



Let's Make Workplace Injuries a Thing of the Past

Being Accountable: 2009 Year-end Results

Strategic Plan & Risk Assessment

2009-2014

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INTRODUCTION

The Board of Directors has developed the *Strategic Plan and Risk Assessment 2009-2014* within the context of its legislated mandate. The Plan is a results-focused document that:

- States WorkSafeNB's long-term goals;
- Identifies targets that allow stakeholders to understand if WorkSafeNB is achieving its goals;
- Identifies short and long-term strategies to which resources have been allocated; and
- Identifies priorities for policy development, evaluation, and stakeholder engagement for the current year.

Within the risk assessment process, the Board of Directors also identifies risks, determines the level of these risks, and responds to those risks that may impede WorkSafeNB's ability to achieve its strategic direction. Risks may be related to:

- WorkSafeNB's unique mandate;
- External sources;
- Operational sources; and/or
- WorkSafeNB's reputation.

This document is administration's accountability report to the Board of Directors, which outlines how WorkSafeNB has fulfilled its legislative responsibilities and achieved its Goals during 2009. It illustrates:

- Annual results related to the targets;
- Outcomes related to the strategies that further the Board's goals;
- Ongoing and possibly long-term activities that support the achievement of the Board's strategies and ultimately the goals; and
- Identified risks and how the Board has managed these risks.

Ultimately, all goals and strategies should move the Board closer to achieving its Vision of:

Healthy and Safe Workplaces in New Brunswick

| Goal | Measure | Allocating Resources: Key Strategies | Results | | | | | Target for 2009 | Target Achieved? | |
|--|---|--|---|-----------|-------------|-------------|-------------|--------------------|-------------------------------|-----|
| | | | 2005 | 2006 | 2007 | 2008 | 2009 | | | |
| Safety Our vigorous pursuit of a safe work culture will lead to a decline in the overall frequency of workplace injuries and a decline in the perception of the inevitability of workplace injuries in New Brunswick. | <ul style="list-style-type: none"> The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than the previous five-year average. The lost-time workplace injury frequency rate per 100 FTE in New Brunswick will be lower than the Canadian average. The percentage of workers and employers agreeing that workplace injuries are inevitable will be lower than the previous five-year average. | <ul style="list-style-type: none"> Dedicating resources to build a WorkSafe culture; Identifying high-risk industries and firms to focus resources; Monitoring emerging industries' health and safety issues; Improving compliance with OHS regulations; and Continuing to partner with industry groups and associations to provide education and information. | Accident Frequency | | | | | | | |
| | | | Within the province ¹ | 3.79 | 3.48 | 3.48 | 3.40 | 3.24 | <3.53 | |
| | | | Compared to other workers' compensation jurisdictions | | | | | | | |
| | | | • New Brunswick ¹ | 1.42 | 1.33 | 1.36 | 1.36 | N/A | <Canada | |
| | | | • Canada ¹ | 2.56 | 2.39 | 2.24 | 2.12 | N/A | | |
| | | | Inevitability of Workplace Injuries² | | | | | | | |
| | | | Injured Workers | | | | 65% | 71% | > 5-year average ³ | N/A |
| | | | General Workers | | | | 55% | 52% | | |
| | | | Registered Employers | | | | 57% | 61% | | |
| | | | Non-registered Employers | | | | 51% | 61% | | |
| Service We will provide effective programs and services, implemented with care, compassion, efficiency, promptness, and fairness, to benefit both workers and employers. | We will maintain or exceed the high level of satisfaction, in excess of 80%, that both our injured worker and employer clients have come to expect. | <ul style="list-style-type: none"> Improve decision-making processes to maximize efficiencies and reduce time to first cheque; Helping clients navigate the system through advice, assistance and support; Investing in innovative and cost-effective service delivery approaches, when it meets the needs of clients and stakeholders; Measuring and evaluating client and stakeholder satisfaction; and Aligning resources to support effective service delivery. | Injured Workers | 82% | 80% | 83% | 81% | 78% | >80% | |
| | | | Registered Employers | 83% | 84% | 84% | 84% | 82% | >80% | |
| Return to Work We will decrease the time by which injured workers return or are ready to return to employment. | The average paid compensation days for claimants with a return-to-work goal will be lower than the previous five-year average. | <ul style="list-style-type: none"> Providing timely, efficient, and adequately resourced regional case management services; Developing return-to-work plans and resourcing suitable retraining initiatives; Communicating regularly to help injured workers understand loss of earnings benefits and return to work expectations; Partnering to educate workers, employers, and the public on rights, responsibilities, and benefits of return to work; Continuing to focus on service delivery for long-term clients; and Partnering with medical aid providers to facilitate effective and timely treatment. | Average paid compensation days for claimants with a RTW goal ¹ | 60.1 | 64.6 | 60.7 | 63.2 | 68.1 ⁴ | 62.6 | |
| | | | Median paid compensation days for claimants with a RTW goal ¹ | 21.0 | 22.0 | 21.1 | 20.7 | 25.8 | N/A | N/A |
| Balance We will provide the best possible benefits to injured workers while maintaining the lowest possible assessment rates for employers. | At a minimum, we will maintain a 100% funded liability. | <ul style="list-style-type: none"> Adhering to a disciplined legislative and policy decision-making process to balance benefits and assessment rates; Ensuring a disciplined approach to investment management, financial management, and fiscal and economic planning; Protecting the system through prevention and detection of fraud and abuse; Maintaining the current funding strategy. Remaining accountable through effective oversight, auditing, and evaluation; Engaging stakeholders in policy and legislative change; Promoting continuity and Board decision-making through policy outcome evaluation; and Providing effective oversight of the Appeals Tribunal. | Funding Ratio | 102.3% | 111.0% | 105.4% | 87.7% | 101.6% | 100% | |
| | | | Assets ('000s) | \$920,221 | \$1,035,703 | \$1,065,513 | \$930,357 | \$1,065,966 | - | - |
| | | | Liabilities ('000s) | \$899,878 | \$933,230 | \$1,011,037 | \$1,061,216 | \$1,049,211 | - | - |
| Staff Satisfaction and Engagement Our employees will feel their work is valuable and makes a difference, motivated by the understanding of how their role and individual contribution are critical to achieving our Vision, Mission, Mandate, Values, and Goals. | Employee satisfaction and engagement levels will meet or exceed the previous five-year average. | <ul style="list-style-type: none"> Evaluating competitiveness of wages and benefits; Developing strategies to evaluate employee engagement; Building a WorkSafe culture among staff by promoting health, safety, and wellness; Providing timely disability management services to optimize return-to-work outcomes of staff; and Planning for the professional development of WorkSafeNB staff to ensure effective succession planning. | Employee Satisfaction Level ² | 87% | 91% | 87% | 86% | 86% | >89% | |
| | | | Employee Engagement ³ | - | - | - | 91% | 91% | > 5-year average ³ | N/A |

