



2012 Year-end Governance Results

Being Accountable

Introduction

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 year-end governance results. This document provides a summary of WorkSafeNB's progress towards achieving its five strategic goals and targets (page 2) as established during the Board of Directors' annual strategic planning and risk assessment process. In addition, this document provides notes related to the risks (page 3) that the Board monitors and progress on its legislative and policy priorities (page 7).

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.

Promote an understanding, acceptance, and compliance with all legislation for which WorkSafeNB is responsible, including the enforcement of the *OHS Act* and regulations

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 WorkSafeNB considers advisable.

Values

We are dedicated to providing 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 provide 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.

Achieving Our Goals – WorkSafeNB Year-end Results 2012

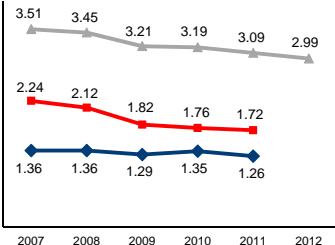
■ Target Achieved
 ● Target Not Achieved
 ▲ Developing New Measurement Tool

Safety

GOAL
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 who believe their workplace has a safe work culture will be higher than the previous five-year average. (Note: New target approved in 2012. Index to be developed in the fall of 2013.)

Accident Frequency Rates (Accidents/100 FTE)



▲ All Accidents per 100 FTE¹ (2012 Target <3.28)
■ Canada Lost Time²
◆ NB Lost Time (Target <Canada)¹

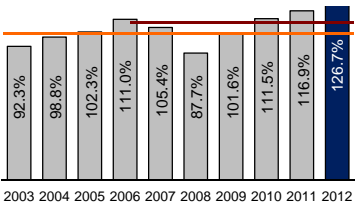
¹ Numbers are adjusted quarterly as data matures. These figures represent year-end 2012.
² Source AWCBC Key Statistical Measures #21. New Brunswick has a three-day waiting period; therefore, the number of lost-time claims may not reflect every lost-time injury as defined by AWCBC.

Balance

GOAL
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



■ Percent Funded
— Funding Target 110%¹
— Legislative Requirement 100%

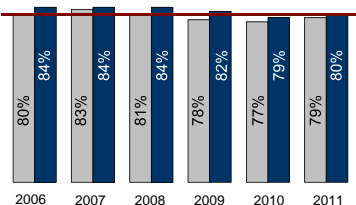
¹ Target of 105% prior to September 2006

Service

GOAL
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. (Note: In 2012 the Board of Directors approved the development of a new tool to measure service delivery. It is anticipated that the tool will be in use in the fall of 2013.)

Client Satisfaction



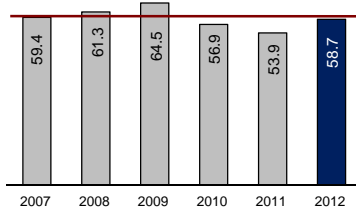
■ Injured Workers
■ Registered Employers
— Target >80%

Return to Work

GOAL
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



■ Average¹
— Target 60.2 days

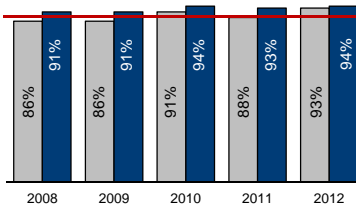
¹ Numbers are adjusted quarterly as data matures. These figures represent year-end 2012.

Staff Satisfaction & Engagement

GOAL
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



■ Satisfaction (Target ≥87.6%)
■ Engagement (Target N/A)¹

¹ Target to be established in 2013.

Risk Assessment

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

Unique Mandate Risks	Level	Strategy	Management Notes
Balancing benefit-related decisions to ensure intergenerational equity and system sustainability	Cautionary	Reduce	<ul style="list-style-type: none"> Policy 41-012 Governance - Balancing Decisions approved May 31, 2012. The Board of Directors recommended to government amendments to subsections 38.2(2.5) and 38.11(9) of the <i>WC Act</i> - supplements to compensation.
Balancing benefit improvements and assessment rates	Cautionary	Reduce	<ul style="list-style-type: none"> The Board of Directors recommended an amendment to the <i>WC Act</i> to increase the amount paid for funeral expenses and created a new lump sum payment when there is a work-related fatality. The new legislation received Royal Assent December 20, 2012. Average provisional assessment rates decreased in 2012 from \$2.00 in 2011 to \$1.70.
Impact of Board's policy agenda not being achieved	Cautionary	Reduce	<ul style="list-style-type: none"> Policy 41-004 Governance – Policy Development and Evaluation was revised to introduce a process for the Board to delegate authority for the Executive Management Committee to approve specific policies. The Board identified 12 legislative priorities; 4 (33%) were completed and 6 (50%) are in progress. There were also 42 policy priorities; 27 (27%) were completed and 3 (7%) are in progress.
Board succession planning	Cautionary	Reduce	<ul style="list-style-type: none"> Expiry of four board member terms in 2014 and five in 2015 continues to present a cautionary risk for the Board to manage. Recent appointments of President and CEO, Gerard M. Adams (February 2012) and vice-chair of the Board, William Oliver (September 2012) provides some continuity past 2015. In addition, recent resignations from Euclide Haché representing workers (October 2012) and Kim Froats representing employers (February 2013) may also provide an opportunity for staggered Board terms.

