



ANNUAL REPORT

2019





WorkSafeNB
Annual Report 2019

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OUR FOUNDING PRINCIPLES

In 1918, New Brunswick's workers' compensation system was established based upon principles developed five years earlier by Sir William Meredith, a former Chief Justice of Ontario.

The development of The Meredith Principles achieved a historic compromise in which employers fund the workers' compensation system and collectively share liability if, and when, workers are injured. In return, injured workers receive wage loss compensation and medical aid benefits while they recover from a workplace injury. In accepting the workers' compensation benefits, the injured workers cannot sue their employers.

The Meredith Principles became the basis for workers' compensation systems in Canada and remain so today.



THE MEREDITH PRINCIPLES ARE BASED ON:

1 NO-FAULT
COMPENSATION

2 SECURITY OF
BENEFITS

3 COLLECTIVE
LIABILITY

4 INDEPENDENT
ADMINISTRATION

5 EXCLUSIVE
JURISDICTION





WHO WE ARE

WorkSafeNB is a Crown corporation committed to promoting healthy and safe workplaces in New Brunswick. While our primary objective is to prevent workplace injuries and occupational disease, we provide comprehensive rehabilitation services and wage-loss compensation benefits when these do occur.

WorkSafeNB is the regulatory body responsible for ensuring compliance with *New Brunswick's Occupational Health and Safety Act*. We are also accountable to our stakeholders for fair administration of the *Workers' Compensation Act*, the *Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act* and the *Firefighters' Compensation Act*.



OUR VISION
Keeping people safe and healthy at work.



OUR MISSION
Collaborate with all stakeholders to design, build and manage an effective continuum of safety and care.



CORE VALUE
Our client is our priority.

OUR STRATEGIC PILLARS



DRIVE A SAFETY-FIRST CULTURE

Keeping New Brunswickers healthy and safe through leadership and prevention initiatives.



ACHIEVE EFFECTIVE RECOVERY

Effectively and efficiently tapping into all available health care resources when rehabilitation is necessary, so that injured workers can safely return to work as soon as possible.



PROTECT SYSTEM SUSTAINABILITY

Ensuring we provide services and benefits that are fair, accessible, transparent and fiscally responsible.



BUILD A WORKPLACE COMMITTED TO SUPERIOR SERVICE

Investing in our people, technology, and processes to improve the overall customer experience for both workers and employers.



WHO WE SERVE

15,121

OF REGISTERED EMPLOYERS

26,617

OF WORKPLACES

347,085

OF WORKERS

LARGEST THREE SECTORS



CONSTRUCTION



RETAIL TRADE



HEALTH CARE &
SOCIAL ASSISTANCE

*(DOES NOT INCLUDE SELF-INSURED)

EMPLOYER BY SIZE

LARGE

3%

APPROXIMATELY 55
EMPLOYEES OR MORE

MEDIUM

16%

APPROXIMATELY
12-55 EMPLOYEES

SMALL

81%

APPROXIMATELY
3-12 EMPLOYEES



BOARD OF DIRECTORS



HALEY FLARO
Vice-Chairperson



JAMES STANLEY
Saint John



DONNA MCNEILL
Fredericton

WorkSafeNB's board of directors, appointed by the Lieutenant-Governor in Council, is comprised of New Brunswickers who represent our stakeholders' interests. They are responsible for WorkSafeNB's stewardship and strategic direction. As a Crown corporation, the board is accountable to the Government of New Brunswick through the Minister of Post-Secondary Education, Training and Labour.



DOUGLAS JONES
President and Chief Executive Officer



GAËTAN GUÉRETTE
Edmundston



TINA SOUCY
Dieppe

Our board consists of a chairperson, a vice-chairperson, neither of which are representative of either workers or employers, four members representing workers and four members representing employers. Once appointed, members must act in the best interest of WorkSafeNB at all times, regardless of the stakeholder they represent. The president and CEO is an ex-officio non-voting member of the board of directors.



HECTOR LOSIER
Fredericton



JULIE MARR
Quispamsis



MIKE MACMULLIN
Saint John



LUCIEN SONIER
Caraquet



MEL NORTON
Chairperson

Mel Norton was appointed as chairperson of the board of directors, effective April 11, 2019 for a five-year term.

Mel is a partner in the Lawson Creamer law firm in Saint John, where he specializes in labour and employment law. He has served as both city councillor (2010-2012) and mayor of Saint John (2012-2016).

In addition to his city council experience, Mel has also served on the board of the Saint John Theatre Company and the Abbey St. Andrews Mixed Income Housing Project.

WorkSafeNB welcomes Mel's broad governance experience at such a pivotal time of change within the organization.



MOVING WITH MOMENTUM

A Q & A with WorkSafeNB's Chairperson, Mel Norton

In April, Mel Norton was appointed to a five-year term as chairperson of the board of directors. With one year under his belt, Mel reflects on the opportunities and challenges WorkSafeNB faced in 2019 and the focus for 2020.

What inspired you to join WorkSafeNB's board of directors?

I've always been interested in serving – whether it's clients in need of legal services, helping new lawyers prepare for their bar exams, or serving my community. As a former councillor and mayor of the City of Saint John, I was elected to serve the citizens of that municipality. In my appointment as chair of WorkSafeNB's board of directors, I felt proud and privileged to be able to serve once again – although to a much larger community because, in one way or another, directly or indirectly, WorkSafeNB serves all New Brunswickers.

What do you believe was our board of directors' greatest success in 2019?

I joined WorkSafeNB's board of directors with great pride and privilege, but I knew it was a difficult time for the organization. The assessment rates paid by employers had been on the rise for several years, the recovery and rehabilitation time for injured workers was increasing, and there were

external reviews of WorkSafeNB that had been recently completed.

Rather than viewing this environment as a challenge, I saw joining the board as an opportunity to transform the organization to better serve our stakeholders. In 2019, we leveraged the recommendations from the reviews and diligently pursued legislative amendments required to build the WorkSafeNB of the future. These efforts are already paying off – the average employer assessment rate for 2020 dropped by nearly 10%, a critical benefit for injured workers, the elimination of the three-day waiting period was enacted, and we returned to a fully-funded position.

What lies ahead in 2020?

2019 was indeed an important year for WorkSafeNB and in 2020 we will build on that momentum. Despite WorkSafeNB's recent successes, the board of directors must continue to anticipate the changes and challenges the future will bring to maintain, and further improve, what we've worked hard to build. Powered by our strategic plan, collaboration with our stakeholders, new legislation, and thoughtful recommendations from external reviews, we'll continue our efforts toward reducing workplace injury and disease, achieving financial sustainability for our workers' compensation system, and building a workplace committed to superior service.



Modernizing WorkSafeNB's processes and technology will be a key focus. Over the next three years, we'll be making significant and needed investments to transform processes, systems, and our service delivery model to meet changing business realities. For example, our claims management system is more than 25 years old and, while it has served us well for many years, investing in a new system will mean a more efficient and modern WorkSafeNB. This business transformation is a long-term journey, but in 2020 we will begin preparing and maturing the organization to take the first step.

Good governance is fundamental to the organization's success and this board is committed to building a culture of continuous improvement in all our governance practices. This focus will ensure a solid foundation for decision-making and oversight at the board level, enabling the organization to meet its current goals and be better positioned to facilitate a successful transformation of the organization over the next three years.

Any final comments?

I would like to thank all employers, workers, WorkSafeNB staff, my fellow board members, and the Government of New Brunswick for their commitment to improving workplace health and safety and building a workers' compensation



MEL NORTON
Chairperson

system that meets the needs of employers and workers. All workplace partners play a critical role in our success and I am looking forward to continuing the journey together.

A handwritten signature in black ink, appearing to read 'Mel Norton'.

Mel Norton





Message from the president and CEO

WorkSafeNB started 2019 on a high note as the government, with the broad support of all parties, passed an important piece of legislation on December 20, 2018. This legislation introduced a long-overdue benefit for injured workers with the gradual elimination of the unpaid three-day wait. It also resolved two key issues that had been driving workers' compensation claims costs significantly higher for the previous four years. It clarified that only our board held the authority for creating policies and that workers' compensation is only payable for injuries arising out of and in the course of employment. Concurrently, our board immediately announced that the average assessment rate for 2019 of \$2.92 per \$100 of payroll was being reduced to \$2.65.

During 2019, an additional three pieces of legislation were passed by the government, further addressing recommendations of the Task Force on WorkSafeNB, the recommendations of the Auditor General, and recommendations from WorkSafeNB following consultation with stakeholders. Of note, these bills focused on improving areas of governance, improving workplace health and safety by clarifying the duties of supervisors, and embedding the duty-to-accommodate requirement in the *Workers' Compensation Act*. Together, these legislative changes, combined with our Strategic Plan pillars, form the backbone upon which we build our future.

It's not by accident that our first strategic pillar is to "Drive a safety-first culture." In 2019, we created a team whose sole focus is to work with employers, employees and other stakeholders to raise awareness on the importance of safety leadership and safety culture. We observed a high level of interest in workplace safety by all stakeholders as we emphasized the duties and responsibilities of employers, supervisors and employees under the

Occupational Health and Safety Act. Therefore, I'm delighted to report that our 2019 lost-time injury frequency is at its lowest level of the past 10 years. We also recorded a 50% reduction in total fatalities to 14, as well as a sharp decrease in acute workplace fatalities, dropping to eight compared to 13 the previous year. But 14 workplace fatalities is 14 too many, regardless of the cause. Every one of them was preventable. A single year showing improvement does not represent a trend, and we are fully committed to driving improvements until we reach zero.

Our claims management and rehabilitation team experienced some of the most significant changes in 2019. This team had been working on a geographic basis for many years but was now operating by function. We designed this change to improve consistency in our processes and improve service levels for our clients. At the same time, we were on-boarding additional talent required on the executive team within Finance and Information Technology to start our transformation journey.

Before long, it became clear that we would have to make significant changes to our initial transformation plan. Our claims management and rehabilitation division, which required the most investment, was not able to move as quickly as initially planned on a new claims management system. Instead, we would have to invest in a new financial system first and then integrate a new claims management system. It also meant delaying the timing of some of the targets for improvements stemming from the recent Auditor General's recommendations.

Systems issues aside, we remained focused on process improvements and implementing the new legislation. By doing so, we achieved substantial improvement in several key areas. Once our



transformation investment is complete, we have a longer-term goal to provide easy 24-hour access to the information for our clients. In the meantime, when clients do call, we strive to provide full, accurate information during the first call. I was thrilled that our enquiries team took this on as a challenge this year and achieved a 72% first-call resolution rate, which is more than twice the level achieved in 2017.

Our focus on safe early return to work also resulted in improvement over the previous year. Compared to 2018, we saw 6% more workers return to work within 26 weeks and 2% more return to work after two years. A safe return to work is a healthy part of rehabilitation and, though we still have work to do, we are now in the “middle of the pack” when compared to other provinces.

One area where we failed to improve in 2019, and actually got worse, was in our time-to-first cheque. This is a critical metric as continuity of income is essential for all injured workers. These delays are unacceptable, and we are investing a great deal of effort in 2020 to rapidly turn this around.

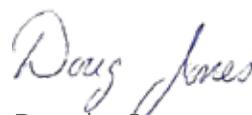
On the financial front, we saw the cost curve flatten and start to decline in the first six months of 2019. Though the amount of decline was nominal, the fact that three years of continuous cost increases were shifting to cost reductions was substantial. This shift allowed our board to announce an average 9.4% reduction in assessment rates for 2020. Through the balance of the year, we observed continued cost reductions and a strong stock market. Claims costs for assessed employers finished the year \$10 million lower than 2018, future liabilities fell by \$71 million, and investment income exceeded



DOUGLAS JONES
CEO

\$184 million. The year-over-year change in net income was \$580 million. In all, our funding level improved by 30%, ending the year at 105%. These positive trends will bode well for costs into 2020.

