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



First Quarter Results 2007

Our Vision

Healthy and safe workplaces in New Brunswick

Our Mission

The Commission will promote a safe and healthy work environment to the workers and employers of New Brunswick, and efficiently provide quality services, just adjudication, and fair administration of the legislation.

Our Mandate

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

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

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

Provide recommendations and advice to government with respect to legislation and publish such reports, studies, and recommendations, as the Commission considers advisable.

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Upcoming Events

The Commission offers public workshops throughout the province for both employers and workers. These workshops provide educational opportunities on health and safety, as well as information on topics such as rate setting and claim adjudication. For more information on these workshops or to register, please visit www.whscc.nb.ca or call 1-800-222-9775.

September

- WHSCC – Safety Talks
- WHSCC – JHSC Core Training

* Note: Information contained in this report is for the three-month period ended March 31, 2007.

Our 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 the Commission 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 the Commission.

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.

For more information on the contents of this report, please call the Commission at 1-800-222-9775.

Introduction

In August 2006, the WHSCC Board of Directors approved its *2006-2011 Strategic Plan and Risk Assessment*. The plan consists of five strategic goals, eight strategies to further the achievement of those goals, and a series of mechanisms to address risks facing the Commission.

Consistent with the Board of Directors' strategic plan and their continuous pursuit of excellence in governance, this quarterly accountability document provides a regular update on the Commission's progress in achieving the Goals.

The three key areas of the report include:

- 1. Goals and Measures: First Quarter Results** – This section provides quarterly quantitative results of the measures and other corporate indicators relating to each of the five strategic goals. The most recent five-year results are presented throughout this section.
- 2. Resourcing the Goals: Update on Programs and Activities** – In this section, the eight Strategies resourced by the Board of Directors to achieve the Goals are expanded upon with updates on programs and activities. A description of the Strategies can be found on page 11 and more detail is contained in the *2006-2011 Strategic Plan and Risk Assessment*.
- 3. Volume Indicators and Key Financial Information** – This section provides a quarterly update on volume indicators and the year-to-date Statement of Operations and Statement of Cash Flows.

Goals and Measures

First Quarter Results



This section provides quarterly quantitative results of the measures and other corporate indicators relating to each of the five strategic goals. The most recent five-year results are presented throughout this section.

Safety Goal



Goal

Our vigorous pursuit of a safe work culture will lead to a decline in the overall frequency of accidents and a significant decline in the overall frequency of accidents in industries and firms where our resources are focused.

Measure

A decline in the overall accident frequency rate:

1. Within the province
2. Compared to other workers' compensation jurisdictions
3. By payroll
4. By industry sectors

A significant decline in the accident frequency rate of each:

5. Focus industry over the most recent five-year period
6. Focus firm over a five-year period based on years of involvement

Safety Measures	2002	2003	2004	2005	2006
1. Provincial accident frequency per 100 FTEs ¹	3.97	3.59	3.50	3.68	3.57
2. Lost-time accident frequency per 100 FTEs within jurisdictions ²					
New Brunswick	1.59	1.47	1.30	1.42	N/A
National Average	2.96	2.72	2.61	2.56	N/A
3. Accidents per \$1 million in payroll (assessable) ³	1.72	1.59	1.46	1.47	1.42
4. Accident frequency by industry sector per 100 FTEs ³					
Agriculture, Natural Resources	4.50	3.90	3.99	4.53	4.26
Manufacturing, Light	7.80	7.53	7.22	7.44	7.02
Manufacturing, Heavy	7.60	9.07	8.32	8.98	8.97
Manufacturing, Metal and Machinery	9.73	8.96	7.52	7.30	7.35
Construction	3.57	3.91	4.01	3.98	4.01
Wholesale Trade	1.21	2.57	2.50	2.58	2.40
Retail Trade	1.95	2.10	2.24	2.74	2.61
Finance and Insurance	0.97	0.83	0.69	0.87	0.90
Government, Education, and Health	3.31	3.01	2.90	2.75	3.07
Accommodation and Amusement	2.53	2.30	2.10	2.27	2.36
5. By focus industry per 100 FTEs (All accidents) ³					
Logging industry (except contract logging)	4.56	4.03	3.83	4.34	4.63
Homes for personal and nursing care	8.32	7.11	8.04	6.84	7.85
Sawmills and planing mill products (except shakes and shingles)	17.65	14.71	14.15	16.30	16.31
Fish processing industry	5.20	4.81	4.96	5.65	5.04
6. By focus firms per 100 FTEs (All accidents by year selected as focus firm) ^{3,4}					
Firms selected 2002	21.25	15.12	22.82	14.79	15.46
Firms selected 2003	15.31	14.25	17.11	14.65	12.25
Firms selected 2004	10.91	13.92	15.68	17.53	12.09
Firms selected 2005	12.70	13.01	10.80	16.26	11.01
Firms selected 2006	--	12.28	12.65	14.00	10.96
Total	16.99	13.89	16.91	15.17	12.94
<p>1. Source: Internal data – Corporate Services, information as of February 2007. Please note that 2006 data is a projection based on trends for previous years and will be updated with final results in the fall of 2007.</p> <p>2. Source: AWCBC Key Statistical Measures #21. Please note that New Brunswick has a three-day waiting period. Therefore, the number of lost-time claims included in this figure may not reflect every lost-time injury.</p> <p>3. Source: Internal data - WorkSafe Services, December 31, 2006 estimated year-end information.</p> <p>4. Firms selected – Each year the Commission selects firms on which to focus accident prevention activities. In this section, the rows refer to the year that a firm was selected and the columns refer to the annual accident frequency for those firms. For example, firms selected as a focus firm in 2002 had an accident frequency rate of 21.25 in 2002 and 15.46 in 2006.</p>					