1 – Prior years adjusted to reflect most current data

2 – Goal changed in 2009

3 – No data available prior to 2008

4 – 2009 number may change as data ages, see note page 12

Safety

Goal

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

Targets

The workplace injury frequency rate per 100 full-time employees (FTE) will be lower than the previous five-year average.

The lost-time workplace injury frequency rate per 100 FTE in New Brunswick will be lower than the Canadian average.

The percentage of workers and employers agreeing that workplace injuries are inevitable will be lower than the previous five-year average.

Outcomes

Accident Frequency Rate

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Target 2009 |
|--|--------|------|------|------|------|------|-------------|
| All accidents per 100 Full-time Equivalents (FTE) ¹ | 3.52 | 3.79 | 3.48 | 3.48 | 3.40 | 3.24 | <3.53 |
| Lost-time accidents per 100 FTEs ^{1,2} | NB | 1.30 | 1.42 | 1.33 | 1.36 | 1.36 | N/A |
| | Canada | 2.61 | 2.56 | 2.39 | 2.24 | 2.12 | N/A |

¹ Prior years adjusted to reflect most current data

² Target established using data available from AWCBC as of February 2010

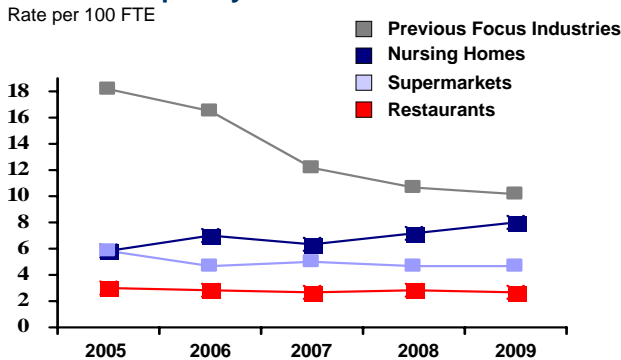
Perception of Workplace Accidents

| Percentage of workers and employers agreeing workplace accidents and injuries are inevitable ³ | | | | |
|---|-----------------|-----------------|----------------------|--------------------------|
| | Injured Workers | General Workers | Registered Employers | Non-registered Employers |
| 2008 | 65% | 55% | 57% | 51% |
| 2009 | 71% | 52% | 61% | 61% |

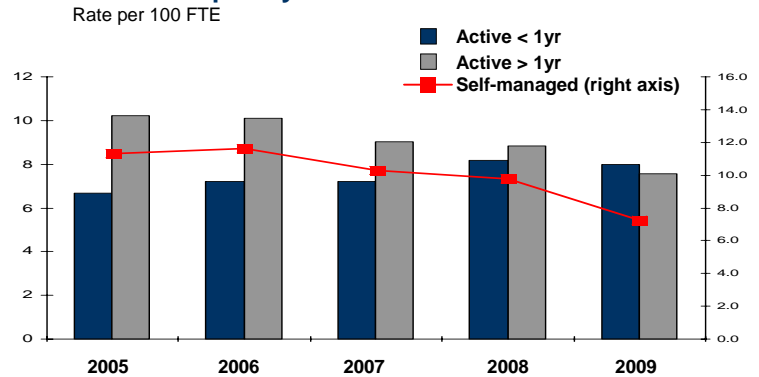
³ No data available prior to 2008

Other Indicators

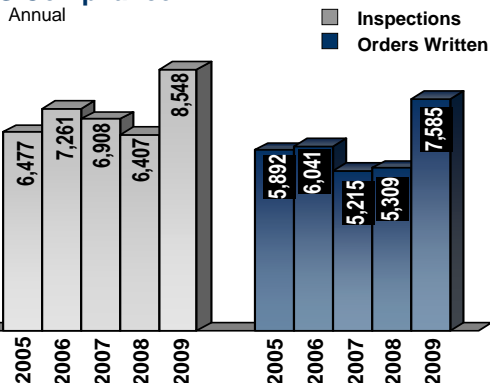
Accident Frequency of Active Focus Industries



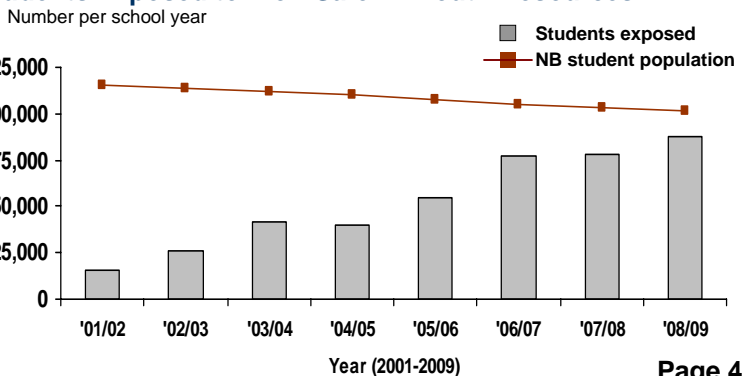
Accident Frequency of Focus Firms



OHS Compliance



Students Exposed to WorkSafeNB Youth Resources



Measuring the Strategic Goals – 2009 Results

Annual Results For Key Strategies – Safety Goal

Dedicating resources to build a WorkSafe culture

Outcomes

- Accidents per 100 FTE decreased by 4.9% from 3.40 in 2008 to 3.24 in 2009.
- Severe claims (fatalities, long-duration claims, and hospitalizations) in 2009 were 10.2% lower than the previous five-year average.
- WorkSafeNB won the American Association of State Compensation Insurance Funds' Communications Award for the social marketing project that included the name change to *WorkSafeNB*.
- In the 2009/2010 school year, approximately 6,500 New Brunswick Community College students will receive a minimum of 14 hours of health and safety education as part of their curriculum. Also, WorkSafeNB trained mentors to act as health and safety resources at college campuses.