Unique Mandate Risks	Level	Strategy	Management Notes
Variance between Appeals Tribunal decisions and Board policy	Unacceptable	Reduce	<ul style="list-style-type: none"> ▪ The President and CEO and the chair of the Appeals Tribunal engaged an external vendor to undertake an independent review of the Appeals Tribunal. This review may provide some insight on the process of policy decision-making with respect to the role of the Board and the Appeals Tribunal.
Varying expectations of WorkSafeNB's role in health and safety	Acceptable	Reduce	<ul style="list-style-type: none"> ▪ WorkSafeNB continues to define its role in health and safety under the <i>OHS Act</i>. Since commercial fishing is a provincial responsibility, the Government of New Brunswick must determine the department or agency responsible for enforcement of health and safety. In any event, WorkSafeNB is examining the potential impacts of enforcing health and safety in the fishing industry.
Gaps and delays in OHS legislation	Unacceptable	Reduce	<ul style="list-style-type: none"> ▪ The Board of Directors continued to advance its proposed legislative changes regarding: <ul style="list-style-type: none"> ▪ Forestry regulations; ▪ Changes to the <i>OHS Act</i> with respect to health and safety programs and new employees; and ▪ Changes to the <i>WC Act</i> pertaining to reporting requirements.
Funding level	Unacceptable	Reduce	<ul style="list-style-type: none"> ▪ The funded status at December 31, 2012 was 126.7%. Policy 37-100 Long-Term Fiscal Strategy sets out the discipline to return the funded status to the 110% target. According to policy, the amount over 110% will be amortized over 8 years through an adjustment to the average assessment rate.
Defining WorkSafeNB's role in return to work	Cautionary	Reduce	<ul style="list-style-type: none"> ▪ WorkSafeNB continues to work on improvements to care models for back and shoulder injuries that clarify roles and responsibilities for individuals involved in the treatment process. ▪ A pilot continues in the Southeast region to facilitate employer direct referrals to physiotherapists to obtain functional assessments to assist in planning for injured workers to stay at work or for early return to work when it is safe. This pilot has also been expanded to the nursing home industry.

External Risks	Level	Strategy	Management Notes
Increased accidents associated with skills and labour shortages	Acceptable	Accept	<ul style="list-style-type: none"> WorkSafeNB continued to examine and monitor this risk in 2012 and engaged Morneau Shepell to research how changing workforce demographics may impact WorkSafeNB. Staff participated in several discussions on how changing workforce dynamics may potentially impact WorkSafeNB.
Emerging high-risk industries	Cautionary	Reduce	<ul style="list-style-type: none"> In 2012 the High Risk Committee monitored industries at risk of catastrophic events, including LNG, oil and gas exploration, lead smelters, refineries, nuclear power, sawmills, and mining.
Changes to legislation, regulation, and policy in other jurisdictions	Cautionary	Reduce	<ul style="list-style-type: none"> The Board of Directors continues to monitor changes to policy and legislation across Canada and evaluates these changes in its strategic planning and policy development processes. Of note in 2012 were changes to the British Columbia workers compensation legislation regarding gradual onset stress and amendments to the Federal <i>Old Age Security Act</i> increasing the eligibility criteria to 67 years of age.
Protecting the integrity of the system	Acceptable	Reduce	<ul style="list-style-type: none"> Resources continue to be dedicated to protecting the integrity of WorkSafeNB through education, and detecting and reporting errors or improper use of the system.
General health status of New Brunswick workers	Cautionary	Accept	<ul style="list-style-type: none"> WorkSafeNB continued to monitor the health status of New Brunswickers relative to the rest of Canada, particularly with respect to best practices related to the treatment of psychological injuries.
Availability and cost of health care	Cautionary	Accept	<ul style="list-style-type: none"> WorkSafeNB continues to develop partnerships with orthopedic surgeons and physiotherapy providers to implement best practices for shoulder and back injuries. WorkSafeNB also monitors contracts and fees with service providers.
Impact of aging on safe workplaces	Acceptable	Accept	<ul style="list-style-type: none"> WorkSafeNB continued to monitor this risk in 2012.