As I write this message, I am approaching the halfway point of my term as president and CEO. I'm very proud of my team and what they have accomplished so far, though we know that we still have much to do. We are a couple of months into the COVID-19 pandemic and most of the WorkSafeNB team has transitioned to working from home. What we initially thought would be a very challenging change, has instead brought forth opportunity and innovation. We think differently. We look at challenges differently. We consider better ways to serve our clients as they face similar challenges. I find myself now looking forward to the next two and a half years with even more optimism, thinking about how much more we can accomplish than we had planned. I can't wait for all of you to join me on the journey.


Douglas Jones

MINISTERIAL TASK FORCE AND AUDITOR GENERAL'S RECOMMENDATIONS

In 2018, three external reviews of WorkSafeNB were underway.

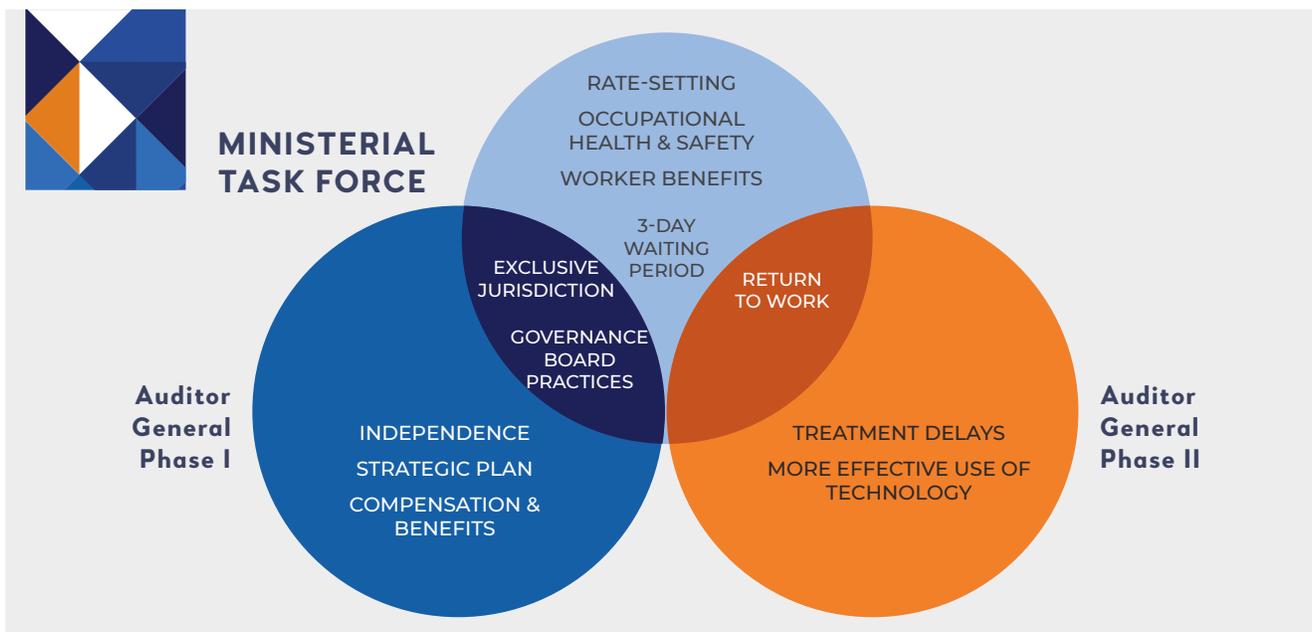
The results of these reviews will be integral in shaping the future of our organization and played a pivotal role in our 2019 priorities and results.

The first review was by a Task Force appointed in 2017 by the Minister of Post-Secondary Education Training and Labour (PETL) to examine New Brunswick's workers' compensation system, focusing on short-term solutions and long-term sustainability. The findings, released in the summer of 2018, were designed to improve workplace health and safety, strike the right balance among compensation for injured workers, the employers' financial interest and long-term sustainability of the system and addressed a number of areas, including rate-setting, benefits, rehabilitation, and improvements to the appeals process and return-to-work programs.

The other two reviews underway in 2018 were value-for-money audits by the Office of the Auditor General. The first audit (Phase I) focused on WorkSafeNB's governance model with recommendations presented in June 2018, while the second audit (Phase II) looked at our claims management and rehabilitation system and recommendations were shared in January 2019.

WorkSafeNB welcomed all three of these reviews as we believe their findings will help us become an even better organization. Having the benefit of external experts carefully analyzing your business with a fresh set of eyes is always a learning experience for any organization. We accepted all the recommendations made by the Ministerial Task Force and the Auditor General and have implemented, or are in the process of implementing, all of them.

These reviews led to important legislative amendments enacted in December 2018, June 2019, and December 2019. The changes to





legislation proved momentous for WorkSafeNB – returning policy decision-making to our board of directors; establishing the intent of the workers' compensation system to compensate for work-related injuries only; eliminating the three-day unpaid waiting period for injured workers; underlining the importance and requirements of workplace accommodation for a worker's recovery and rehabilitation; and several important amendments aimed to improve workplace health and safety.

These legislative amendments were one of several factors that helped move us from an unfunded position of 85.3% and a shortfall of \$272 million in 2018 to a funded position of 105.1% in 2019. Furthermore, the legislative amendments enacted in December 2018 led to an immediate, significant reduction in certain liabilities, resulting in a reduced assessment rate paid by employers for 2019 from the initial announcement of \$2.92 per \$100 of payroll to \$2.65.

While several of the recommendations relied on legislative amendments, others were addressed through board policy, and improvements to our internal processes and practices.

As an example, the aim of the first phase of the Auditor General's review was to determine if WorkSafeNB's governance framework was structured to enable us to meet our mandate, goals and objectives. Most of the governance recommendations did not require legislative change and have been implemented or are underway. We believe they will contribute to a highly competent and efficient board that will serve the best interests of our stakeholders through transparency and accountability.

Best practices applied or initiated in 2019 include:

- A board-approved three-year strategic plan, together with a scorecard, to track key performance indicators.
- Publishing compensation and expenses of all board members and the executive leadership team.
- Approving a skills matrix for the board and implementing self-evaluations to help guide board member recruitment and areas for professional development.
- Establishing a process for performance reviews for the board chair and the president and CEO.
- The board established four committees: Governance, Human Resources and Compensation, Finance and Investment, and Audit. Each of these committees has its own Terms of Reference, is chaired by a board member, and has a specific sub-set of directors as members.

To read more about the Auditor General's Phase I recommendations and our response visit <https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2018V1/Chap2e.pdf>

Phase II of the Auditor General's review examined our claims management practices, and while they found our practices to be reasonable, with many policies consistent with industry best practice, the audit provided WorkSafeNB with many concrete recommendations to improve the medical treatment and return to work outcomes for injured workers. Some of the proposed changes require a longer-term solution and a significant technological investment, though many have already been applied or are scheduled for implementation in 2020. In 2019, several



of the recommendations related to our management of claims include:

- Ensuring medical opinions are evidence-based and formally documented with a clear process to guide our adjudicators and case managers in gathering necessary information.
- Given the many physical and psychological benefits to work we established a process to continually re-examine long-term disability claims for the potential of a safe return to work.
- Implementing new treatment standards that require a plan to be developed within five days of the claim being assigned to a case manager.

While we are pleased to have already adopted most of the Auditor General's recommendations, we have had to adjust several of our original timelines.

Some recommendations require significant changes to our technology systems and processes, and we've modified our targets to ensure we implement the best, most efficient and effective solutions. To read more about the Auditor General's Phase II recommendations and our response visit <https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2018V1/Chap2e.pdf>

We fully commit to working with our stakeholders to continuously improve our workers' compensation system, and we thank the Ministerial Task Force and the office of the Auditor General for their careful consideration of our practices and services and their thoughtful and helpful recommendations that have led to improved operational results, improved benefits for injured workers and safer workplaces.





DRIVE A SAFETY-FIRST CULTURE

Keeping New Brunswickers healthy and safe through leadership and prevention initiatives

Our vision is “Keeping people safe and healthy at work.” It guides and supports everything we do. We’re fully committed to bringing every New Brunswick worker home safely to their loved ones at the end of each day.

For workers and their families, a safety-first culture means they can enjoy a continued high quality of life. While someone’s quality of life is subjective, it may include things such as ongoing participation in family, work, leisure and educational activities. For businesses, a safety-first culture promotes more than safety. It benefits worker confidence and retention, employee engagement, organizational behaviour and even productivity.

An organizational restructuring to enable WorkSafeNB to better serve our stakeholders today and into the future resulted in the

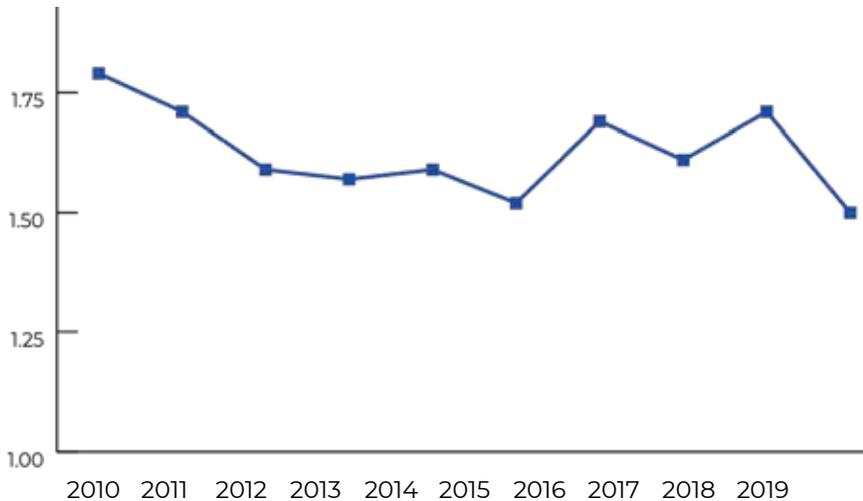
creation of an important new executive leader position – that of vice-president of prevention. Previously, the executive leader in that role was accountable for prevention, adjudication and rehabilitation services, but we recognized the importance of prevention as a singular focus and were pleased to appoint Tim Petersen to the position. In his first full year at the helm of the new division in 2019, Tim and his staff have contributed to a healthier and safer province.

This singular focus on prevention impels not only the vice-president, but every single employee in the prevention division. By concentrating exclusively on prevention, the team is better able to implement programs and processes dedicated to ensuring a safety-first culture, one committed to eliminating workplace injuries and occupational disease.

KEY STRATEGIC MEASURES

	2017	2018	2019	2019-2021 Target	
LOST-TIME INJURY FREQUENCY					
Assessed	1.4	1.4	1.3	↓	✓
Self-insured	3.3	3.7	3.0	↓	✓
All employers	1.6	1.7	1.5	↓	✓
HEALTH & SAFETY INDEX			Baseline year	↑	-
WORKPLACE FATALITIES					
	16	28	14	↓	✓

LOST-TIME INJURY FREQUENCY



*Lost-time frequency is based on the number of lost-time claims per 100 full-time equivalents (FTE). An FTE is equivalent to one employee working full-time.