Activities

- WorkSafeNB continues to partner with New Brunswick Federation of Labour to commemorate the National Day of Mourning and the Canadian Society of Safety Engineering to promote North American Occupational Safety and Health Week.

- WorkSafeNB launched the Social Marketing Campaign *Let's Make Workplace Injuries a Thing of the Past* in 2009. Through television, cinema, radio, and print materials reinforcing the slogan, the campaign, in conjunction with education and compliance activities, aims to change workplace safety culture in the province by linking fundamental societal changes to safety and current unsafe work practices in the workplace.
- During the 2008/2009 school year, 87,379 students were exposed to health and safety awareness via WorkSafeNB's youth resources and initiatives such as the Progressive Agricultural Safety Days and the ongoing partnership with Service Canada's Youth Job Centres.
- An estimated 12,000 youth received health and safety training through the *Lost Youth Tour*. Nick Perry, featured on the *Lost Youth* DVD, spent three days in each region, visiting 23 high schools and six community colleges.
- In partnership with the Department of Education, WorkSafeNB agreed to develop safety modules for the 2010/2011 school year to better prepare trades and technology students to identify workplace hazards and avoid injuries in the classroom.

Identifying high-risk industries and firms to focus resources / Monitoring emerging industries' health and safety issues

Outcomes

- WorkSafeNB identifies industries with a high number of injuries and high accident costs on which to focus its compliance activities. In 2009, the three focus industries were nursing homes, supermarkets, and restaurants. Nursing homes continue to experience an increase in accidents – 11% higher frequency in 2009 than in 2008. Restaurants' and grocery stores'

- accident frequency decreased slightly, by 3% and 0.5% respectively. WorkSafe Services continues to monitor prior industries to determine the long-term impact of WorkSafeNB interventions. Prior industries continue to show improvements, with a 5% reduction in 2009 - 30% below the five-year average.
- WorkSafeNB also identifies firms on which to focus consultation services aimed at improving health and safety

Measuring the Strategic Goals – 2009 Results

infrastructure, including health and safety policies, Joint Health and Safety Committees, (JHSC) and other areas identified by the consulting model. In 2009, these focus firms achieved significant reductions in accident frequency, dropping 14.8% below the previous five-year average to 7.65 accidents per 100 FTE (See page 4 – Accident Frequency of Focus Firms chart). Accident frequency for all firms in the province in 2009 was 3.24, 8.2% below its previous five-year average.

- Because of the changing nature of work, a greater number of soft-tissue injuries are occurring. Therefore, WorkSafeNB is focusing health and safety resources on reducing these types of injuries, which constitute 36% of all lost-time

claims. Preliminary results related to this long-term strategy to reduce soft-tissue injuries are positive, with 7% fewer soft-tissue injuries in 2009 compared to the previous three-year average. A full evaluation of the strategy will be completed in 2010.

Activities

- WorkSafeNB began discussions in 2009 with the two self-insured Regional Health Authorities regarding their internal responsibility for the implementation of health and safety initiatives. A compliance tool to assist the industry in achieving compliance with the *OHS Act* was developed.

Improving compliance with OHS Regulations

Outcomes

- WorkSafeNB continued with a zero-tolerance emphasis on three high-risk injury sources – trenching, lockout and tag, and fall protection. In 2009, 111 stop-work orders were issued primarily for zero-tolerance violations of the *OHS Act*.
- In 2009, WorkSafeNB also:
 - Conducted 8,548 inspections, almost 30% higher than the previous five-year average;
 - Issued 7,585 compliance orders, 38.7% above the previous five-year average; and
 - Prosecuted 7 employers for violations of the *OHS Act* and/or Regulations with fines in 2009 totalling \$11,500.
- As measured in the 2009 Client Satisfaction Survey (CSS), awareness that WorkSafeNB conducts OHS inspections was as follows:

- Injured workers 68% (69% in 2008);
- General workers 70% (67% in 2008);
- Registered employers 81% (85% in 2008); and
- Non-registered employers 70% (71% in 2008).
- WorkSafeNB granted 31 deviations and nine variances to employers from OHS regulations during 2009. Each was below the previous five-year average of 39 (deviations) and 18 (variances).
- WorkSafeNB reviewed 176 accidents or incidents reported under the *OHS Act*, compared to 184 in 2008. Of those reported in 2009, 41% required a full investigation, compared to 44% in 2008.
- To increase compliance and enforcement activities, WorkSafeNB added staff dedicated to the prevention of workplace accidents, including the addition of three health and safety officers.

Measuring the Strategic Goals – 2009 Results

Continuing to partner with industry groups and associations to provide education and information

Outcomes

- 65% of injured workers and 82% of registered employers were aware that WorkSafeNB provides accident prevention services, compared to 61% and 85%, respectively, in 2008.
- In 2009, WorkSafeNB's Education Consultants facilitated 86 JHSC training workshops throughout the province with a total of 1,616 participants (up from 1,340 in 2008) sponsored by 625 companies.
- WorkSafeNB conducted 497 workplace health and safety workshops throughout the province on topics including due diligence, worker/employer responsibilities, accident investigation, developing health and safety programs, trenching, and fall protection.
- The New Brunswick Forest Industries Safety Association continues to provide health and safety training to a greater proportion of its workers. Workshop certificates were issued to 2,484 individuals, a 49.9% increase from 2008.

- From 2001 through 2009, the New Brunswick Construction Safety Association issued 29,869 safety passports (issued to individuals after their first training workshop) and 102,689 training certificates.