Service Goal



Goal

We will provide prompt, effective, efficient, just, fair, and caring services to each of our clients.

Measure

The client satisfaction result will be at least as high as the most recent five-year average by client group.

Service Measure	2001	2002	2003	2004	2005	2006	5 year Average 2001-05
Satisfaction Indices (Weighted)							
Injured Workers	83%	81%	81%	87%	82%	81%	83%
Registered Employers	86%	85%	86%	85%	84%	84%	85%

Source: *WHSCC Client Satisfaction Study* information as of December 31, 2006.

Return to Work Goal



Goal

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

Measure

Five-year comparison of the percentage of all injured workers who received lost-time benefits and:

- Return to work within a range of days
- Were fit to return to work within a range of days but were not working

Injured Workers with Lost-time Claims Measure	Accident Year				
	2002	2003	2004	2005	2006
% Returning or fit to return to work within					
20 days	60.6%	58.8%	59.0%	61.2%	61.6%
80 days	80.3%	79.0%	79.6%	80.8%	78.1%
130 days	87.3%	88.4%	87.7%	88.2%	82.9%
260 days	93.9%	94.6%	94.3%	94.3%	N/A
520 days	96.4%	96.9%	96.9%	N/A	N/A
Not fit to return after more than 520 days	3.6%	3.1%	3.1%	N/A	N/A

Source: WorkSafe Services: Information as of December 31, 2006

Case Managed Return to Work Measure	Claim Closure Year				
	2002	2003	2004	2005	2006
% Returning or fit to return to work within					
20 days	7.2%	6.6%	7.6%	9.4%	6.5%
80 days	47.4%	46.9%	48.0%	52.1%	47.1%
130 days	66.7%	69.7%	70.3%	72.9%	68.6%
260 days	87.2%	87.5%	87.5%	87.8%	86.6%
520 days	95.5%	94.6%	94.4%	93.5%	94.3%
>520 days	4.5%	5.4%	5.6%	6.5%	5.7%
Claim Disposition (overall case managed)					
Return to work	77.9%	77.4%	77.8%	79.8%	77.9%
Ready to return to work	7.0%	6.3%	6.4%	5.8%	5.2%
Terminated personal reason	8.2%	8.5%	8.2%	8.1%	8.6%
LTD (full or partial)	6.9%	7.9%	7.6%	6.3%	8.3%

Source: WorkSafe Services as of February 26, 2007

Efficiency Goal



Goal

We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.

Measure

At a minimum, we will maintain a fully funded liability.

Efficiency Measure	2002	2003	2004	2005	2006
Liabilities (000's)	\$735,789	\$786,041	\$842,084	\$899,878	\$933,230
Assets (000's)	\$694,123	\$725,887	\$832,256	\$920,221	\$1,035,703
Funding Ratio	94.3%	92.3%	98.8%	102.3%	111.0%
Source: Internal Data – Finance / 2006 WHSCC Annual Report					

Staff Satisfaction Goal



Goal

Our employees will consider the Commission a good place to work.

Measure

When compared with the most recent three-year average, the employee annual satisfaction survey will produce a consistently high rating. In addition, other indicators that will be measured in support of the objective and compared to the most recent five-year average include:

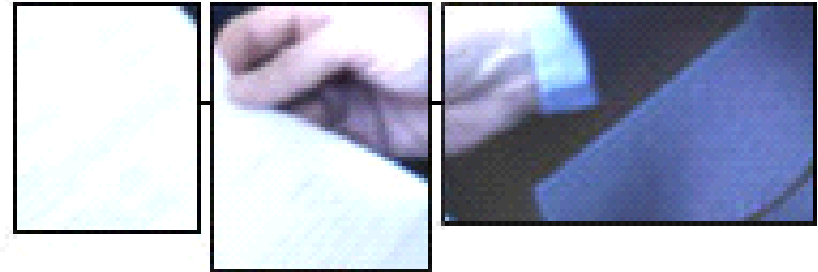
1. Absenteeism
2. Internal promotions
3. Health and safety
4. Staff turnover