A reduced injury frequency doesn't just happen. It takes the concerted efforts of and collaboration with all our stakeholders. And because injury frequency is one of the most concrete indicators of how safe our workplaces are, WorkSafeNB was pleased to see injury frequency decline in 2019 to 1.5, a more than 12.4% reduction from the frequency of 1.7 in 2018. This is the lowest frequency in 10 years and we thank New Brunswick's workers, employers, unions, government, and safety associations for their hard work in helping achieve this result.

This is the lowest frequency in 10 years and we thank New Brunswick's workers, employers, unions, government, and safety associations for their hard work in helping achieve this result.

While the accident frequency for self-insured employers, which consists mostly of government departments and agencies, continues to be higher than with assessed employers, WorkSafeNB was particularly pleased to see a

This reduction is largely due to a nearly 27% decrease in the health care and social assistance sector.

significant injury frequency reduction of 18% for this group of workplaces. This reduction is largely due to a nearly 27% decrease in the health care and social assistance sector.

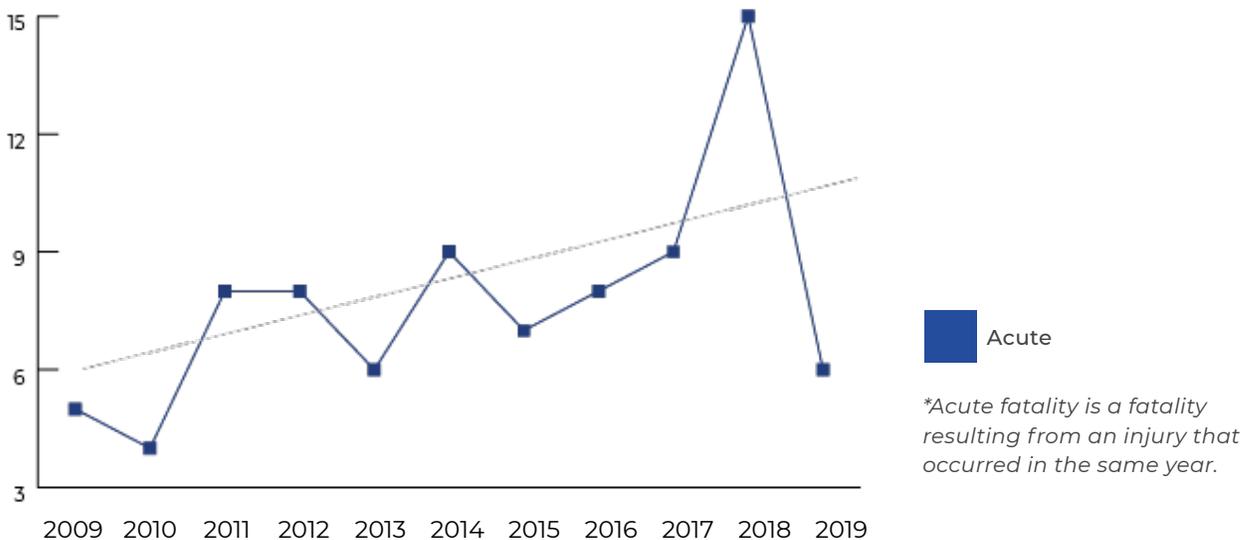
In 2018, in conjunction with the Province of New Brunswick, WorkSafeNB began providing supervisors in the self-insured sector with health and safety training. We provided training to 365 supervisors and in 2019 extended this training to include middle management, reaching an additional 316 government employees. We believe that this supervisory training was an important factor in helping decrease injury frequency in the self-insured sector. The necessity of this training was further reinforced through Bill 26, introduced in December 2019, which clarified a supervisor's duties and responsibilities under the *OHS Act*.

Among assessed employers, the construction and retail trades were especially successful in reducing their lost-time injuries – they were down by almost 29% and 13% respectively.

We thank New Brunswick's workforce for their efforts in helping reduce injury frequency

and we promise to build on the momentum provided by this reduction and work even harder with our province's workers and employers to continue to drive the frequency lower as we leverage the new legislation introduced in 2019.

FATALITIES



Acute Fatalities

It is hard to say that we are pleased with a decline from 13 acute fatalities in 2018 to eight in 2019. We could only be pleased when that number is 0.

Since 2009, an average of nine New Brunswickers died each year from avoidable acute injuries. This trend is discouraging and unacceptable. We do hope that the amended legislation highlighting the supervisor's role in keeping their workers healthy and safe, and the ability to administer penalties to employers that are non-compliant with OHS legislation will help reverse this trend.

We must all be single-minded in ensuring that every New Brunswick worker goes home safely at the end of each shift.

Occupational Disease

An occupational disease is caused by exposure to a workplace health hazard. Occupational diseases are usually gradual in onset and are frequently diagnosed many years after the initial exposure.

Occupational disease claimed the lives of six New Brunswickers in 2019, most related to asbestos exposure. This is a decline from 15 deaths in 2018.

While many measures have been put in place for several years and even decades to prevent occupational disease, we are still seeing many fatalities because of their long latency. We are currently working with government to update occupational hygiene legislation that we are hopeful will help prevent any new occurrences of occupational disease.

HEALTH AND SAFETY INDEX

To continue to drive a safety-first culture and achieve continuous improvement, we first need to understand exactly what needs to advance in the existing safety culture at New Brunswick's workplaces.

That is why we adopted the award-winning Workplace Safety and Insurance Board of Ontario's Health and Safety Index (HSI), a simple measure that combines multiple performance indicators of health and safety into a single, evidence-based measure. Rather than measuring health and safety in individual workplaces, the HSI tracks change in overall performance of the province's health and safety system in one measure - it's a simple, single measure. This measure, or score, will raise awareness and help WorkSafeNB and our province's workplaces focus their health and safety efforts and resources.

The HSI survey examines the areas of prevention, worker empowerment, enforcement, workplace safety awareness and culture, and, injuries. They are calculated using demographics of age, gender and region.



People feeling empowered at work and the lower number of severe injury claims had the largest positive impact on the index. The length of time it takes some people to get back to work and total overall number of injuries had a negative impact on most industry scores.

In 2019, we established a baseline to begin gathering these performance indicators. Beginning in 2020, we will assess performance against the baseline and report incremental positive or negative changes.

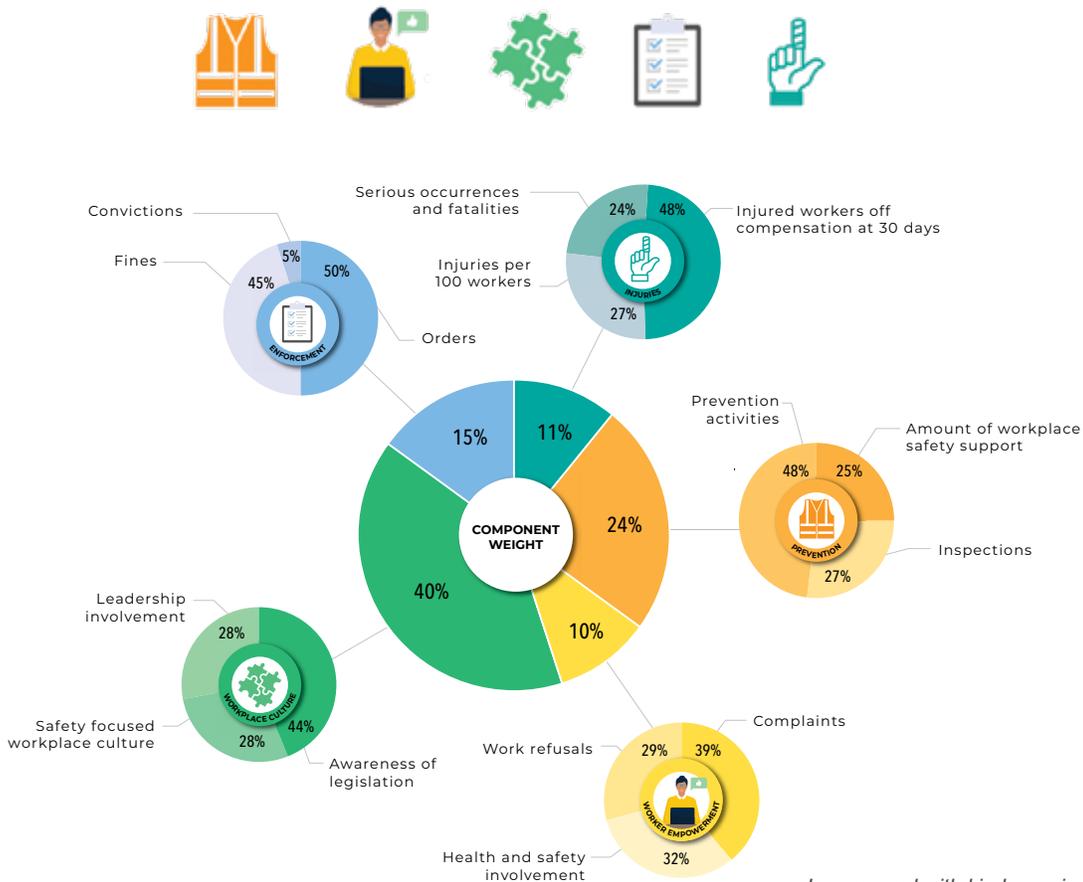


Image used with kind permission of Workplace Safety and Insurance Board (WSIB) of Ontario



SUPPORTING OUR KEY STRATEGIC MEASURES

IMPROVING SAFETY LEGISLATION

New and amended legislation in 2019

Amendments to the *Occupational Health and Safety (OHS) Act* made in 2019 provided the momentum for WorkSafeNB to continue to drive a safety-first culture and protect employees from a wider range of hazards. Several of these legislative changes were a direct result of the Task Force recommendations and underline the importance of leadership in creating a healthy and safe workplace.

A healthy and safe workplace must be a respectful one, and, on April 1, new legislation was enacted to ensure New Brunswick workplaces are free from violence and harassment. Under the amended legislation, all employers are required to develop and implement a written code of practice to prevent workplace harassment. All employers must also conduct a risk assessment to analyze the likelihood of violence in their workplace. Once the risk assessment is completed, several factors determine whether an employer must also develop and implement a written code of practice to prevent violence.

Harassment and violence of any kind are unacceptable and cannot be tolerated and WorkSafeNB is committed to ensuring that all New Brunswick workplaces are free from harassment and violence and

these new regulations are an important piece in accomplishing that goal. They are an extension of the health and safety measures all workplaces should embrace and we're pleased to see them come into effect.

WorkSafeNB undertook an extensive awareness and education campaign and developed several tools to help employers comply with the new legislation, including FAQs and a guide on developing codes of practices, with several templates and checklists.

Bill 27, enacted in June 2019, ensures that employers are provided with a copy of the *OHS Act* and its regulations when they register with WorkSafeNB. We hope this will in turn reinforce to employers their responsibilities of their employees' health and safety and provide for safer workplaces overall.

A legislative amendment, enacted in December through Bill 26, highlighted the vital role supervisors play in workplace health and safety. It defined the supervisor's role and responsibilities in keeping their teams safe, further propelling the safety-first culture in New Brunswick. Several resources were developed to help supervisors understand

their obligations and support them as they strive to keep their workplaces and staff safe.

Bill 26 also provided for flexibility in delivering joint health and safety committee (JHSC) training, allowing for external organizations and in-house company trainers to deliver the

training beginning in January 2020. Since there are many reputable and knowledgeable agencies that can deliver health and safety training, this will allow WorkSafeNB staff to focus our resources and services to work more directly with our province's workplaces, providing better value and more customized safety services and programs.