Activities

- 525 people attended WorkSafeNB's 28th Annual Health and Safety Conference and Trade Show, featuring 33 exhibitors. It included workshops that addressed disability management, workplace bullying, machine safety, electrical safety hazards and standards, elevating work platforms, noise reduction, and return to work.
- WorkSafeNB partnered with the Excellence in Manufacturing Consortium to initiate a pilot program designed to reduce workplace accidents. Beginning in 2010, the one-year pilot will provide the 20 participating employers an opportunity to share health and safety practices.

Policy and Legislative Priorities

To manage risks and further the Safety Goal, in 2009 the Board of Directors approved the following policies:

- Policy No. 23-610 Safety Achievement Financial Incentives System (SAFIS), release 005;
- Policy No. 26-010 Definition of Employee, release 002; and
- Policy No. 24-001 OHS Philosophy, release 002.

In 2009, the Board recommended legislative and/or regulatory amendments related to:

- The definition of "new employee" and employers' responsibilities under the *OHS Act*;
- Fall protection (*OHS General Regulation 91-191*);
- OHS Demerits (new); and
- Liquefied Natural Gas facilities (new regulation).

Service

Goal

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

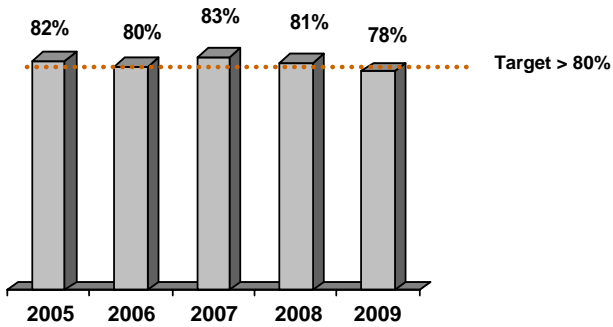
Target

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

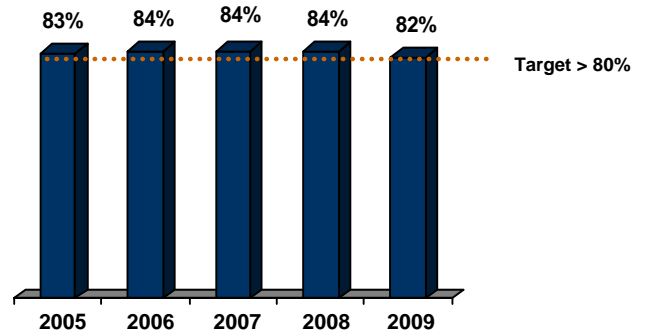
Outcomes

Client Satisfaction

Injured Workers



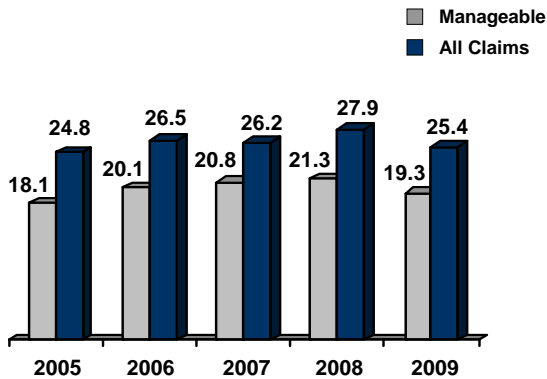
Registered Employers



Other Indicators

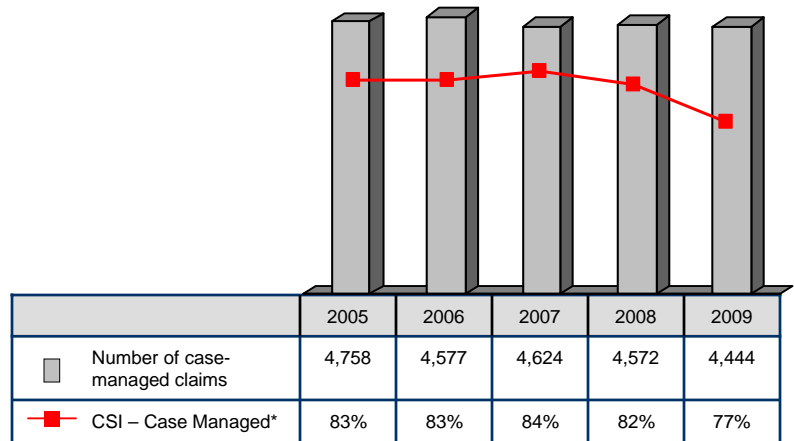
Days to First Benefit Cheque

Days from Date of Disablement



Case-managed Claims

Injured Workers



*CSI - Case Managed is a modified Client Satisfaction Index calculated only for case-managed injured workers, and excludes the attribute "appropriate amount of benefits".

Measuring the Strategic Goals – 2009 Results

Annual Results For Key Strategies – Service Goal

Improving decision-making processes to maximize efficiencies and reduce time to first cheque

Outcomes

- 12,235 claims applications were adjudicated in 2009, a 7.0% decrease compared to 2008.
- Of accepted claims:
 - 6,102 involved lost time of at least one day, a 6% decrease from 2008; and
 - 5,251 were no lost-time claims (medical costs only), an 8% decrease from 2008.
- In 2009, days-to-first-cheque decreased for all claims (9.0%) and for manageable claims (9.4%), when compared to 2008.

Helping clients navigate the system through advice, assistance, and support

Outcomes

- Third-party action recoveries provided \$1,193,196 of cost relief to employers, with injured workers receiving \$606,383 in addition to compensation benefits.
- As a party to the *Interjurisdictional Agreement on Workers' Compensation*, WorkSafeNB received a net payment of \$234,323 as a result of cross-jurisdictional management of injured workers' claims.
- In 2009, 87% of 170,034 calls were answered within 20 seconds, up slightly from 2008 (85%). Although the volume of calls increased significantly from 2008 (up 9.7%), WorkSafeNB was still able to exceed its service delivery standard for answering 80% of calls within 20 seconds.