Staff Satisfaction Measures (As of March 31, 2007)	2002	2003	2004	2005	2006	2007 YTD	Average		
							3 Year	5 Year	
							2004-06	2002-06	
Staff Satisfaction ¹	92%	87%	94%	87%	91%	N/A	91%	90%	
1. Absenteeism (Days absent) ²	10.00	8.57	7.65	6.52	8.31	2.63	7.49	8.21	
Bargaining	13.45	11.47	10.08	8.45	10.00	4.12	9.51	10.69	
Non-bargaining	8.40	7.28	6.90	5.09	5.70	1.99	5.90	6.67	
Perfect attendance	18.0%	16.9%	15.5%	12.0%	14.0%	N/A	13.8%	15.3%	
2. Internal Promotions	28	15	15	13	22	4	16.7	18.6	
Bargaining ³	13	8	9	7	13	3	9.7	10.0	
Non-bargaining ³	15	7	6	6	9	1	7.0	8.6	
3. Health and safety									
Total of accepted claims for Commission staff	18	14	11	15	15	1	13.7	14.6	
4. Staff turnover (by budgeted positions) ⁴									
All turnovers ⁵	N=	21	30	22	15	27	7	21.3	23.0
	%	4.7%	6.0%	5.2%	3.6%	6.2%	1.5%	5.0%	5.1%
Retirees	N=	12	14	9	8	9	2	8.7	10.4
	%	57.1%	46.7%	40.9%	53.3%	33.3%	28.6%	42.5%	46.3%

1. Percentage of staff indicating WHSCC is a "good place to work".
2. Absenteeism = total days absent / (actual yearly budgeted - vacant positions)
3. Numbers reflect promotions as a result of salary increases into or between bargaining and non-bargaining positions.
4. Staff turnover is a measure of the number of active positions divided by the total active positions and terminated positions in a year.
5. All turnovers are those who are no longer employed with the WHSCC; this may be because of retirement, seeking employment elsewhere, unable to perform the duties of the job, resigned for personal reasons, etc.

Resourcing the Goals

Update on Programs and Activities



A description of the strategies can be found in the *2006-2011 Strategic Plan and Risk Assessment*. These strategies assist the Commission in achieving the goals, through the resourcing of its programs and activities.

Achieving Our Goals: Eight Strategies

1

Leveraging best practices in prevention, compensation, and rehabilitation

By adopting best practices that have been proven to further our goals and create a safety culture, the Commission can lower its costs, increase revenue, and offer improved services.

2

Knowing New Brunswick workplaces

A sound understanding of New Brunswick workplaces allows the Commission to meet the needs of employers and workers, while delivering services and programs that fulfill its mandate.

3

Ensuring the highest standards in governance and administration

High public expectations of the Commission require effective governance and administration. Sound corporate governance is ensured through research and establishing best practices, while balancing the implementation of the objectives with resource allocation.

4

Expecting the unexpected

By understanding the health status of New Brunswickers and preparing for new and emerging occupational diseases and pandemics, the Commission can anticipate the impact of injury and disease and the frequency of occurrence in order to meet the needs of injured workers and employers.

5

Balancing the system

The Commission oversees the administration of both the *Occupational Health and Safety Act (OHS Act)* and the *Workers' Compensation Act (WC Act)*. The compensation system pre-dates other social programs such as the Canada Pension Plan and Employment Insurance. While the *WC Act* provides benefits to injured workers and immunity from suit to employers who regularly have more than three workers, the *OHS Act* covers all employers and workers in the province. The dual system requires a solid legislative foundation to ensure the needs of both workers and employers are met.

6

Purchasing the right medical services, by the right provider, at the right cost

As the cost of health care continues to rise, so does the cost to provide medical treatment. The Commission understands that timely access to the right care, by the right provider, at the right cost is increasingly important in assisting the injured worker in returning to work and minimizing economic loss for both injured workers and employers.

7

Creating long-term sustainability

Managing risk and establishing financial strategies to reduce the impact of volatile investment markets, ensures that the compensation system is viable for the years ahead.

8

Educating New Brunswickers

By providing injured workers, employers, and the public with knowledge of the Commission, its legislation, and its policies, they can contribute to the prevention of workplace accidents and promote early and safe return to work. Knowledge allows workers, employers, and stakeholders to understand the benefits and services available.

Safety Goal: First Quarter Highlights

- As of March 31, 2007, one variance¹ and nine deviations² were requested of the Commission to the *Occupational Health and Safety Act (OHS Act)*; and
- The Commission received no appeals on orders written by Occupational Health and Safety Officers in the first quarter of this year.

¹A variance can be requested by employers to reduce the frequency of JHSC meetings where the nature of the employment presents low risk to the health and safety of employees in the workplace.

²Under section 3(3) of the *OHS Act*, an employer can apply in writing to the Chief Compliance Officer for authorization to deviate from any provision of the

Strategy 1: Leveraging best practices in prevention, compensation, and rehabilitation

To aid in creating a safety culture in New Brunswick, the Commission focuses on industries with a high frequency of accidents. In 2007, logging, sawmills and planing mills, homes for personal and nursing care, and fish processing industries continued to receive intervention from the Commission.