PROPOSED LEGISLATION

The commercial fisheries industry has long been a vital component of New Brunswick's social and economic fabric. But it is widely recognized as a high-risk sector. Since fishing vessels are not considered a "place of employment" in New Brunswick, WorkSafeNB has no authority to enforce health and safety compliance on fishing vessels. That is why in 2019 we consulted extensively with the industry on proposed amendments to the *OHS Act* that would include fishing vessels as places of employment and make it mandatory to wear personal flotation devices (PFD) or lifejackets on the vessels. We met with more than 15 unique stakeholder groups and held an online consultation survey from October 15 – December 31, 2019, with 87% of respondents agreeing that fishing vessels should be included as places of employment.

We launched a PFD awareness campaign and hosted well-attended "crew overboard" sessions in southwestern New Brunswick, with

more planned for the northern part of the province in 2020. A video of these sessions can be viewed on our website. These sessions use a professional diver to demonstrate various scenarios of a crew member falling overboard, and the appropriate lifesaving tools and techniques to use for each situation. We also developed posters reminding viewers to wear their PFDs, displayed on arena boards and rink surfaces in fishing communities across the province.

We also consulted with stakeholders on legislative changes that would provide our health and safety officers the authority to levy administrative penalties for repeated non-compliance with the *OHS Act*. WorkSafeNB will be recommending these changes in 2020. We appreciate the broad support from employers and labour for this proposed legislation that will help achieve safer workplaces.



SAVE A LIFE – YOURS. WEAR A PFD. worksafenb.ca



DO YOU AGREE THAT
FISHING VESSELS SHOULD
BE CONSIDERED A PLACE OF
EMPLOYMENT IN NEW BRUNSWICK?

87%

of respondents were
in favour of this
recommendation

"Fishing vessels provide employment for thousands of New Brunswickers and it is difficult to consider it anything but a place of employment."

– survey respondent

SAFETY LEADERSHIP THROUGH EDUCATION

Education is key to driving a safety-first culture. And we believe it's never too early to start educating New Brunswickers about health and safety. In 2019 we hosted the always popular Safety Days for students from Grades 4-6, in Petitcodiac, Bouctouche, Florenceville and Saint John. More than 1,600 children enthusiastically engaged in several topics such as fire safety, chemical safety, bicycle safety, disability awareness, and personal protective equipment (PPE).

Another crucial educational tool is our annual health and safety conference. More than 600 delegates attended the 2019 conference in Fredericton in October. Workshops addressed topics such as the new violence and harassment legislation, safety leadership, best practices on early and safe return to work, mental health and resilience, as well as industry-specific topics such as hand-arm vibration and silica dust. The speakers were outstanding, and the degree of positive feedback we received was astonishing.

COMPLIANCE

As a regulator, WorkSafeNB ensures compliance with the *OHS Act* through workplace inspections by our health and safety officers. A separate team of accident investigators respond to severe accidents. During 2019, they conducted 578 investigations, 35 which were serious incidents such as fatalities, fractures and any injury requiring hospital admission as an in-patient. The most severe *Occupational Health and Safety Act* violations often lead to prosecutions under the Act. Throughout 2019, the courts finalized 12 proceedings on various charges, with fines totalling \$273,330. We have seen the maximum penalties imposed steadily increasing in recent years as the view on health and safety violations is becoming more unacceptable.

Changes to legislation in December 2019 extended the timeframe to complete

Unfortunately, restrictions related to COVID-19 will prevent us from holding a Health and Safety Conference in 2020, but that does give us more time to plan for another great event in 2021.

2019 HIGHLIGHT



We presented 29 health and safety sessions at our 2019 Annual Health and Safety Conference in Fredericton.

the investigation of any safety incident. WorkSafeNB may now lay charges up to two years from the time that we learn of the event. This will allow sufficient time for WorkSafeNB to complete the investigations, which are generally becoming more complicated. Details on occupational health and safety prosecutions are published on our website under Court Cases within the Policy and Legal tab.

While compliance is a necessary tool, our first steps are always focused on awareness and education. We are pleased with the level of co-operation we've received from employers, employees and other stakeholders. While we still have much work to do, there has been steady progress in driving toward a safety-first culture at New Brunswick workplaces.



2019 HIGHLIGHTS



Every year, thousands of Atlantic Canadians suffer injuries that could have been prevented. Of those injured, more than 15,000 require hospitalization, while some 890 die. In fact, preventable injuries are the number one cause of death to Canadians aged one to 34. WorkSafeNB partnered with our Atlantic Canadian counterparts to support the Preventable television advertising campaign. We know that driving a safety-first culture means ingraining safety as a habit in everything we do – and that carries beyond the workplace.



Engaging Olympic gold medallist, adventurer and executive coach, Adam Kreek, shared his lessons of leadership learned through Olympic sport, adventure and entrepreneurship in an opening keynote at our 2019 Health and Safety Conference.



Amanda Lindhout recounted her very emotional story of survival and optimal mindset in her bestselling book *A House in the Sky*. As the closing keynote speaker at our 2019 Health and Safety Conference, Lindhout inspired participants with her unforgettable account of the 460 days held as a hostage in Somalia, surviving on strategy, fortitude and hope in the face of unimaginable adversity. She also spoke of the subsequent challenge of living with post traumatic stress disorder and how to strengthen resilience through coping strategies.

EMPLOYER PROFILE

A GATEWAY TO SAFETY

Northern Group of Companies

The Northern Group of Companies knows how critical leadership is to instill a workplace safety culture. With investment and a focus on safety, their leadership has inspired an exemplary safety culture, a source of pride for both the owners and staff.

While the family-owned contracting business, based in Grand Falls, may be considered a medium-sized player in the road building industry, its safety program is on par with some of the best national or multinational safety programs. The company was recognized by the New Brunswick Construction Safety Association (NBCSA) for Best Practice Award in 2017 and the Leadership in Health and Safety Award in 2018, Most Improved Safety Program from Nova Scotia Road Builders in 2018 and received a Safety Star Award from WorkSafeNB in 2019.

So, what's behind the accolades?

"A big part of our success involves all workers in the safety process, from front-line workers being involved in creating new safe work practices to their participation in our workplace safety videos," said Daniel Belanger, owner of the Northern Group of Companies. "And all employees share in any awards Northern Group receives. Northern Group recognizes that making our workplace healthier and safer is a team effort.

"At Northern Group, we view safety not as a task but as a gateway in which all tasks are performed," Belanger said. "We've made safety



a value, not a priority – priorities change – and by making it a core value, we cemented it as a belief. Everyone – top to bottom, bottom to top – understands their responsibility for their own health and safety and that of their co-workers. They know it's not just the responsibility of 'the safety guy'."

But that wasn't always the approach. It took a tragic incident in 2009 to force the company to become pro-active in health and safety and to bring it to where it is today.

"We learned from that. And it brought us to the realization that the safety culture would only change when behaviours changed."

This change began with them producing a "lessons learned" video based on that incident and presenting it more than 60 times at various safety conventions and workshops, and



with several organizations and companies. “By sharing our experience of why this happened, and what was wrong with our safety program at the time, we hoped to help others avoid those pitfalls,” said Blair Clancy, former health and safety manager at NGC.

And now others are looking to learn from their safety program, one that sets a very high bar.

“We believe the people using the tools should develop the safety programs. That is the best way to get buy-in. You will get better engagement if you draw on the expertise of your people,” Clancy said.

The company is producing safety instructional videos for most of its tasks and operations.

“Our front-line staff, in conjunction with our health and safety department, script and narrate the videos to reflect the actual processes and procedures needed to perform different tasks safely.

“These training videos are a valuable tool in mentoring employees when starting a new task or returning to one that is performed infrequently,” he said. One unique video called upon employees’ children to star as the talent.

“This was a great way to reach out to families and remind our teams what safety is all about: going home safely at the end of the day, every day.”

With a strong safety program in place, however, the company is committed to avoiding complacency.

“Just as health and safety is constantly changing, so are we. We continue to transform and improve. We don’t want our program to get stagnant; we believe in the saying ‘change before you have to.’”

Looking to the future and understanding that new generations entering the workforce may prefer a different way of learning, the company is currently looking at converting their videos into microlearning modules.





“These learning modules are five-minute how-to segments. An example is how to do a walk around on a skid steer. It’s there, there is no fluff. That is the way the future is going as far as learning. We’re trying to get ahead of the game.”

“Just as health and safety is constantly changing, so are we. We continue to transform and improve. We don’t want our program to get stagnant; we believe in the saying ‘change before you have to.’”

The company’s commitment to safety is also evident in their significant investment in a training facility. They also support the training of all their front-line supervisors to become safety certified through the NBCSA. In fact, their supervisor training program is getting inquiries across the country.

Other components of their safety program include weekly safety meetings on topics such as grass mowing, Christmas safety and vacation safety, and a company policy that requires any meeting of four or more employees begin with a safety share. Safety shares address activities such as hunting, ice fishing, and storing dangerous goods at home.

Besides having an exemplary safety program in place, Clancy believes leadership is the key to the company’s recognition as a leader in workplace health and safety.

“Our owners live here in Grand Falls. We are all neighbours and friends. They have a genuine desire to keep people safe,” he said.

“By demonstrating and communicating the importance of safety with friends, neighbours and family, the Northern Group of Companies’ safety culture extends beyond its job sites, shops and offices and out into the communities that we work in.”



ACHIEVE EFFECTIVE RECOVERY

Effectively and efficiently tapping into all available health care resources when rehabilitation is necessary, so that injured workers can safely return to work as soon as possible.

While our goal is to prevent workplace injuries from occurring, when they do occur we are there to help the worker recover from their injury and assist in a safe return to work as early as possible. Effective return-to-work

(RTW) practices and appropriate and timely medical care are fundamental to getting workers back to the job safely after an illness or injury.

KEY STRATEGIC MEASURES

	2017	2018	2019	2019-2021 Target	
CLAIM DURATION					
Average days for closed claims	86	98	114	↓	X
Average days for open claims	234	247	269	↓	X
% of workers returned to work within 26 weeks	N/A	73%	79%	↑	✓
% of workers returned to work within 2 years	95%	94%	96%	↑	✓
TIMELINESS					
Average days from workplace injury to claim registration	13	13.2	12.8	↓	✓
Average days from claim registration to first payment	26	28	39	↓	X

CLAIM DURATION

WorkSafeNB is committed to helping New Brunswickers recover from a workplace injury so that they can return not only to their job, but also to the things that they love to do most as quickly as possible. Being off work for extended periods of time, as we have seen with our longer lost-time claims, is not good for the worker, their family, employer or the province's economy.

Making safe, sustainable work arrangements for recovering workers takes teamwork. Workers, employers, and health care providers all have important contributions to make and are critical partners as we strive to improve duration measures.