Activities

- In 2009, WorkSafeNB General Counsel educated approximately 400 individuals throughout New Brunswick with respect to the *WHSCC Act*, the *OHS Act*, and the *WC Act*.
- WorkSafeNB continues to help injured workers determine whether to claim compensation under the *WC Act* or to pursue legal suit when a third party is involved in a work-related accident. WorkSafeNB continued to manage over 50 third-party claims, the majority of which arise from motor vehicle accidents.
- WorkSafeNB continues to meet its legislative obligations under the *Official Languages Act* by providing stakeholders information in both official languages. In 2009, WorkSafeNB handled one complaint under the *Official Languages Act*.

Investing in innovative and cost effective service delivery approaches, when it meets the needs of clients and stakeholders

Outcomes

- 108 large employers are now using the electronic form 67 (E67 - *Report of Accident or Occupational Disease*), surpassing the goal of registering 60 employers by December 2009.
- In 2009, 1,602 registered employers reported their annual payroll via the Internet. This new filing method, whereby each submission is electronically vetted for completeness

and validated for data integrity before advancing through the automated billing process, allows staff to focus efforts on issues arising during the billing process.

- In 2009, 22,691 individuals accessed clearance certificates using the Internet, a 42% increase from 15,958 in 2008.
- 2,262 employers paid assessments through MAAP in 2009, a 2.7% increase from 2008. WorkSafeNB provides employers the option to pay

Measuring the Strategic Goals – 2009 Results

assessments through MAAP, at any WorkSafeNB office, online with Service New Brunswick, or by mail.

- There were 3,073 subscribers to WorkSafeNB's e-news publication at the end of 2009, up 18.2% from 2008.
- WorkSafeNB continued to use an electronic prescription adjudication and payment system, providing payment at the pharmacy for 3,473 workers in 2009, compared to 3,448 in 2008.

Activities

- WorkSafeNB's website was enhanced in 2009 to provide:
 - Better access to policy indexes (941 page views);
 - Highlighted key topics;
 - A workshops calendar (590 hits); and
 - An online platform to register for the health and safety conference (108 attendees).
- WorkSafeNB continues to examine the feasibility of developing an online reporting tool for physicians.

Measuring and evaluating client and stakeholder satisfaction

Outcomes

- The Board of Directors revised the CSS for 2009 to better understand clients' perceptions of service delivery. With the oversight of a Board steering committee, a shortened survey was administered to the four client groups. The qualitative component, which supplements the statistical findings of the survey, will take place in 2010.
- In 2009, the Client Satisfaction Index (CSI) for both client groups declined: Injured workers' CSI was lower than 80% (decrease by 3% to 78%), while registered employers' CSI dropped 2% to 82%. The results for injured workers

do not meet the established target for the Service Goal. However, it is important to note that decreases in both CSI scores are within the margins of error, and thus are not significant year-over-year changes.

- The 2009 CSS indicated that 79% of injured workers were completely/mostly satisfied that WorkSafeNB effectively handled problems, a decrease from 82% in 2008; and
- 94% of registered employers were completely/mostly satisfied that WorkSafeNB effectively handled their issues and concerns, a decrease from 96% in 2008.

Aligning resources to support effective service delivery

Outcomes

- All information technology (I.T.) staff are trained to run core processes. This strategic change supports the business continuity strategy, supporting the continuation of services in the event of significant absenteeism within the department.
- WorkSafeNB aims to provide timely referrals to treatment. The standard of three weeks between referral and admission to WorkSafeNB's rehabilitation facility was met 57.3% of the time in 2009, compared to 82.0% in 2008. The average and median wait times of clients in 2009 was 22 and 21 days respectively, compared to 14 and 12 days, respectively, in 2008.

Activities

- The initiative to review and conduct a value-for-money audit of the workers' and employers' advocates programs began in 2009.
- WorkSafeNB partnered with employers in 2009 to facilitate their pandemic planning. Based on the five principles found in Policy No. 24-015 Right to Refuse During Pandemics, WorkSafeNB initiatives during 2009 included developing a directive to guide health and safety officers in rendering decisions in the event of a work refusal during the H1N1 pandemic.

Policy and Legislative Priorities

To manage risks and further the Service Goal, in 2009 the Board of Directors approved the following policies:

- Policy No. 20-100 Principles of Service Delivery, release 001; and

- Policy No. 23-715 Employer Legislative Requirements and Services, release 001.