The figures provided on page five shows that, except for the fishing processing industry, the accident frequency for focus industries rose slightly in 2006. At the same time, the accident frequency of focus firms receiving intervention from the Commission decreased significantly.

Prosecution of violations of the *OHS Act* were pursued in the first quarter of 2007. The Commission laid charges against two employers and one supervisor. As well, fines totalling \$13,500 were levied against two employers. One employer was fined when a supervisor fell through an unguarded opening in a roof. The other employer was fined for failing to ensure that employees followed a code of practice when undertaking electrical work.

When a worker is disciplined by their employer as a result of reporting unsafe workplace conditions, section 24 of the *OHS Act* allows the worker to make a complaint of discriminatory action against the employer. In the first quarter of 2007, two complaints of discriminatory action were forwarded to an independent arbitrator. Decisions regarding these two complaints are pending.

Strategy 2: Knowing New Brunswick workplaces

The Commission continued to promote the "Injuries Are No Accident" message in the first quarter through its *No Mercy* and *Small Business* campaigns. This message was also conveyed through numerous presentations for North American Occupational Safety and Health Week.

Strategy 4: Expecting the unexpected

In promoting healthy and safe workplaces, the Commission continued to distribute planning materials to employers on pandemic planning and will be working on materials related to respiratory diseases and dermatitis diseases for specific industries.

Strategy 8: Educating New Brunswickers

Through youth initiatives in public schools, the Commission continues to play a key role in educating young workers on the importance of health and safety.

In this quarter, the Commission partnered with the Insurance Bureau of Canada and the New Brunswick Safety Council to host the *Be Smart Be Safe 2007 Heroes* tour. The multi-media presentation was shown in Fredericton, St. Stephen, Saint John, Moncton, Miramichi City, Bathurst, and Edmundston. The tour included 23 shows and reached over 10,000 high school students. The tour was also used to launch the Commission's new youth campaign (*No Mercy*) as well as a new youth website, which includes content designed to educate youth about health and safety.

Safety Goal – Update of Other Activities and Programs in the First Quarter	
Strategy 1: Leveraging best practices in prevention, compensation, and rehabilitation	
Trenching, Lockout, and Fall Protection	Continuing the emphasis on zero tolerance of trenching, lockout, and fall protection violations, the Commission issued: <ul style="list-style-type: none"> • Five stop-work orders for trenching violations; • Three stop-work orders for lockout violations; and • Twenty-nine stop-work orders for fall protection violations.
Strategy 2: Knowing New Brunswick workplaces	
High Risk Industry Committee	The Committee has been reviewing underground mines, refineries, liquefied natural gas, major construction projects, healthcare, and pandemic influenza.
Needle-stick Survey Project	Findings of the survey were presented to the Department of Family and Community Services, Department of Health, and the Department of Public Safety.
Strategy 8: Educating New Brunswickers	
General Education Workshops	In the first quarter, 434 participants attended workshops across the province. Workshops included the Joint Health & Safety Committee Core Training Program, <i>Occupational Health and Safety Act</i> sessions, and the new Contractor Health & Safety workshop.
Health and Safety Conference	A briefing report was provided to the Board of Directors with the outcome of the 2006 conference. Planning for the 2007 conference to be held in Saint John, New Brunswick on October 14, 15, 16, 2007 continued this quarter with program details finalized and speakers confirmed. The 2008 conference will be held in Moncton, New Brunswick on October 5, 6, 7, 2008.
Publications	New products/publications released included: <ul style="list-style-type: none"> • 2006 WHSCC Annual Report • <i>Injuries Are No Accident</i> poster (2 versions) • <i>No Mercy</i> posters (2 versions) • Working in the Woods – general guidelines pamphlet • Workplace Accommodation poster • E-news • Spring WHSCC Newsletter

Service Goal: First Quarter Highlights

- The Board of Directors approved Policy No. 21-106 Accident Reporting and Application for Benefits;
- 2006 Client Satisfaction Index was high among both injured workers (81%) and registered employers (84%); and
- 2006 Case Management Index was high (80%).

Strategy 1: Leveraging best practices in prevention, compensation, and rehabilitation

The Commission implemented an online form for reporting accidents (Form 67). A group of larger employers are currently piloting the online reporting system and access to the system will be expanded to other employers following the pilot program.

Several WHSCC services are currently available to employers online including the application for coverage, clearance certificates, and payment of assessment premiums.

The Workers' Rehabilitation Centre (WRC) offers various services to assist in the rehabilitation of injured workers including work recovery, vocational evaluation, and an assistive devices program.

In the first quarter, of the 126 injured workers discharged from the work recovery program at the Workers' Rehabilitation Centre, 93% indicated that they were satisfied with the program.