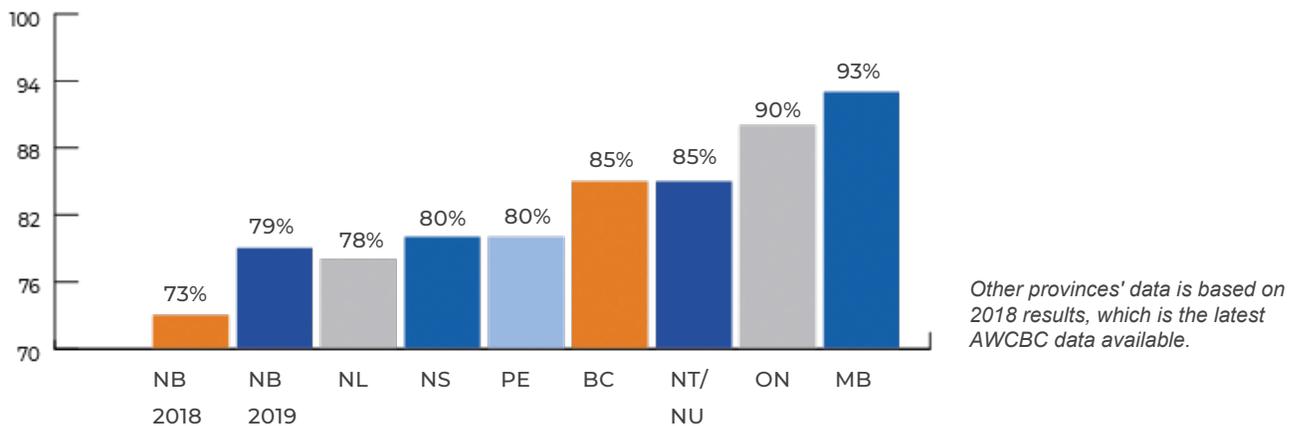
The average duration of lost-time claims has increased in recent years. Legislative changes in 2015 resulted in unintended consequences whereby some workers with health conditions unrelated to a workplace injury continued to receive workers' compensation benefits. Following legislative changes to mitigate this issue in December 2018 as well as new duty-to-accommodate legislation in 2019, we have seen improvement and we can expect to see more in claim duration over the coming years.

Traumatic psychological injuries as a result of a workplace accident and workplace injuries that require the worker to be retrained in a

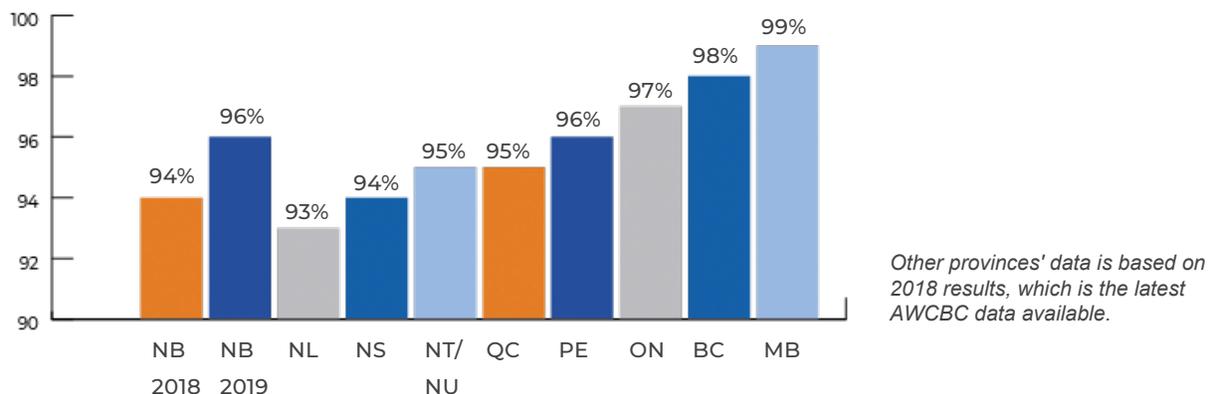
new career are particularly challenging and are significant contributors to the average duration of open claims.

Getting New Brunswickers back to work is an important part of recovery. But achieving return to work success with our long-term clients will inevitably increase the average duration of closed claims. This is due to lengthy claims now being included in this average. And while this increase seems contrary to our objective, our return to work efforts are trending in the right direction, as demonstrated in the following graphs.

PERCENTAGE OF WORKERS RETURNING TO WORK WITHIN 26 WEEKS



PERCENTAGE OF WORKERS RETURNING TO WORK WITHIN TWO YEARS





In addition to the average number of days for open and closed claims, WorkSafeNB measures the percentage of workers back on the job at 26 weeks and again at two years. We benchmark our results against ourselves, as we are committed to continuous improvement,

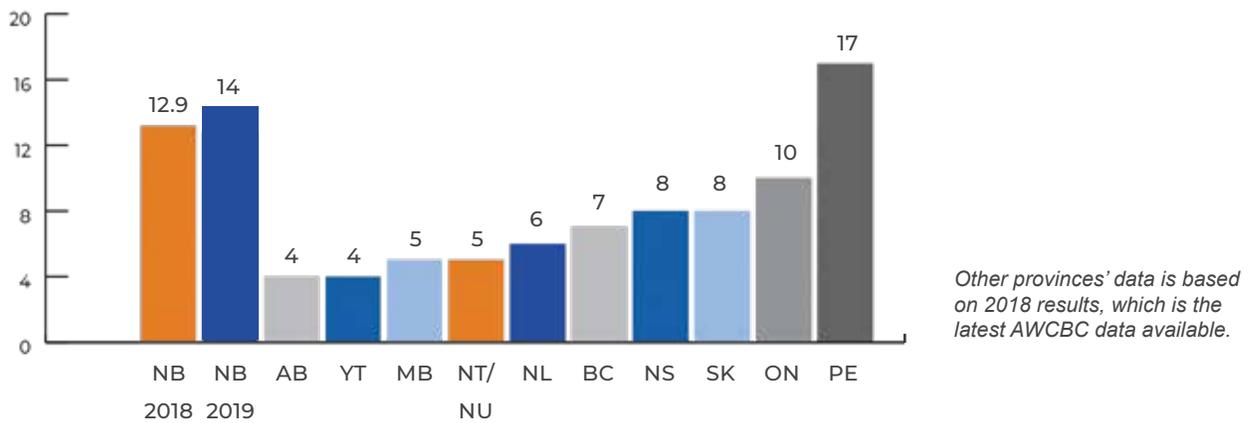
and also against other jurisdictions. Today, we compare favourably to our counterparts across the country and we are proud of the 6% increase in workers back to work at 26 weeks compared to last year and the 2% increase in workers returned at two years.

TIMELINESS

Being hurt at work is stressful enough – injured workers don't need the added anxiety of worrying over access to treatment and lost income. Quickly adjudicating claims and providing injured workers with the required

medical aid along with their wage-loss benefits is important to help alleviate worry and allow them to better focus on their recovery.

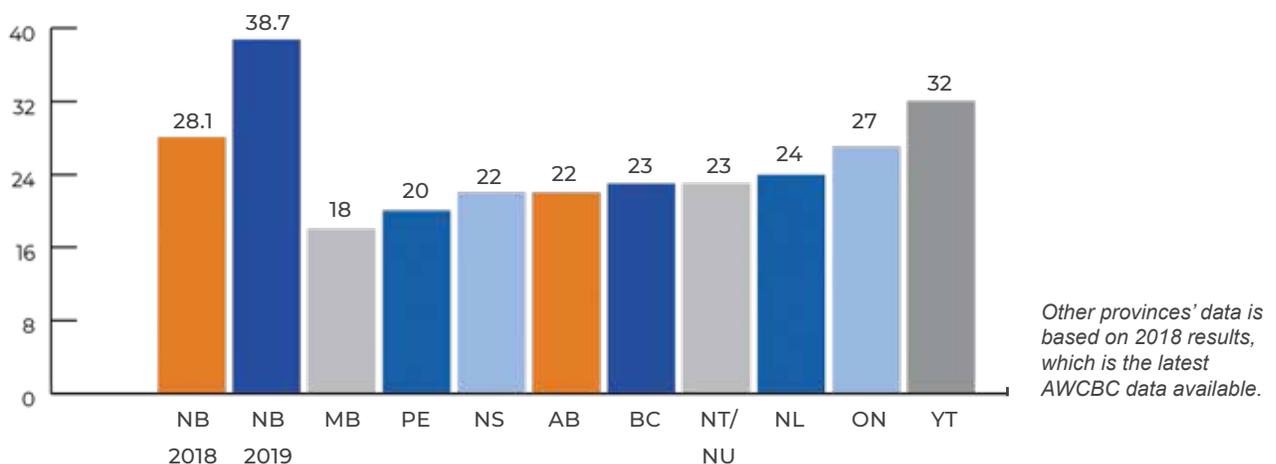
AVERAGE DAYS FROM WORKPLACE INJURY TO CLAIM REGISTRATION



Fast access to treatment and rehabilitation is a priority to ensure recovery. Getting injured workers connected to the treatment and supports they need requires employers, workers and the medical community to notify us and provide necessary information as quickly as possible. WorkSafeNB's legislation requires notification of accidents within three business

days. In late 2019 legislation passed that allows us to issue administrative penalties to employers who are not compliant in reporting. This new tool, along with implementing the Auditor General's recommendation to separate our accident reporting form - Form 67 - to allow employers and workers to report an accident independently will improve these results.

AVERAGE DAYS FROM CLAIM REGISTRATION TO FIRST PAYMENT



We are disappointed with the number of days it takes for our injured workers to receive payment once the claim is registered. We know how important payment is to workers and their families and our results are unacceptable.

At the time of writing this report, the root cause of the delay had been identified and process improvements are being implemented. We will do better.

SUPPORTING OUR KEY STRATEGIC MEASURES

NEW LEGISLATION TO FACILITATE RETURN TO WORK

Research over many years is conclusive – getting injured workers back to work as soon as safely possible is the best way to achieve effective recovery. It helps them stay active, renews a sense of purpose, is good for their physical and mental health, and provides financial stability. It also benefits employers, as they keep productivity loss to a minimum, keep a skilled and experienced worker, reduce the costs of recruiting new talent, and reduce claim costs that, in turn, can reduce assessment premiums. And, the workers' compensation system also benefits from a culture of return to work, or recovering while at work, following a workplace injury, as claim duration is a key cost driver of the system.

Throughout 2019, WorkSafeNB built on the momentum provided by this research and the Auditor General's recommendations to focus on helping workplaces understand the importance of return to work programs. Bill 27 requires employers to:

- Keep in touch with injured workers throughout the recovery process to show they are valued and connected to the workplace.



- Offer meaningful and productive modified duties or other suitable work that is safe and within their capabilities.
- Ensure supervisors and co-workers support injured workers during recovery.
- Communicate and collaborate with all return-to-work partners.

While most New Brunswick employers already supported their employees in these critical areas, this legislative amendment solidified and highlighted the importance of workplace accommodation.



WORKING TO WELL – A RETURN TO WORK TOOLKIT FOR SMALL BUSINESSES

New Brunswick is made up largely of small to medium-sized employers. In fact, 81% of our province’s employers have approximately 12 or fewer employees. For such employers, workplace injuries and illnesses happen few and far between. While this is good news, most employers do not have the tools and resources in place to act quickly when an injury happens.

That is why in 2019 we launched An *Employer’s Guide to Return to Work and Disability Prevention* to help employers manoeuvre the return-to-work (RTW) process. This guide helps you develop a workplace that supports work as part of injury and illness recovery – before a workplace injury happens.





NEW MEDICAL FORM FOCUSED ON FUNCTIONAL ABILITIES

As part of our ongoing commitment to effective recovery, we introduced a new medical reporting process that will further help employers develop early and safe return-to-work (RTW) plans.

After research and discussion with the New Brunswick and Canadian medical communities and other compensation boards across the country, WorkSafeNB has created a new and improved medical form. Medical Form 8-10 encourages stay-at-work and early-and-

safe-return-to-work for workers. Medical Form 8-10 has some key improvements:

- Physicians will share more information on workers' capabilities.
- A new functional assessment section will help employers better accommodate employees.

Employers will have a thorough understanding of a worker's abilities and limitations so supervisors can better support workers with safe and productive duties.

SPECIALIZED TEAMS FOR COMPLEX CLAIMS

By their nature, complex claims such as traumatic psychological injuries (TPI) last longer and contribute to longer duration. The management of these claims is a growing challenge and a significant barrier to return to work. We recognized a need to improve how we support these workers toward a positive outcome and explored best practices to more effectively manage claims where psychosocial barriers exist.