Return to Work

Goal

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

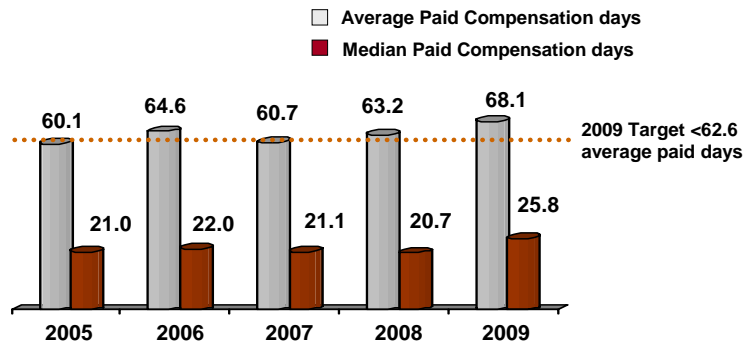
Target

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

Outcomes

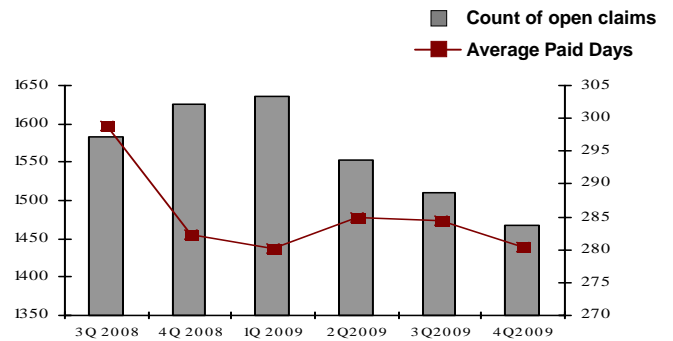
Paid Compensation Days*

Clients with a RTW Goal



*Prior years adjusted to reflect most current data

Open Case-managed Claims

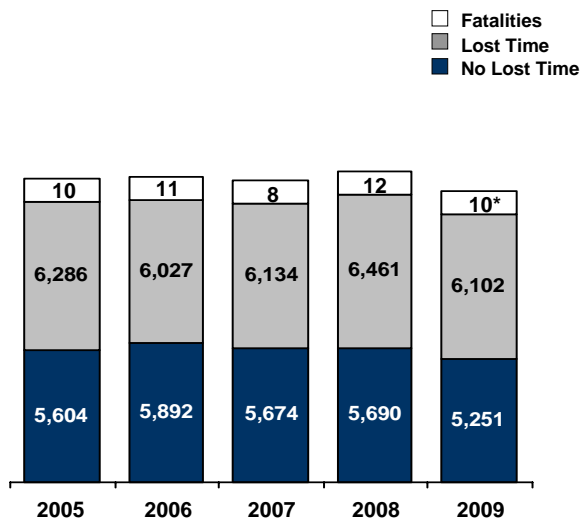


Note: Although the average duration of all claims over the past 6 years shows improvement, the corporate measure for reduced duration for those claims with a return-to-work goal did not improve. Data for 2009 is shown as of December 31. Historical patterns suggest that, as the data matures, the 2009 average paid compensation days number will reduce by 5% to 64.7 days, still above the corporate goal. WorkSafeNB does not expect this increasing pattern to continue as open case-managed claims are strongly suggestive of an improvement in both the number of open claims and the average paid days of those claims.

Other Indicators

Claims Adjudicated by Type

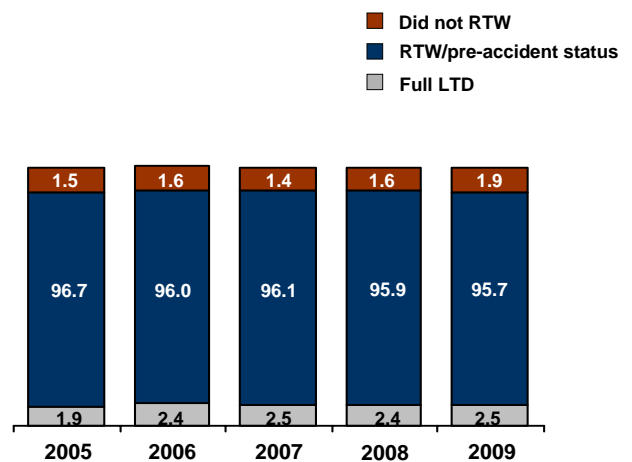
YTD Total (thousands)



*There were 10 workplace fatalities in 2009, and an additional three workers died in 2009 from prior year injuries or diseases. Two fatalities were accepted under the Firefighters' Compensation Act.

Lost-time Claim Disposition

As a Percentage of Claimants with a RTW Goal or Full LTD



Annual Results For Key Strategies – Return to Work Goal

Providing timely, efficient, and adequately resourced regional case management services

Outcomes

- In 2009, 87 workers neither obtained employment nor returned to their pre-accident employment pattern immediately following claim closure, compared to 78 in 2008.
- There were 260 new LTD claims in 2009 compared to 288 in 2008, a 9.7% decrease. In addition, WorkSafeNB provided ongoing services for 2,606 injured workers receiving long-term disability benefits, 1,653 injured workers receiving pre-1982 benefits, and 517 spouses and dependants receiving survivor's benefits.
- Since 2005, health care payments to treat injured workers have increased by 3.5% per year. However, increases have accelerated since 2007 – 7.0% in 2008 and 6.3% in 2009.
- The 2009 CSS indicated that:
 - 75% of injured workers were completely/mostly satisfied with the overall quality of service provided by their case managers; and
 - 84% of registered employers were completely/mostly satisfied with the overall quality of service provided by WorkSafeNB to them as employers considering the most recent claim made by one of their workers.
- A pilot project to identify and manage clients at risk of long-term chronicity was completed in 2009. Best practices identified during the pilot have been incorporated into case management standards.

Developing return-to-work plans and resourcing suitable retraining initiatives

Outcomes

- 173 injured workers returned to work with an alternate employer (an employer other than the one with which the workplace accident occurred) in 2009, compared to 208 in 2008.
- In 2009, as part of their vocational rehabilitation plan, injured workers took part in training on the job (25), job exposure/job shadowing (25), educational upgrading (35), academic training (45), and vocational training (65).

Activities

- As part of the ongoing evaluation of the designated services within the continuum of care model, in 2009 WorkSafeNB evaluated the rehabilitation services of:
 - Primary physiotherapy providers – an audit of the network of approved clinics demonstrated a variation in outcomes by provider. To follow-up, WorkSafeNB is considering

establishing minimum outcome standards, and has developed diagnostic-specific protocols (e.g., soft-tissue injuries of the shoulder).

- Work conditioning – an audit of the network of approved providers demonstrated that compliance to contract standards was very good, with a 72% RTW success and 90% client satisfaction. To follow-up, physiotherapists and case managers discussed the importance of transitional RTW concurrent with work conditioning.
- Work capacity evaluations – an audit of approved providers demonstrated an opportunity for some providers to improve upon compliance to testing protocols and analyses of test findings. To follow-up, WorkSafeNB revised and clarified written protocols and performed on-site observation and training with providers to ensure understanding of

Measuring the Strategic Goals – 2009 Results

- and compliance to test practice standards.
- A review of clients with Carpal Tunnel Syndrome concluded that current practice generally aligns with best practices.

- A baseline review of a network of private job search providers was completed in 2009. Service agreements were revised to include performance measure targets, and agreements were renewed with selected agencies.

Communicating regularly to help injured workers understand loss of earnings benefits and return-to-work expectations

Outcomes

- The CSS indicated that 76% of injured workers were completely/mostly satisfied that WorkSafeNB kept them informed/up to date, a decrease from 82% in 2008.

Activities

- WorkSafeNB provides claim-specific and promotional information to ensure rights and responsibilities under the *WC Act*

Act and human rights legislation are met.