Strategy 2: Knowing New Brunswick workplaces

In the 2006 *Client Satisfaction Study*, injured workers were asked a series of questions related to their contact with case management in the past year¹:

- 87% reported they had been treated with respect by their case manager;
- 89% indicated their case manager demonstrated professionalism;
- 79% said that their case manager cared about their needs; and
- 85% believed their case manager demonstrated a willingness to listen.

Registered employers also reported very high satisfaction rates related to their contact with the Commission regarding the claims process:

- 85% were satisfied with the amount of communication provided by the Commission;
- 80% were satisfied with the timeliness of information provided on the status of their injured worker's claim; and
- 95% thought that their injured worker's claim was handled fairly.

¹ Note: Don't know and refusals excluded.

Strategy 4: Expecting the unexpected

In preparing staff for a pandemic or a catastrophic event, the Commission updated its business continuity plan.

Strategy 6: Purchasing the right medical services, by the right provider, at the right cost

The Commission distributed a new one-page, letter-sized *Form 8 Physician's Initial Report* for physicians, chiropractors, and nurse practitioners. The revised form features a detachable portion where the physician can note work restrictions and limitations and provide it to the employer. It also allows injured workers to declare their intention to file a claim.

To ensure injured workers receive quality care, the Commission maintains a list of approved acupuncturists and massage therapists in New Brunswick. In the first quarter, the Commission completed its annual review of these providers.

Service Goal – Update of Other Activities and Programs in the First Quarter

Strategy 8: Educating New Brunswickers

Speaking Engagements	The Commission receives regular requests for staff to speak at events and provide information on the operations of the Commission. In the first quarter, Commission staff delivered six presentations on topics including claims management, workplace accommodation, and health and safety.
Website	The Commission is currently exploring upgrades to its internal and external website. A new design was completed. This new layout will feature a common searchable interface tool to search policies, publications, and other documents.
<i>2006 WHSCC Annual Report</i>	The <i>2006 WHSCC Annual Report</i> was produced in the first quarter and will be tabled in the legislature in the second quarter.

Return to Work Goal: First Quarter Highlights

Through a partnership with the Human Rights Commission and the Employment Standards Branch of the Department of Post-Secondary Education, Training and Labour, three new publications on workplace accommodation were created in the first quarter of 2007.

These resources include a comprehensive 25-page guide detailing workers' and employers' rights and obligations under the *New Brunswick Human Rights Act*, *Employment Standards Act*, and *Workers' Compensation Act*.

Strategy 1: Leveraging best practices in prevention, compensation, and rehabilitation

The Rehabilitation Program Development and Evaluation department examined the issue of claim duration as part of a decile review study. As a result of this study, best practice guidelines were developed for the management of cases identified at risk of long claim duration.

Strategy 2: Knowing New Brunswick workplaces

As part of the *2006 Client Satisfaction Study*, injured workers and registered employers were asked a series of questions related to post-accident job modification and the return to work process.

According to the survey, registered employers and injured workers hold different views of the availability of post-accident job modification. While 61% of registered employers reported offering to modify their worker's job to allow them to continue to work while participating in rehabilitation, only 39% of injured workers reported receiving such an offer.

In cases where employers reported that they offered workplace modifications, 72% indicated that the injured worker accepted the proposed modifications allowing them to continue with their return to work programs.

Almost all registered employers (96%) and injured workers (91%) agreed that the Commission's programs and services allow injured workers to return to work. Awareness of return to work assistance provided by the Commission was high among all groups surveyed, especially

among registered employers (85%) and non-registered employers (79%).

Return to Work Goal – Update of Other Activities and Programs in the First Quarter

Strategy 6: Purchasing the right medical services, by the right provider, at the right cost	
Primary Physiotherapy Service Providers	A review of clients who received primary physiotherapy service in the approved private physiotherapy network was completed. The results will form a benchmark for further reviews and will be used in discussions with physiotherapy clinics to identify opportunities to improve outcomes.
Vocational Rehabilitation	<p>A review of all clients referred to vocational rehabilitation over a 12-month period was studied. This review included an analysis of the number of cases, cost of vocational rehabilitation, program type, success rate and analysis of several factors that impact program effectiveness. Results were provided to case managers in all regions and the following recommendations will be implemented:</p> <ul style="list-style-type: none"> • Implementation and monitoring of a new vocational rehabilitation continuum that will ensure a formal process is followed in a timely manner; • Examination of employer accommodation activities and the Commission's administration of the accommodation process; and • Develop standards for external vocational rehabilitation service providers.
Work Capacity Evaluation Service Providers	A request for proposals for Work Capacity Evaluation (WCE) providers was completed following the annual WCE review. The WHSCC signed contracts with a network of five private clinics, in addition to the Workers' Rehabilitation Centre. The expanded network will assist with wait time for service.
Mental Health Services	Mental health services were reviewed to evaluate current practice. The review provided recommendations for the future management of these services.