We also launched a new team dedicated to traumatic psychological injuries. The TPI team aims to ensure quicker adjudication for these claims that were among the longest; that claim-related decisions are consistent with current legislation; and, identifies opportunities for workers with a workplace psychological injury to safely return to work by focusing on the functional abilities.



A WILLING WORKER AN ACCOMMODATING EMPLOYER = EFFECTIVE RECOVERY

For some people, the hardest part of being injured in the workplace isn't the rehabilitation or the pain of an injury – it's being off work.

Just ask Blaine Denton.

In June 2019, the property supervisor and handyman was renovating an apartment unit in Saint John when he tripped and fell while carrying a box.

"I knew I was hurt pretty bad when I unlaced my work boot and it swelled up two to three times its normal size," Denton said.

Denton went to the emergency room that evening where he was X-rayed and diagnosed with a severe ankle sprain.

"It was actually worse than we first thought," he said. "The hospital called me about a week later to tell me there was a chipped bone on top of everything else, so I knew I'd be laid up for a while."

A surgeon assessed Denton and fortunately he didn't require surgery. However, because of the physical nature of his job, the doctor's orders were to take it slow and remain off work until September 9.

That is how Denton got involved with WorkSafeNB. After his claim was accepted, he was assigned to senior case manager Judy Farquharson in July. "The idea of spending the summer in a walking cast didn't sit well with Blaine," she recalled. "I could tell he wanted to

get back to work as soon as possible, based on the proactive role he played in his own return-to-work plan."

After an initial assessment, Denton soon found himself under the care and guidance of a physiotherapist who worked with him over the summer to prepare for his return to work in the fall.

"WorkSafeNB sent me to see a physiotherapist. The first few days were one-on-one and then moved on to work hardening, carrying stuff, lifting baskets and buckets."

Denton's progress with physiotherapy, combined with his attitude and the fact he maintained communications with his employer throughout the process meant he was fully prepared to gradually return to work in September, starting with half-days.

Because he was so easy to work with and there were no identified barriers with his claim, Farquharson didn't feel the need for an occupational therapist to help with the plan, as would typically happen.

"Blaine knew his work well enough that we could identify what he could and couldn't do and his physiotherapist was willing to recommend progression of his hours and duties based on her assessment," she said.

Jonathan Wilkins, president of Peace of Mind Management (Denton's employer), said the company was more than happy to accommodate Denton. "We manage more than 500 units and are one of the largest



Jonathan Wilkins, president, left, and Blaine Denton, right, of Peace of Mind Management.

property management companies in the region but have a relatively small team. Losing an experienced guy like Blaine for any length of time is challenging, not just because of his skills and experience, but because of what a great team member he is.”

Joking that he knows the buildings inside and out better than anyone else, Wilkins and his team were happy to have him back, in whatever capacity.

“Maintenance can be hard work – lots of climbing stairs and ladders, lots of lifting and moving. We didn’t want to push him too hard, so with the input of his physiotherapist and WorkSafeNB, we gave him lighter duties, such as making deliveries.”

WorkSafeNB agreed to top-up his wages based on his return to work, where his employer paid for hours worked and WorkSafeNB pays the balance, something Denton was grateful for.

After months of reintegrating into the workplace and gradually increasing his hours, the day finally came when the surgeon gave him the all-clear to return full-time on January 3, 2020. Today, other than some lingering pain Denton attributes more to “getting old” than to his injury, he is very happy to be back with his co-workers and keeping busy.

“The hardest part was the boredom, to be honest. I really appreciated my colleagues calling me to see how I was doing and that my employer was willing to let me try some new tasks I hadn’t done before.”

For others who might find themselves in a similar situation, Denton’s advice is simple. “Embrace the help you’re offered, stay connected with your workplace, and do your best to keep busy. Ya gotta move if you want it to heal, and the gradual return to work allowed me to do that.”





BUILD A WORKPLACE COMMITTED TO SUPERIOR SERVICE

At WorkSafeNB, we are committed to investing in technology, processes and our people to improve the overall experience for New Brunswick’s workers, employers, and our staff. Our goal is to create a highly engaged team who are committed to service excellence,

clients who are pleased to do business with us because of the high value they receive, and a thriving organization that continually focuses on optimizing our service offerings, developing employee engagement, and achieving exceptional standards every day.

KEY STRATEGIC MEASURES

	2017	2018	2019	2019-2021 Target	
CLIENT SATISFACTION INDEX					
Injured workers	N/A	72%	N/A	↑	-
Employers	N/A	74%	N/A	↑	-
EMPLOYEE ENGAGEMENT SCORE	48%	49%	44%	↑	X

Client Satisfaction Index

WorkSafeNB undertakes a client satisfaction survey every two years and is looking forward to completing the survey this year and reporting on the results in our 2020 Annual Report. A typical benchmark for client satisfaction is 80%, a goal we will strive to meet in 2020. We are committed to continuously improving the client experience by listening and providing value to our stakeholders by

helping them easily and seamlessly navigate our system. A focus on small business, improved return-to-work and stay-at-work outcomes, a division dedicated exclusively to prevention, standardized procedures and enhancements to our claims management processes are just some of the ways we will achieve this goal.

Employee Engagement Score

To build a workplace committed to superior service we know we must first ensure a workforce that is engaged, committed and feels valued. We cannot meet our clients’ needs if we have not first met our employees’ needs. To determine if we are indeed meeting our employees’ needs, we measure their engagement through an annual survey to

see what is working well and what we can do better. This year, we achieved an 89% response rate on our survey. This response rate is encouraging – our staff are telling us they want to be heard, and we are listening.

And while we were happy to see gains in scores related to co-worker and manager

relationships and our working environment, with an engagement score of 44% compared to a benchmark of

56% we know there is much room for improvement – improvement we are steadfastly committed to.

SUPPORTING OUR KEY STRATEGIC MEASURES

A NEW ORGANIZATIONAL STRUCTURE TO SUPPORT TRANSFORMATION AND SUPERIOR SERVICE

In 2019, WorkSafeNB changed our organizational structure to position ourselves to better serve our clients.

In the claims' management and rehabilitation division, our existing structure served us well for many years. Through our staff's hard work and dedication, we have helped countless New Brunswickers return to work after an injury, regain their sense of confidence and value, and access the financial support they need. However, in recent years, the number of claims we manage has grown significantly, the costs of claims increased, and injured workers' claims have become more complex and challenging. On top of this, our clients' expectations are evolving, and they anticipate better service than ever before. Clients know what great, multi-channel customer service looks like, and they expect and deserve it from WorkSafeNB. To meet these evolving needs, we significantly changed this divisional structure by shifting from a regional model to a shared services model. While we will continue to adjust our structure based on our client needs,

moving away from a regional model will enable our staff to act and react faster and more efficiently to clients concerns and expectations while improving consistency of decision-making and better accountability.

In our prevention division, we knew that our vision of a healthy and safe New Brunswick was enduring, but that organizational structure change was needed to help us better achieve this lofty vision. We recognized that our service delivery model didn't always get us where we needed to be, and it didn't always allow us to maximize value to our clients. As a result, we were missing opportunities to improve workplace health, safety and wellness and reverse the trend of increasing injury frequency and workplace fatalities. Similar to the claims division, the prevention team moved from a siloed, regional model to a shared services model that is proving to be successful in ensuring we are in the right workplaces at the right time with the right service speaking to the right staff.

BENEFIT IMPROVEMENT FOR INJURED WORKERS

In December 2018, legislative amendments eliminated the three-day unpaid waiting period for injured workers. More than 25 years ago, an unpaid waiting period was introduced whereby an employee who suffered a work-related injury was not eligible for compensation for the first three days of the claim. The new legislation repeals that provision in stages, with the initial elimination of one unpaid day becoming effective July 1, 2019 and the complete elimination of the unpaid waiting period by July 1, 2021. This benefit improvement will directly impact New Brunswick's most vulnerable injured workers who might not have access to sick leave benefits during this time frame.

Bill 27, enacted in December this year, amended the duty to accommodate language in the *Workers' Compensation Act* to reinforce the employer's obligation to return injured workers to work, unless the accommodation causes the employer undue hardship. This will help New Brunswick's injured workers as they recover because it has been proven again and again that work is good. Returning to work helps workers stay active and renews a sense of purpose. It also provides financial stability. Working is good for physical and mental health, and, in fact, it often helps speed healing.

FIRST CALL RESOLUTION

When it comes to customer support metrics, first-call resolution (FCR) stands out because it touches so many important aspects of the client experience—customer satisfaction, service efficiency, and operating costs. When achieved consistently, high FCR rates have a positive impact on each of these areas and deliver a handful of significant overall benefits.

The definition of FCR is quite simple: A customer calls with an issue, and an agent helps fix the issue on the first call. Hence, first-call resolution. As we continue to build a workplace committed to superior service, WorkSafeNB looked at how it could improve its client services through FCR. We analyzed data from 2017, which told

us that, at about a 35% rate, we needed to significantly improve. We set that as a baseline and focused FCR as a priority for 2019. We are proud of the progress our enquiries team has made and to report that at the end of 2019 the FCR rate had increased to 72%. While the best-in-class FCR rate is 82%, we are committed to not only reaching that goal but exceeding it. We've seen that this is not only a win for our clients, it is a win for our staff, who feel better satisfied in their job when they can better serve our clients.



IMPROVING SERVICE THROUGH THE DECISION REVIEW OFFICE

In response to a more than 400% increase in requests for decision reviews in the first part of 2019, the former Issues Resolution Office (IRO) was transformed into the Decision Review Office (DRO) to focus exclusively on reviewing claim-related decisions for those clients that disagree with WorkSafeNB's original decision. The result is a streamlining of the review process to reduce the time to render a decision.

The DRO continues to operate independently from WorkSafeNB's operations. Team

members are trained in administrative justice through the Foundation of Administrative Justice and are guided by impartiality. The change also ensures that WorkSafeNB will be prepared for legislation, enacted in January 2020 (Bill 27) that requires the DRO to be the first step in the appeals process. The client services specialist continues to respond to client concerns over service (see profile on Florence Flower on page 42, our client services specialist).

ONLINE HEALTH AND SAFETY E-COURSES

Our clients are asking WorkSafeNB to provide more online and digital options. In 2019, we were able to expand our online offerings with the launch of the following five free prevention e-courses to provide clients with flexibility to learn any time and anywhere there is internet connection.

- New Brunswick Health and Safety Legislation
- Hazard Identification, Assessment and Control
- Incident Reporting and Investigations
- Workplace Inspections
- Effective Joint Health and Safety Committees (JHSCs)

These e-courses proved popular, with more than 6,600 courses completed. This allowed New Brunswickers to avoid travel and associated costs with classroom sessions and provided time for our education consultants to work with our province's workplaces on additional value-added services.



These e-courses proved popular, with more than 6,600 people completing the courses.



IMPROVING THE CLIENT EXPERIENCE BY ENSURING THE RIGHT PERSON FOR THE RIGHT JOB

Meeting both our clients' and employees' needs means ensuring the right person is in the right job. It means identifying competencies and skills within our current workforce and determining whether these skills and competencies are best being used in an employee's current job or if they can be transferred to another role. It also means when we must recruit outside our organization, we recruit for our core competencies.

Adhering to this belief, in 2019 WorkSafeNB integrated Competency Based Management (CBM) into our recruiting and selection practices for all new employees. We now conduct behavioural competency interviews for all leadership roles and other roles, where competency profiles have been developed. We've built the core competencies of client-focus, adaptability, accountability, and teamwork into interviews for all candidates, and job postings reflect their value to the organization.



