Cheque

- The continued use of the electronic accident reporting form by workplaces positively impacts initial claim processing. Although up slightly from 2010 year end results, days-to-first-cheque were relatively unchanged when compared to the first quarter of 2010 having:
  - Increased by 0.1 of a day (0.5%) for all claims; and
  - Decreased by 0.9 of a day (4.7%) for manageable claims.

### Helping Clients Navigate the System

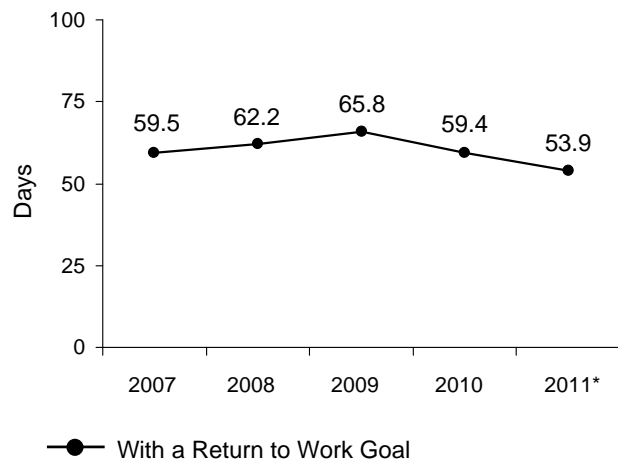
- The Appeals Tribunal received 157 requests for appeals, down (13.7%) when compared to the same quarter in 2010. The Tribunal also resolved 181 appeals, up (9.0%) when compared to the same quarter in 2010.



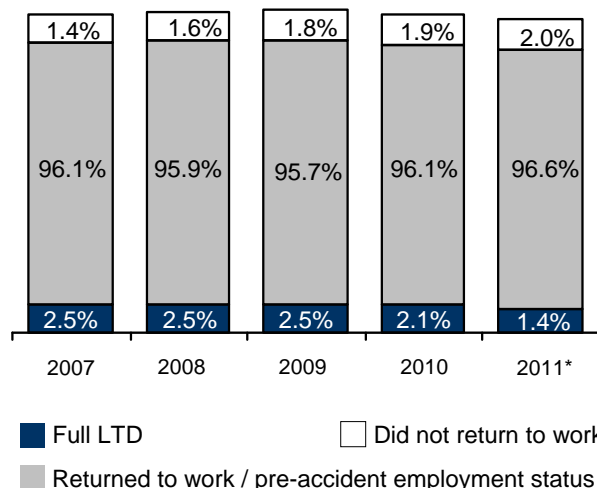
## Achieving Our Goal: 1st Quarter Management Notes

# 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 March 2011, the number of paid compensation days for claimants with a return to work goal was at its lowest point in the past five years. While still early in the year, the target for return to work is projected to be achieved.

### Best Practices in Medical Rehabilitation

- The shoulder injury pilot incorporated partnerships between WorkSafeNB, orthopedic surgeons and physiotherapy providers. Final results of the shoulder soft tissue injury care map with matured data include a:
  - 54.9% reduction in claim duration (41 weeks to 18.5 weeks);
  - 71% reduction in clients requiring surgery; and
  - 22.9% reduction in claim costs.

Based on the success of the pilot, the model has been extended to the rest of the province as the tool for managing soft tissue shoulder injuries.

- WorkSafeNB manages claims that involve psychological conditions. A review of post traumatic stress disorder (PTSD) cases is underway to describe current practices. With the assistance of a psychological consultant, the review will:
  - Assist in the development of a best practice continuum of care and case management guidelines;
  - Identify when to initiate early occupational therapist intervention; and
  - Identify when to refer the file to a psychologist consultant.

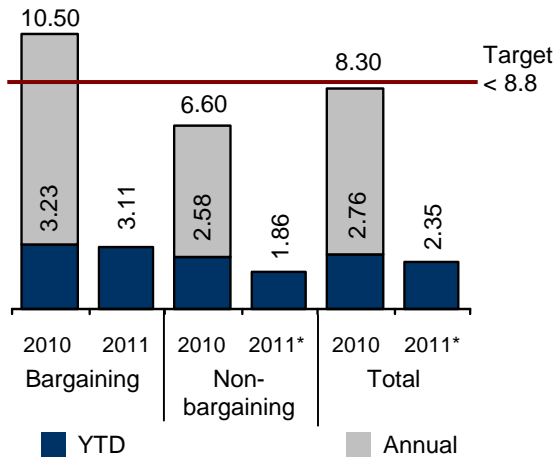
### Medical Case Management

- Close to half of WorkSafeNB case-managed clients who return to work do so through a gradual return to work plan. A review of return to work programs is underway to develop occupational therapy protocols to improve success rates for return to work programs for complex cases.