Efficiency Goal: First Quarter Highlights

- The Board of Directors approved Policy No. 21-206 Funding Annuity Benefits;
- The Commission's funding ratio for 2006 was 111.0%, an increase from the 2005 funded position of 102.3%; and
- The average assessment rate decreased for the fourth year in a row. The average provisional assessment rate for 2007 is \$2.10 per \$100 assessable payroll.

Strategy 7: Creating long-term sustainability

Investments

The primary goal of the investment fund is to ensure that the awarded benefits are secured. A considerable amount of the assessment revenue collected in each year is set aside to provide for the future costs of providing benefits to workers injured in the current year. The assessment revenue that has been set aside to cover future benefit costs forms the Commission's investment fund. As of March 31, 2007, the market value of the Commission's investment fund was \$896,662,355.

The Commission's investment portfolio is invested in cash, bonds, and publicly traded equities listed on domestic and foreign exchanges. The portfolio is

managed in accordance with a disciplined process that is documented in the policies and directives set by the Commission's Board of Directors and management. The portfolio is managed by external investment managers. The compliance of these managers with the investment policies is monitored on a regular basis.

The Commission's Board of Directors believes that the most important factor in determining investment risk and return is the asset allocation decision (i.e. how much of the investment portfolio to allocate to the various asset classes, for example: bonds, equities, and real estate). The asset mix decision is a balancing act for the Board. This is because asset mix policy, funding policy, the level and volatility of assessment rates, and the volatility of the Commission's financial results are all linked. For example, if the Board decides to lower volatility (or risk) by adopting a less volatile asset mix (more bonds), this will result in lower long-term returns, which reduces the amount of income from investments. If benefit levels are held stable, the reduction in investment income must be made up through higher assessment rates.

Current policy states that the Board will rely on periodic asset liability studies, performed by actuarial consultants, to help them set the strategic long-term asset mix. This process is designed to

help the Board find the appropriate balance between volatility and contribution level, and to help set asset mix policy and funding policy, in light of the nature of the benefits liabilities and the financial position of the Commission.

The Board completed its last asset liability study in August of 2006. As a result of the study, the Board agreed to gradually adopt a new target benchmark asset mix. The Board also agreed to make changes to its long-term fiscal strategy policy, which included changing the target funded ratio from 105% to 110%. The asset liability study anticipates that these changes should help reduce volatility in assessment rates and in the funded status of the Commission, and they should reduce the probability of becoming underfunded. These policy changes help create long-term sustainability by reducing the impact of volatile financial markets on the Commission's financial position.

The following chart compares the actual asset mix of the investment fund, as of March 31, 2007, with the strategic long-term asset mix that is documented in policy. As of this date, all asset classes were within their target ranges as defined by policy.

WHSCC Asset Mix (as of March 31, 2007)		
	Actual Allocation	Target (Policy) Allocation
Universe Bonds	30%	31%
Long Bonds	2%	2%
Real Return Bonds	2%	2%
Canadian Equity	20%	20%
U.S. Equity	22%	23%
International (EAFE) Equity	18%	18%
Emerging Markets Equity	4%	4%
Cash	2%	0%

Investment Fund Performance

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

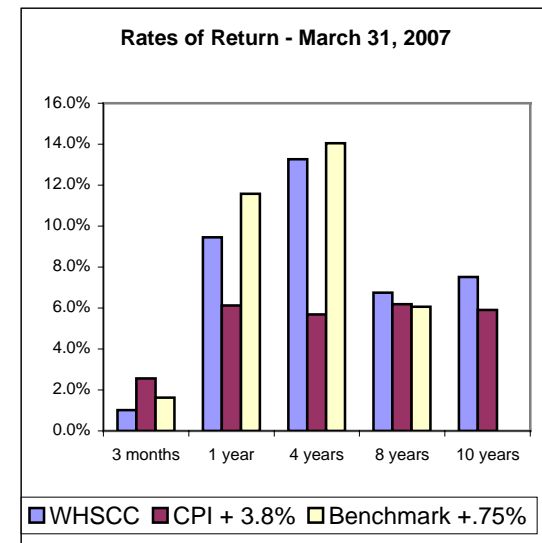
The first objective is to exceed the return of the Consumer Price Index (CPI) (representing inflation) by at least 3.8%, on a four-year moving average basis. The rationale behind this performance measure is that it is intended to show the impact of investment performance on the funded position of the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

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

The Commission's investment portfolio outperformed its performance objective of CPI + 3.8% for the four-year period ended March 31, 2007. The portfolio's annualized return for this period was 13.3% compared with the performance objective of 5.7%. The portfolio was slightly behind the CPI + 3.8% target for the quarter, returning 1.0% compared with the objective return of 1.1%.

The Commission's portfolio underperformed its benchmark objective this quarter as well, and was equal to the return of the benchmark portfolio on a four-year annualized basis. The WHSCC portfolio produced a quarterly return of 1.0%, compared to 2.6% for the benchmark. For the four years ended March 31, 2007, the Commission's portfolio returned 13.3%, on par with 13.3% for the benchmark.