- To create awareness and provide information, WorkSafeNB distributed 81,303 publications in 2009. These included:
 - E-news;
 - *Contact*, WorkSafeNB's newsletter;
 - Day of Mourning poster; and
 - Workshop calendar.

Partnering to educate workers, employers, and the public on rights, responsibilities, and benefits of return to work

Outcomes

- The CSS indicated that 46% of registered employers and 44% of injured workers were completely/mostly aware of employers' obligations under the *WC Act* to keep a job available for up to two years to workers injured on the job.

Activities

- WorkSafeNB facilitated a physician-employer session on return to work in 2009. The session included a presentation on the importance of return to work, the roles and responsibilities of

employers and physicians, and a discussion of issues and challenges faced by physicians and employers in the RTW process. Additional sessions are planned for 2010.

- WorkSafeNB published articles in each of the four newsletters of the *New Brunswick Medical Society* in 2009 pertaining to health care education.

Continuing to focus on service delivery for long-term clients

Outcomes

- 65 injured workers who had residual loss of earnings from their injury returned to work in a new or modified job or with an alternate employer in 2009, compared to 64 in 2008.

Activities

- WorkSafeNB completed a research project in partnership with the University of New Brunswick in 2009, the preliminary results of which will help WorkSafeNB staff treat work-related chronic musculoskeletal pain. The

results support the fear-avoidance model and facilitate better understanding of clients' pain anxieties and how to assist clients to face those anxieties.

- In partnership with Dalhousie University, WorkSafeNB undertook a research project *The Utilization and Development of the Assessment of Motor and Process Skills in Vocational Settings: Expanding the use of a performance-based occupational therapy measurement tool*. The findings of the

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study will be used to determine a client's ability to safely return to work.

Partnering with medical aid providers to facilitate effective and timely treatment

Outcomes

- In 2009, a pilot program was launched to improve outcomes for shoulder soft-tissue injuries. The program included the development of assessment and treatment protocols and criteria to determine optimal rehabilitation, and a network of seven "shoulder" physiotherapists was secured. At year-end, following three months of the pilot, 27 claimants had been referred to the network.
- To improve services to injured workers and to work more collaboratively with the medical community, WorkSafeNB signed contracts with Metro Health Services to provide certified orthotic and prosthetic services and with Canadian Health Solutions to provide multi-disciplinary programs and other certified rehabilitation services to clients.

Activities

- WorkSafeNB hosted the eighth annual rehabilitation facility open house during Disability Awareness Week in New Brunswick. The event attracted 49

participants (employers and physicians) from across the province, down from 56 in 2008.

- WorkSafeNB continued to examine surgery and consultation wait times to assess the relationship between quicker intervention and claim duration.
- WorkSafeNB continues to focus on improving communication with treating physicians to increase their knowledge of rehabilitation services and to improve their treatment planning for injured workers.
- WorkSafeNB established a process in 2009 to provide the most effective rehabilitation of injured workers diagnosed with "sciatica." If diagnosed and off work at four weeks, claimants are referred for a physiotherapy musculoskeletal assessment. The assessment, along with a pain and activity questionnaire, is used to determine the most appropriate continuum of care.

Policy and Legislative Priorities

To manage risks and to further the Return-to-Work Goal, in 2009 the Board of Directors initiated the review of the following policies or issues:

- Pre-existing conditions and non-compensable injuries and their potential impact on early and safe return to work
- Policy No. 21-400 Rehabilitation;
- Policy No. 21-413 Return to Work – Responsibilities and Re-employment Obligations;
- Policy No. 21-414 Return to Work – Third Party Mediation;

- Policy No. 21-417 Identifying Suitable Employment;
- Policy No. 21-418 Return-to-Work Incentives;
- Policy No. 21-419 Communication in Rehabilitation;
- Policy No. 21-420 Return-to-Work Principles; and
- Policy No. 21-421 Vocational Rehabilitation.

Balance

Goal

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

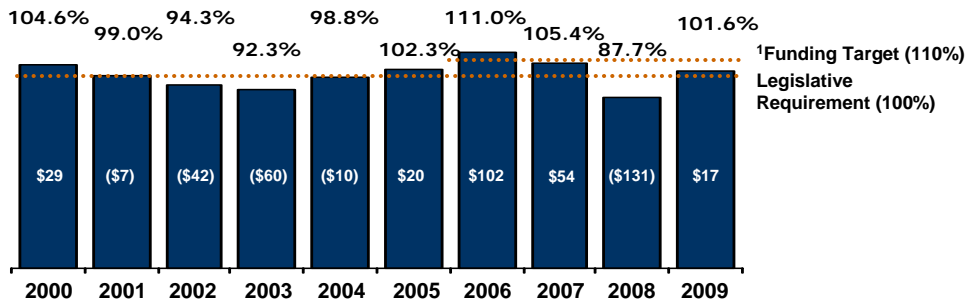
Target

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

Outcomes

Funding History

Percent Funded and Surplus (Deficit) Dollar Amounts (in millions)



1. Target of 105% prior to September 2006

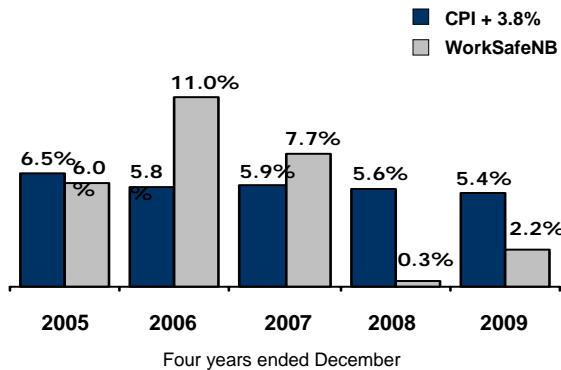
Assets and Liabilities (\$000,000)

| | Assets | Liabilities |
|------|-----------|-------------|
| 2005 | \$920.2 | \$899.9 |
| 2006 | \$1,035.7 | \$933.2 |
| 2007 | \$1,065.5 | \$1,011.0 |
| 2008 | \$930.4 | \$1,061.2 |
| 2009 | \$1,066.0 | \$1,049.2 |