EMPLOYEE PROFILE

SERVICE WITH A SMILE

From our Client Service Specialist

WorkSafeNB'S ongoing transformation requires not only the evolution of our business processes and technology systems, but also a change in how we deliver service.

The client service specialist role created in March 2016 helps ensure service concerns are received, investigated, resolved and reported upon with utmost care and efficiency. This aligns with our fourth pillar: to build a workplace committed to superior service.

WorkSafeNB's client service specialist, Florence Flower, is the primary contact for injured workers, employers, representatives, elected officials or anyone else who has a service concern.

With six years of claims management experience – first in adjudication and then in WorkSafeNB's Decision Review Office, Florence has first-hand knowledge of workers' compensation and the challenges that can arise in the claims process.

This, along with her background in administrative justice – she has certificates in both tribunal administrative justice and ombudsperson training – and education in mediation, helps Florence deliver service that is fair, caring, compassionate and prompt. "I provide an independent view of the issues brought to my attention and identify potential opportunities," Florence said. "I'm a solution finder."

INFORMATION FIRST

Superior service starts with effective information gathering.

"I believe there are always three sides to a story, and I need complete information to best know how to help a client," Florence said. This often means making phone calls or sending emails to the clients, their representatives, any WorkSafeNB staff involved, health care providers and others.

When addressing concerns in long-standing claims, Florence says she will "dig deep."

"Finding the root cause means asking a lot of questions. This not only helps me, but clients. They have a chance to tell their story."

After careful review, Florence will then reconnect with clients and make a recommendation.

This usually comes with education – clarifying WorkSafeNB policies and procedures, as well as New Brunswick legislation as it relates to workers' compensation.

Hearing that their concern was taken seriously and investigated is what seems to resonate most with people, Florence said.

"What I often hear from clients or their representative is that they felt they were heard, received a prompt response and, although the outcome may not always be what they wished, they better understand how and why an action was taken."

CONTINUOUS IMPROVEMENT

All concerns and recommendations are logged and recorded, helping WorkSafeNB understand trends and opportunities for continuous improvement.

“We may look at ways to make decisions quicker, for example, review standards to determine appropriate response times, or develop coaching for staff to help them better communicate with clients and employers.”

Early in her role, for example, she identified that many clients said they didn't know what to expect when first becoming injured. WorkSafeNB quickly added more information to the initial acceptance letter.

As the client service specialist, Florence also builds relationships with MLAs, worker and employer representatives and others to help educate them on WorkSafeNB processes and policies.

Government officials find the one point of contact helpful. They receive information with ease.

Florence could help respond to a social media inquiry or be called in as the subject-matter expert on client service as part of WorkSafeNB's business transformation team, a group dedicated to long-term improvement.

It's this variety that keeps Florence engaged. “What I love about my work is the contact with people. The range of questions and concerns gives me the opportunity to gain knowledge from all parts of the organization. It keeps me thinking and on my toes.”



*Florence Flower
Client Service Specialist*

“Finding the root cause means asking a lot of questions. This not only helps me, but clients. They have a chance to tell their story.”

What Florence finds most satisfying though, is seeing positive outcomes, especially for long-standing issues. “I like knowing that I was able to help in some way and leave the client feeling that he or she was heard. And, in this role, I have the opportunity to do this every day to help propel change.”

PROTECT SYSTEM SUSTAINABILITY

Ensuring we provide services and benefits that are fair, accessible, transparent and fiscally responsible

As stewards of New Brunswick's workers' compensation system, WorkSafeNB is accountable to our stakeholders to ensure that workers have the funds and services needed to support them if they are injured at work. To guarantee those funds and services are always available, we collect assessments from employers, but we also must ensure they pay fair rates that enable them to keep contributing to our provincial economy. This

delicate balance must be maintained – without it there is no workers' compensation system.

To safeguard the system, WorkSafeNB continuously looks to find efficiencies and make improvements by reviewing our policies, internal practices, and governance framework, and working with government to pursue legislative changes required to ensure system sustainability.

KEY STRATEGIC MEASURES

	2017	2018	2019	2020	2019-2021 Target	
Funding position	103%	85.0%	105%	-	115-125%	✓
Return on investment	10.3%	-1.3%	14.01%	-	↑	✓
Average assessment rate	\$1.48	\$1.70	\$2.65	\$2.40	↓	✓

Under the *Workers' Compensation Act*, WorkSafeNB met its legislative funding target of 100%. WorkSafeNB, however, has set its own funding goal in policy of 115-125%, a measurement we did not meet, but made improvement toward, in 2019. It is important to note that the 2019 assessment rate is set in 2018 and based on the claiming trends and financial health of WorkSafeNB at that time.

The legislative amendments enacted in December 2018 and subsequent amendments in 2019 have positively impacted our operational results, and we believe will help us meet our targets of system sustainability in the coming years.

Setting our assessment rate requires striking the right balance between fair compensation benefits for injured workers, and fair assessment rates for employers. It means ensuring that the rates provide for current and future claims costs, as well as for the costs of administering the legislation.



Funding Position

	2015	2016	2017	2018	2019
	(\$ millions)				
Assets	\$1,366	\$1,374	\$1,430	\$1,358	\$1,602
Liabilities	\$1,079	\$1,203	\$1,392	\$1,592	\$1,525
Funding level	127%	114%	103%	85%	105%

*These numbers have been restated from previous years' reports to reflect assessed employers only.

New Brunswick's *Workers' Compensation Act* requires that sufficient funds be available in WorkSafeNB's Accident Fund to provide for future benefits for injured workers. The Act requires a minimum funding level of 100% to be maintained, with any shortfall recovered within 15 years.

Legislative changes, stronger employer payrolls than forecasted, fewer claims and costs than forecasted, strong financial markets and investment returns, and lower than budgeted administrative expenses helped us recover from a deficit in 2018 to a surplus in 2019, improving our funding position from 85% funded at the end of 2018 to 105% at December 31, 2019.

Investment Performance

WorkSafeNB's investment portfolio must be customized to reflect its purpose, time horizon, liquidity requirements, legal constraints, and its stakeholders' risk tolerance. The primary investment risk is that the investment fund's assets, together with the future income thereon, will be insufficient to pay the liabilities. WorkSafeNB collects assessments to cover

the entire present and future expected costs of injuries incurred each year. The assessments collected are invested to produce an expected long-term average real return of 3.75%. This real return is the expected return in excess of inflation, as measured by the increase in the CPI.

	2019	4-year average	8-year average	10-year average
WorkSafeNB Performance (real return after inflation)	11.76%	5.98%	7.22%	6.62%
Target (above CPI)	3.75%	3.75%	3.75%	3.75%

Continuing with the robust performance over the last decade, the Accident Fund has continued to perform strongly, and in 2019

returned 11.76% after inflation, or 14.01%. The Accident Fund continues to exceed the long-term objectives.

Average Rate Components

	2014	2015	2016	2017	2018	2019	2020
Provisional Rate (per \$100)							
Cost of Benefits for New Accidents	\$1.00	\$0.97	\$1.03	\$1.10	\$1.47	\$1.66	\$1.47
Occupational Health and Safety Costs	\$0.12	\$0.11	\$0.15	\$0.14	\$0.12	\$0.12	\$0.11
Workers' Compensation Appeals Tribunal & Worker / Employer Advocates	\$0.04	\$0.04	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
General Administration	\$0.29	\$0.43	\$0.31	\$0.37	\$0.29	\$0.37	\$0.36
Base Rate	\$1.45	\$1.55	\$1.54	\$1.66	\$1.93	\$2.18	\$1.97
Business Transformation	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.08	\$0.08
Funding Level Adjustment for prior years	-\$0.24	-\$0.44	-\$0.43	-\$0.18	-\$0.23	\$0.39	\$0.35
Announced rate	\$1.21	\$1.11	\$1.11	\$1.48	\$1.70	\$2.65	\$2.40
Year-End Funding Position of Accident Fund	143%	127%	114%	103%	85%	105%	-

In the fall of 2018, WorkSafeNB announced that the provisional average assessment rate for 2019 would be set at \$2.92, per \$100 of payroll. The high assessment rate was being driven by the increasing costs of workers' compensation claims, which had doubled from \$203 million in 2014, to, at the time, a projected \$400 million in 2018. During this period, future liabilities (the funds required to pay for all future claim costs) increased by \$626 million.

However, legislative amendments, announced in December 2018 in Bill 26, had an immediate impact on the rates that employers pay and the 2019 average assessment rate, announced as \$2.92 per \$100 of payroll, was immediately reduced to \$2.65. WorkSafeNB's actuaries

reviewed the impact of the new legislation and, in accordance with policy, determined that a \$94 million reduction in liabilities could be realized immediately, resulting in the new, lower rate for 2019.

In late 2019, with fewer injury claims and a declining cost in new claims, WorkSafeNB announced a 9.4% reduction in the 2020 provisional average assessment rate. The rate is set at \$2.40 per \$100 of payroll. The reduction in claim costs can largely be attributed to continued improvements from the legislative changes stemming from recommendations from the Auditor General and the Task Force on WorkSafeNB.

SUPPORTING OUR KEY STRATEGIC MEASURES

LONG-TERM FISCAL STRATEGY - Updating our Funding Goal

The legislation is clear that WorkSafeNB must maintain a 100% funded position. However, in recognition of the potential magnitude of the fluctuations in the market value of the fund, it is prudent to establish a funding goal in excess of the full funding of claim costs. As a result, for many years WorkSafeNB had set the funding goal at 110% of assets over liabilities. The extra 10% was meant to provide a cushion for stock market variations that cause investment fund fluctuations.

WorkSafeNB's funding policy was updated in October 2019, targeting a new

funding goal of between 115% and 125%, a recommendation put forward by the Task Force. When the funding level falls below 115%, a surcharge is included in the assessments levied upon employers to return to 115% funding level. The surcharge is the difference between cumulative financial results and the 115% funding level, amortized over a period not greater than 10 years. When the funding level exceeds 125%, a credit will be issued to employers. The credit is the difference between cumulative financial results and the 125% funding level, amortized over a period not greater than 10 years.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

In 2019, we also formed an enterprise risk management department to identify and mitigate those risks that may challenge our ability to achieve our business objectives. Reporting to the chief financial

officer, this department helps ensure adequate resources and expertise are available to support business continuity and business resumption planning.





ENSURING BEST PRACTICES IN GOVERNANCE

WorkSafeNB's board of directors is committed to demonstrating transparency, accountability and responsiveness to our stakeholders through disciplined governance practices as we serve the stakeholders of WorkSafeNB. In the spring of 2018, New Brunswick's Auditor General released the results of an audit focused on WorkSafeNB's governance model. We accepted all the audit recommendations

and began to implement them immediately. Some were fulfilled in 2018 while several others were applied in 2019. Any recommendations not yet addressed are underway and scheduled to be implemented in 2020.

We believe these practices will contribute to a highly competent and efficient board that will serve the best interests of our stakeholders.

REDUCING RED TAPE

In 2019, we continued to work co-operatively to promote greater alignment of the *Occupational Health and Safety (OHS) Act* and the *Workers' Compensation (WC) Act* among the Atlantic Provinces. These initiatives will lead to a red tape reduction by diminishing rules and paperwork faced by small and medium-sized businesses operating in multiple provinces.