The illustration below depicts the fund's rate of return over various time periods relative to the two objectives outlined in the Commission's policy: (1) CPI + 3.8%, and (2) the benchmark portfolio + 0.75%. Only eight years of data is available for the second objective (relating to the benchmark portfolio).



Efficiency Goal – Update of Other Activities and Programs in the First Quarter

Strategy 3: Ensuring the highest standard in governance

Internal Audits	<p>Audits completed or in progress during the first quarter included:</p> <ul style="list-style-type: none"> • T5007 – Statement of Benefits Paid; • Benefit Payments; and • Business Continuity Plan Review.
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Strategy 5: Balancing the system

Investigations and Payroll Audits	<p>In order to gather and/or verify claim-related information to assist in the determination of initial entitlement to compensation, 44 claims were investigated.</p> <p>The Commission also:</p> <ul style="list-style-type: none"> • Conducted investigations on active claims to determine ongoing entitlement to compensation; and • Assisted with employer payroll audits.
Fraud and Abuse	<p>The vacant senior investigator's position was filled in March.</p> <p>Educational forums related to the detection of fraud and abuse were presented to external investigators employed by the Commission.</p>

Staff Satisfaction Goal: First Quarter Highlights

- Policy No. 33-000 Human Resources was approved by the Board of Directors;
- 11 health and safety incidents were reported and investigated, resulting in seven claims filed and one claim accepted;
- Four hazards were identified and corrected;
- By the end of the first quarter, seven employees had exited the organization, of which two employees retired and five sought employment elsewhere; and
- Of the 428.6 budgeted positions, 19 remained vacant at the end of the first quarter.

Strategy 1: Leveraging best practices in prevention, compensation, and rehabilitation

As part of its health and safety program in the first quarter, the results of the 5*22 survey were published and discussed with management and members of the Joint Health and Safety Committee (JHSC). Additionally, the JHSC members held their annual meeting during the first quarter and developed a formal process and program of Safety Talks to be delivered by JHSC members.

The Commission's health and safety plan was implemented at the departmental level and in the first quarter, each

department developed their own health and safety action plan for 2007.

Strategy 3: Ensuring the highest standards in governance and administration

The Commission conducted its annual staff satisfaction survey in late 2006. The survey measures employee opinions on the corporate environment, job satisfaction, supervision, compensation, leadership, and communication. The majority (86%) of staff responded to the survey, with 91% of staff reporting that the Commission "is a good place to work".

At the end of 2006, 18% of Commission staff including 34% of executive, director, and manager level staff were 55 years of age or older and eligible to retire within five years without penalty. To plan for the loss of knowledge, skills, and experience that may occur when these workers retire, the Commission continues to provide education and training to employees who may assume these roles in the future.

In the first quarter, the average number of days absent per employee was 2.63 days. This is an increase since first quarter 2006 and higher than the previous four-year average of 1.81. Since 2006 the level of absenteeism has been significantly higher among bargaining

employees (4.12 days) than non-bargaining employees (1.99 days). The Commission will continue to monitor absenteeism to determine whether a trend is developing.

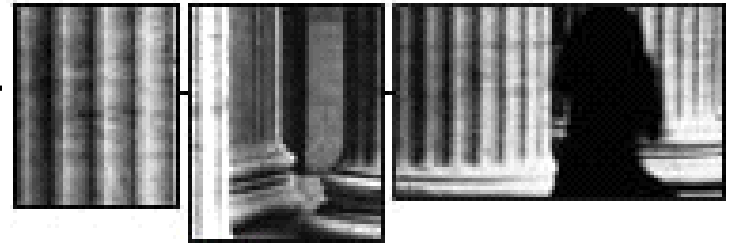
The Commission is committed to the wellness of its employees. Throughout the year, the Commission sponsors a number of wellness activities for its employees including information sessions, the distribution of educational materials, and organized fitness activities. In the first quarter of 2007, the Human Resources department launched *@live*, a web-based wellness tool to assist staff in their personal wellness assessment and activities. The tool will also be used to plan organizational wellness activities based on staff needs.

Staff Satisfaction Goal – Update of Other Activities and Programs in the First Quarter

Strategy 3: Ensuring the highest standards in governance and administration	
Staffing	In the first quarter twenty-nine competitions were posted, of which: <ul style="list-style-type: none"> • 18 were completed; • 23% resulted in promotions for staff; and • Seven were cancelled during the quarter.
Education and Training	Courses delivered included: <ul style="list-style-type: none"> • French language training; • Employee Orientation; • Insights Discovery; and • Collision Avoidance Program.
Labour and Compensation	Meetings were held with Local 1866 and their CUPE representative to resolve grievances related to staff selection through competition, job evaluation, and changes in duties in some positions.
Return to Work and Disability Management	The Commission assisted three employees in returning to work in the first quarter. As well, through the application of the disability management program, one employee was able to remain on the job.
Wellness Activities	Wellness activities conducted in the first quarter included weight loss challenge, aquacise classes, meal planning, skating, and healthy breakfast activities.