Risks To Reputation	Level	Strategy	Management Notes
Government decisions that are independent of WorkSafeNB advice	Unacceptable	Reduce	<ul style="list-style-type: none"> WorkSafeNB continues to monitor Government decisions that impact WorkSafeNB, including those related to legislative changes and continued fiscal restraint pertaining to employee wages and benefits.
Impact of external agencies' recommendations upon WorkSafeNB	Cautionary	Reduce	<ul style="list-style-type: none"> WorkSafeNB continues to work with agencies such as the Office of the Chief Coroner; the Office of the Ombudsman; and the Office of the Access to Information and Privacy Commissioner on WorkSafeNB-related issues directed to those agencies.

Operational Risks	Level	Strategy	Management Notes
Impact of catastrophic events on business continuity	Cautionary	Reduce	<ul style="list-style-type: none"> The fluid nature of business continuity planning requires that WorkSafeNB continually review and update this aspect of its enterprise risk management framework. This work continued in 2012.
Employee retirement levels	Unacceptable	Reduce	<ul style="list-style-type: none"> Employee retirement levels were monitored and resources dedicated to transitioning employees into leadership roles through the Executive Management Program and the Growing Leaders Program. An RFP has been issued to carry out a strategic review of WorkSafeNB's human resources.
Retaining WorkSafeNB employees in specialized fields	Cautionary	Reduce	<ul style="list-style-type: none"> WorkSafeNB continued to monitor this risk in 2012 and dedicated resources to undertake both an evaluation of all non-bargaining jobs and a comprehensive strategic review of the human resources department.

Legislative and Policy Priorities

The WorkSafeNB Board of Directors identifies and allocates resources towards key legislative, policy, and stakeholder engagement priorities during its annual strategic planning and risk assessment process. In 2012 there were 12 legislative priorities; 4 (33%) were completed and 6 (50%) are in progress. There were also 42 policy priorities; 27 (64%) were completed and 3 (7%) are in progress.

Governance	Completed
41-002 Governance Statement Annual Review	May 31, 2012
41-004 Governance – Policy Development and Evaluation	November 29, 2012
41-007 Privacy and Information Security	February 20, 2013
41-012 Governance – Balancing Decisions	May 31, 2012
49-200 Release of AT Transcripts & Recordings	January 26, 2012
49-310 Release of AT Decisions	January 26, 2012
33-000 Human Resources	Scheduled May 2013
34-200 Investment Goals & Objectives	March 12, 2012
34-205 Statement of Investment Philosophy & Beliefs	
37-100 Long-term Fiscal Strategy	January 31, 2013
Medical Aid & Assistive Devices	
21-403 Home Modification Projects	In Progress
21-400 Rehabilitation	January 26, 2012
21-402 Vehicle Modifications	January 26, 2012
25-003 Home Care & Independence	
25-007 Prostheses, Orthoses and Assistive Devices	
29-501 Medical Aid Providers	January 26, 2012
29-510 Prescription Eyeglasses	
29-550 Care Allowance	
29-551 Hearing Aids and Batteries	
25-010 Personal Non-compensable Intervening Conditions	
Entitlement & Benefits	
21-109 Conditions for Entitlement – Infectious Diseases	February 20, 2013
21-111 Conditions for Entitlement Occupational Diseases	February 20, 2013
21-211 Three-Day Waiting Period	
21-215 Supplements to Compensation	In Progress
21-208 Workers Under 21 (Learners Legislative Amendment)	
21-112 Conditions for Entitlement – Hearing Loss	
21-505 Advances and Payouts of Compensation Benefits	February 20, 2013
29-555 Quality of Life Grant	February 16, 2012

Evaluation / Engagement

Resource the development of a new client satisfaction survey tool In Progress

Employer Services

21-300 Allocation of Claim Costs

23-100 Employer Registration November 29, 2012

23-200 Assessable Earnings January 31, 2013

23-300 Employer Classification January 31, 2013

23-305 Administration of Out-of-Province Operations November 29, 2012

23-400 Auditing Employer Accounts January 31, 2013

23-500 Payment of Employer Assessments November 29, 2012

23-600 Setting Basic Assessment Rates January 31, 2013

23-605 Experience Rating System January 31, 2013

23-607 Claim Cost History Transfer/Affiliation November 29, 2012

23-703 Underestimated/Underreported Payroll Assessments January 31, 2013

23-704 Late Filing Penalty January 31, 2013

29-301 Assessment of Volunteers January 31, 2013

Legislative

WHSCC Act – Appeals Tribunal Decisions In Progress

Amendment to death benefits December 20, 2012 – Royal Assent of legislative change

Board to approve regulations

General provisions under the *OHS Act* With Government

Construction industry technical committee In Progress

Occupational hygiene/WHMIS

Forestry regulations With Government

Liquefied natural gas (LNG) processing Removed as a priority

Use of safety-engineered needles Complete

Workplace violence Complete

Permanent Physical Impairment In progress

Workers' Compensation Act – Penalties, fines, accident reporting Accident reporting amendments with Government