We also worked with the Department of Post-secondary Education Training and Labour (PETL) to review the *Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act*. This review will result in proposed legislative changes for 2020. In 2020, we will resume the legislative review by working with PETL to examine the *WC Act* to recommend changes

and modernize the language. Parts of the Act are more than 100 years old, and while the historic compromise of protecting employers from a lawsuit while providing compensation to injured workers remains intact, almost everything else about the workers' compensation system has evolved, including the nature and severity of injuries, the type of work conducted, and health and safety measures. To reflect this evolution of workers' compensation, we anticipate that this review of the *WC Act* will result in additional legislative amendments. We welcomed the amendment in Bill 27, enacted this year in June, that ensures a review of workers' compensation legislation and corresponding regulations every five years, as well as regular value-for-money audits by the Auditor General.

ONLINE REPORTING OF FRAUD AND ABUSE

In our efforts to protect the integrity of our workers' compensation system we continuously look to find efficiencies and cost savings. Fraud committed against the workers' compensation system is harmful to the organization and, by extension, to New Brunswick workers and employers. WorkSafeNB is committed to deterring and detecting fraudulent and abusive claims.



Fraud happens when someone gains, or has the potential to gain, something they are not entitled to through deliberate dishonest conduct. Both workers and employers may take part in this behaviour. Examples include lying about or exaggerating an injury, working while receiving compensation benefits, intentionally failing to register a company with us, understating or falsifying payroll, or failing to report a workplace accident when a worker is injured and entitled to compensation.

In 2019, we made it easier for stakeholders to report suspected fraud and abuse activity by developing an online submission form and dedicating a specific email address for reporting. Reporting can remain anonymous and in addition to the online process, suspicious activity can still be reported by calling our toll-free number or by fax or regular mail.

ENSURING FAIR CLAIM DECISIONS

To protect the integrity of our system, workers' compensation must be paid only to those workers injured or who became ill as a result of work. We take great care in accepting and reviewing claims. A claimant or interested party that disagrees with a WorkSafeNB claim decision has the right to appeal that decision to the Workers' Compensation Appeals Tribunal (WCAT).

Since legislation was enacted that returned policy deference to WorkSafeNB's board of directors and an increased presence at WCAT hearings beginning in 2017, the number of WCAT appeals being overturned has steadily decreased. In 2019 less than 2% of WorkSafeNB decisions* were appealed and less than 1% of our decisions were overturned.

**Multiple decisions per accepted claim*

HEARING LOSS COSTS

The number of hearing-loss claims in New Brunswick has risen dramatically in the past decade and have substantially contributed to the increase in WorkSafeNB's cost of claims and our liabilities. Responding to the new legislation that clarified the intent of the workers' compensation system and returned policy deference to our board of directors, our staff initiated significant policy revisions. These updated policies will enable a better balanced system, with a clear focus on supporting injuries that are work-related, including occupational hearing loss.

In September 2018, our board of directors approved a new release of Policy 21-112 Occupational Hearing Loss and amended three other policies to align with those changes (including Policy 21-106 which outlines requirements for accident reporting and application for benefits). These policy changes, combined with improved claims management processes have led to claim patterns that are more in line with those observed in other provinces, and a significant cost reduction including more than a \$108 million decrease in liabilities in 2019.



PERRY CHEEKS

In May 2019, WorkSafeNB was pleased to welcome Perry Cheeks to our team as chief financial officer to oversee our accounting services, fiscal and economic planning, treasury and purchasing teams.

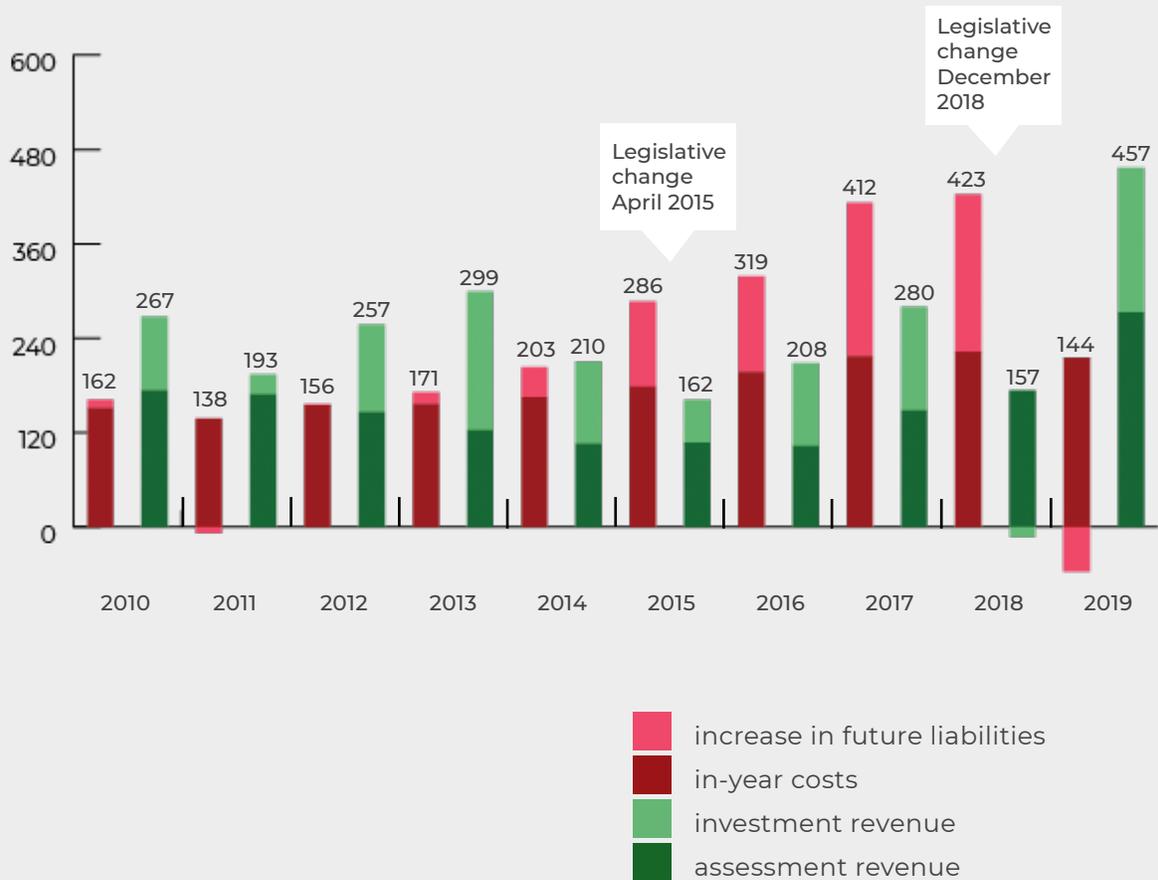
With more than 27 years of strategic experience, Perry's knowledge and financial expertise will help ensure our fiscal responsibility and accountability to you, our stakeholders.



BENEFITS COSTS AND REVENUE

The chart below demonstrates the fluctuations in costs versus revenue in the last decade. While revenue outpaced costs from 2010-2014 by \$396 million, in 2015 our costs quickly outmatched both the revenue from premiums as well as our investment

revenue, leading us to have expenses exceed income by \$633 million by year-end 2018. In 2019, we saw a shift and, for the first time since 2014, our revenue has once again exceeded expenses.





CONSOLIDATED FINANCIAL STATEMENTS

Please note that the information presented only provides an overview and is not complete without the accompanying notes that can be found in the 2019 financial report document.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2019

	2019 (000s)	(Restated) 2018 (000s)	(Restated) Jan 1, 2018 (000s)
ASSETS			
Cash and cash equivalents	\$ 78,234	\$ 65,916	\$ 72,634
Receivables and other	19,086	17,978	15,007
Investments	1,521,714	1,294,663	1,356,440
Capital assets	10,667	10,076	11,046
	\$ 1,629,701	\$ 1,388,633	\$ 1,455,127
LIABILITIES AND FUNDED POSITION			
Payables and accruals	\$ 19,432	\$ 16,168	\$ 16,372
Benefits liabilities	1,505,140	1,576,330	1,375,843
Total liabilities	1,524,572	1,592,498	1,392,215
WorkSafeNB funded position	77,657	(234,070)	37,465
Non-controlling interests	27,472	30,205	25,447
	105,129	(203,865)	62,912
	\$ 1,629,701	\$ 1,388,633	\$ 1,455,127

On behalf of the board of directors:

James E. A. Stanley

Audit Committee,
Board of Directors

Tina Soucy

Audit Committee,
Board of Directors

Mel Norton

Chairperson,
Board of Directors

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 (000s)	(Restated) 2018 (000s)
REVENUE		
Assessment revenue	\$ 272,559	\$ 174,234
Investment income	184,160	(17,638)
	456,719	156,596
EXPENSES		
Claims costs incurred		
Benefit payments	157,900	167,265
Changes in actuarial valuation of benefit liabilities	(71,190)	200,487
Total claims costs incurred	86,710	367,752
Administration	53,687	52,450
Legislative obligations	3,453	3,461
	57,140	55,911
Total expenses	143,850	423,663
Net income (loss) for the year	\$ 312,869	\$ (267,067)
Net income (loss) for the year attributable to:		
WorkSafeNB	311,727	(271,535)
Non-controlling interests	1,142	4,468
	\$ 312,869	\$ (267,067)



CONSOLIDATED STATEMENT OF CHANGES IN FUNDED POSITION

FOR THE YEAR ENDED DECEMBER 31, 2019

	WorkSafeNB	Non- controlling interests	2019 Total	2018 Total
	(000s)	(000s)	(000s)	(000s)
Funded position, beginning of year	\$ (234,070)	\$ 30,205	\$ (203,865)	\$ 62,912
Capital contributions by non-controlling interests	-	1,766	1,766	515
Distributions to non-controlling interests	-	(5,641)	(5,641)	(225)
Net income (loss) for the year	311,727	1,142	312,869	(267,067)
FUNDED POSITION, END OF YEAR	\$ 77,657	\$ 27,472	\$ 105,129	\$ (203,865)



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 (000s)	(Restated) 2018 (000s)
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Assessed employers	\$ 271,420	\$ 170,382
Interest and dividends	37,446	35,479
	308,866	205,861
Cash paid to:		
Injured workers or third parties on their behalf	157,900	167,265
Suppliers and employees, for administration and other services	59,374	59,549
	217,274	226,814
Net cash provided by (used in) operating activities	91,592	(20,953)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from:		
Sale of investments	147,367	204,248
Contributions by non-controlling interests	2,022	515
	149,389	204,763
Cash Paid for:		
Purchase of investments	220,483	188,415
Purchase of capital assets	1,413	1,888
Distributions to non-controlling interests	5,852	225
	227,748	190,528
Net cash (used in) provided by investing activities	(78,359)	14,235
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	915	-
Net cash used in financing activities	(915)	-
Increase (decrease) in cash during the year	12,318	(6,718)
Cash and cash equivalents, beginning of year	65,916	72,634
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 78,234	\$ 65,916

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

WORKSAFENB

Opinion

We have audited the consolidated financial statements of Workplace Health, Safety and Compensation Commission of New Brunswick (operating as WorkSafeNB), which comprise the consolidated balance sheet as at December 31, 2019, and the consolidated statement of operations, consolidated statement of changes in fund balances and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of WorkSafeNB as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of WorkSafeNB in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters – Restated Comparative Information

We draw attention to Note 20 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. Our opinion is not modified in respect of this matter. As part of our audit of the consolidated financial statements for the year ended December 31, 2019, we also audited the adjustments that were applied to restate certain comparative information for the year ended December 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing WorkSafeNB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate WorkSafeNB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing WorkSafeNB's financial reporting process.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WorkSafeNB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WorkSafeNB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WorkSafeNB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Grant Thornton LLP
Chartered Professional Accountants

Saint John, Canada
June 25, 2020