Volume Indicators and Key Financial Information

First Quarter Results



This section provides an update of claim volume indicators and admissions to the Workers' Rehabilitation Centre. Additionally, year-to-date key financial information is presented.

Volume Indicators

Corporate indicators monitor adjudication claim volumes and the management of work-related injuries. The volume may influence the efficient service delivery of claim-related services. Year-to-date numbers are reported for the five-year period ended 2007.

The Commission monitors the number of injured workers who receive service from the Workers' Rehabilitation Centre. Quarterly data for 2006 and 2007 is presented below.

Claim Volumes (YTD)	2003	2004	2005	2006	2007
Claims created	6,578	6,060	5,740	6,036	6,406
Newly accepted claims	2,905	2,749	2,733	2,742	2,861
Lost-time claims accepted	1,552	1,380	1,550	1,484	1,449
No lost-time claims accepted	1,353	1,368	1,183	1,258	1,412
Fatalities	0	1	0	0	0
Average active claims	1,929	1,892	1,798	1,882	1,715
Long-term disability claims (beginning of the year)	2,034	2,226	2,324	2,338	2,455
Long-term disability claims accepted	93	76	50	67	80
Long-term disability claims finalled	34	44	56	39	55
Days to first cheque ¹ :					
All claims	28.6	30.4	28.1	25.7	27.5
Manageable claims	16.4	17.2	15.3	14.0	15.8
Lost-time claims finalled	1,293	1,296	1,355	1,313	1,250
Average days paid to date – finalled claims	136.0	132.4	129.0	136.9	144.8
<p>1. Days to first cheque is a measure of the average number of days between the creation of the claim and the issue of the first cheque. Manageable claims excludes claims that:</p> <ul style="list-style-type: none"> • Are filed late (more than ten working days after the accident date when the Commission first received documentation of the claim); • Are accepted initially as a no lost-time claim; • Are accepted as part of an Appeals Tribunal decision; • Involve third-party action; and • Require special investigation, such as occupational disease, fatalities, and pre-existing conditions. 					

Workers' Rehabilitation Centre First Quarter		
	2006	2007
Admissions	398	383
Offsite appointments by WRC staff	101	105
Average number of clients admitted per day for programs and appointments	73	73
Discharges from the Work Recovery Program	124	126

Key Financial Information

The Statement of Operations details the Commission's income and expenses for the first three months of 2007 compared to the budgeted figures and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first three months of 2007 compared to the corresponding period for the previous year.

Assessment income for the three-month period ending March 31, 2007 was higher than budgeted by \$173,000. Investment income for the same three-month period was \$6,290,000 lower than budgeted.

Total expenses for the three months ending March 31, 2007 were less than budgeted by \$566,000. Claims costs were greater than budgeted by \$353,000. Administration and Appeals Tribunal costs were lower than budgeted by \$919,000 while legislative obligations¹ were on target. The above results yield a deficiency (loss) for the period of (\$2,930,000) compared to a budgeted excess of income of \$2,621,000.

These statements have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in the 2006 WHSCC Annual Report.

¹Legislative obligations consist of the following:

- Workers' advocates;
- Employers' advocates; and
- Safety association funding.

Unaudited Statement of Operations For the Three Months Ending March 31, 2007

	Budget YTD (000's)	Actual YTD (000's)	Previous YTD (000's)
Income			
Assessments including self-insured	\$45,058	\$45,101	\$42,977
Investments	14,746	8,456	35,043
Province of NB	225	225	225
	\$60,029	\$53,782	\$78,245
Expenses			
Claims costs incurred	48,204	48,556	45,500
Administration	7,739	6,905	6,499
Appeals Tribunal	370	285	249
Legislative obligations	295	295	295
	\$56,608	\$56,041	\$52,543
Excess of income over (expenses) for the period	\$3,421	(\$2,259)	\$25,702

Unaudited Statement of Cash Flows For the Three Months Ending March 31, 2007

	Actual YTD (000's)	Previous YTD (000's)
Cash flow from operating activities:		
Cash received from:		
Assessed employers	\$52,951	\$45,682
Self-insured employers	5,440	5,213
Interest and dividends	6,051	5,037
Province of New Brunswick	900	900
	65,342	56,832
Cash paid to:		
Injured workers or third parties on their behalf	31,569	30,872
Suppliers and employees, for administration and other services	8,684	8,187
	40,253	39,059
Net cash provided by operating activities	25,089	17,773
Cash flow from investing activities:		
Cash received from:		
Sale of investments	51,068	79,113
Cash paid for:		
Purchase of investments	53,072	81,897
Purchase of capital assets	278	314
	53,350	82,211
Net cash (used in) investing activities	(2,282)	(3,098)
Increase in cash during the year	22,807	14,675
Cash and short-term investments, beginning of period	24,198	21,784
Cash and short-term investments, end of period	\$47,005	\$36,459