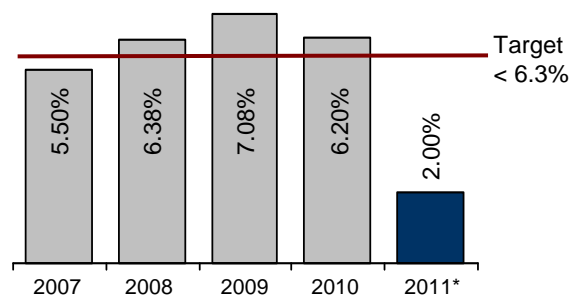
# Achieving Our Goals: 1st Quarter Management Notes

## 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 three incidents of violence in the first quarter.
- A total of five employees were assisted through the disability management program to return to work.
- Two staff claims were accepted under the *Workers' Compensation Act*, an increase of one claim when compared to the same quarter in 2010. To date, the cost of those two claims is \$250.52.
- WorkSafeNB Joint Health and Safety Committee members held their annual meeting to review the 2010 results and the objectives for the 2011 health and safety plan.
- All WorkSafeNB departments revised and updated their emergency response plans.

### Succession and Development

- In the first quarter, 20 competitions were opened and eight competitions were concluded, resulting in four internal promotions.
- Two new staff joined the growing leaders program.

- Professional development activities involved 56 employees in presentations and workshops on:
  - Understanding generations in the workplace;
  - Dealing with difficult people;
  - Microsoft Access; and
  - Staff orientation.

### Employee Satisfaction and Engagement

- WorkSafeNB has implemented an on-line self serve payroll and tax statement system. To date, 94% of employees have accessed their pay statements electronically. This system will increase efficiency for the organization and allows employees the flexibility to view and print payroll information as they require.
- Seven directives relating to human resources were reviewed and updated, including the WorkSafeNB Code of Ethics Directive and the Code of Ethics Handbook. A presentation on ethics was prepared and provided to all managers in the organization to use as a tool to engage staff on the topic during staff meetings.

# 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 first 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	
NEW - 41-011 Governance – Engaging Stakeholder Technical Committees in Legislative and Regulatory Reform	
NEW – Benefit balance policy	
WHSCC 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	
29-220 Transportation Expenses	
29-221 Accommodation Expenses	
29-222 Meal Expenses	
29-223 Child/Dependent Care Expenses	
29-224 Training-related Travel Expenses	
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 Board Expenses, Allowances & Per Diems	
32-405 AT Expenses, Allowances & Per Diems	
39-205 Board & AT Expense Rates and Allowances	
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 3 Months Ending March 31, 2011

	Budget (YTD)	Actual (YTD)	Previous (YTD)
	(000's)	(000's)	(000's)
<b>Income</b>			
Assessments including self-insured	\$49,174	\$49,551	\$49,903
Investments	16,353	29,970	16,588
Province of NB	100	100	(275)
	<b>\$65,627</b>	<b>\$79,621</b>	<b>\$66,216</b>
<b>Expenses</b>			
Claims costs incurred	49,427	49,843	52,800
Administration	10,484	9,388	8,090
Appeals Tribunal	472	395	333
Legislative obligations	344	329	329
	<b>\$60,727</b>	<b>\$59,955</b>	<b>\$61,552</b>
Excess of income over (expenses) for the period	<b>\$4,900</b>	<b>\$19,666</b>	<b>\$4,664</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 3 Months Ending March 31, 2011

	Actual YTD	Previous YTD
	(000's)	(000's)
<b>Cash flow from operating activities</b>		
Cash received from:		
Assessed employers	\$ 64,817	\$ 63,941
Self-insured employers	6,223	7,771
Interest and dividends	6,078	5,566
Province of New Brunswick	400	400
	<u>77,518</u>	<u>77,678</u>
Cash paid to:		
Injured workers or third parties on their behalf	33,097	32,551
Suppliers & employees, for administration and other services	11,356	9,061
	<u>44,453</u>	<u>41,612</u>
<b>Net cash provided by operating activities</b>	<b>33,065</b>	<b>36,066</b>
<b>Cash flow from investing activities</b>		
Cash received from:		
Sale of Investments	121,823	54,401
Cash paid for:		
Purchase of investments	123,493	62,326
Purchase of capital assets	334	407
	<u>123,827</u>	<u>62,733</u>
<b>Net cash (used in) investing activities</b>	<b>(2,004)</b>	<b>(8,332)</b>
<b>Increase in cash during the year:</b>	<b>31,061</b>	<b>27,734</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>\$59,435</u></b>	<b><u>\$78,826</u></b>

# Endnotes

1. Annual outcomes are reported using the data provided in the 2010 Annual Results Document.
2. Source: WorkSafe Services, March 31, 2011.
3. Source: Human Resources, March 31, 2011
4. Source: Corporate Services, March 31, 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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