Other Indicators

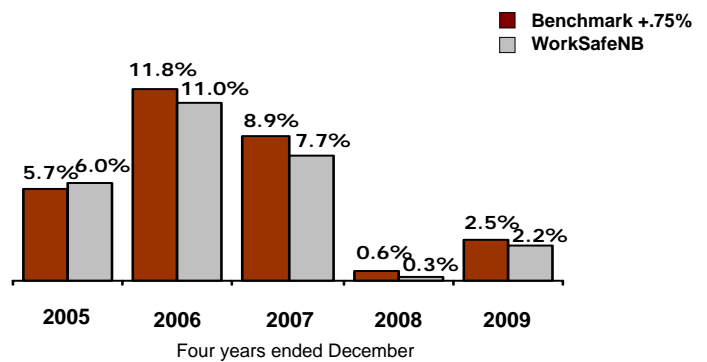
Performance Objective 1:

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



Performance Objective 2:

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



Annual Results For Key Strategies – Balance Goal

Adhering to a disciplined legislative and policy decision-making process to balance benefits and assessment rates

Outcomes

- The Board approved the *2009-2014 Strategic Plan and Risk Assessment*. A summary of its 23 risks, 29 strategies, and 36 legislative and policy priorities can be found on the WorkSafeNB website.
- The 2009 CSS indicated that:
 - 62% of registered employers and 55% of injured workers believe WorkSafeNB balances the best possible benefits to injured workers with the lowest possible assessment rates for employers (20% of injured workers and 36% of general workers responded “uncertain”);
 - 55% of injured workers believe the amount of income-replacement benefits provided to injured workers is reasonable, a decrease from the low to mid-70% responses of prior years; and
- 65% of registered employers believe assessment rates paid by employers to WorkSafeNB are reasonable, consistent with the mid to high-60% of prior years.
- The Board approved WorkSafeNB’s 2010 assessment rates. The average assessment rate increased for the first time since 2004, from \$2.03 per \$100 of payroll in 2009 to \$2.08 in 2010. The increase was needed to return WorkSafeNB to a 100% funded position.
- In June, *Bill 90 Firefighters’ Compensation Act* received royal assent. The legislation provides a presumption that when firefighters are diagnosed with certain cancers, the cancer is presumed to be work-related. While WorkSafeNB will administer this *Act*, compensation will be paid by the Government of New Brunswick through a new “Disability Fund,” and the province’s Medicare system will pay the costs of medical aid.

Ensuring a disciplined approach to investment management, financial management, and fiscal and economic planning / Maintaining the current funding strategy

Outcomes

- The funding level has increased to 101.6% as of December 31, 2009, due to a rebound in financial markets that positively affected WorkSafeNB’s investment portfolio. Policy No. 37-100 Long-term Fiscal Strategy documents WorkSafeNB’s strategy for returning to fully funded status over time and maintaining investment discipline in volatile market conditions.
- Total premium revenue for the twelve months ending December 31, 2009 was \$3.6 million below budget. This reflects \$3.9 million of revenue that was budgeted for the *Firefighters’ Compensation Act*, but was not collected because the legislation was not proclaimed and paying the costs of the new legislation subsequently became the responsibility of the Government of New Brunswick, not WorkSafeNB.
- Total expenses for the twelve months ending December 31, 2009 were lower than budgeted by \$49.7 million. Claims costs were lower than budgeted by \$46.7 million. Administration and Appeals Tribunal costs were lower than budgeted by \$3.2 million while legislative obligations were \$0.2 million above budget. The above results yielded an excess of income over expenses of \$129.2 million, compared to a budgeted excess of income over expenses of \$13.8 million.

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Activities

- AXIS, a third party actuarial software package, was implemented to enhance WorkSafeNB's financial management by reducing the reliance on manual spreadsheet and database models for the calculation of benefit liabilities. The software should be fully integrated by the end of 2010.
- The Board hired Mercer (Canada) Limited, an independent investment consulting firm, to review its investment-related policies and directives, with a focus on identifying any issues or concerns from an investment risk management perspective.

Remaining accountable through effective oversight, auditing, and evaluation

Outcomes

- The CSS indicated that 69% of injured workers and 71% of registered employers agreed that WorkSafeNB demonstrates accountability to the stakeholders of New Brunswick.
- In 2009, 33 audits were undertaken, of which:
 - 6 resulted in audit objectives being achieved with no deficiencies;
 - 2 resulted in the identification of control deficiencies, and steps were taken to mitigate the deficiencies. A follow-up audit is scheduled for 2010;
 - 13 were in progress, with results due in 2010;

- 8 are continuous in nature, resulting in deficiencies being identified and addressed on an ongoing basis; and
- 4 were deferred to 2010.

Activities

- To remain accountable to the provincial government and to stakeholders, WorkSafeNB publishes a number of reports. The following documents were published in 2009:
 - *WorkSafeNB 2008 Annual Report*,
 - *2008 Report to Stakeholders*; and
 - Quarterly corporate accountability reports, which assess WorkSafeNB's achievement of its Goals.

Protecting the system through prevention and detection of fraud and abuse

Outcomes

- WorkSafeNB conducted 282 investigations in 2009 (compared to 271 in 2008) for the purpose of providing information and advancing the principles of detecting, preventing, and deterring fraud and abuse, resulting in present and future claim cost savings of \$354,880.
- Approximately 500 employers have been registered as a result of WorkSafeNB's agreement with Canada Revenue Agency. The agreement, initiated in 2008, allows for two-way exchange of employer information to help to identify, contact, and register employers legally obligated to register with WorkSafeNB.

Activities

- WorkSafeNB continued to develop an information session on investigation and surveillance to create a training tool to help detect fraud and/or abuse.
- WorkSafeNB continued to partner with other jurisdictions, governments, law enforcement agencies, and the business community to establish contacts, discuss trends, and share best practices on fraud and abuse detection.
- To increase public awareness, WorkSafeNB held seminars on the continued need for stakeholder participation in fraud and abuse prevention.

Engaging stakeholders in policy and legislative change

Outcomes

- Following a request from the Government of New Brunswick, WorkSafeNB consulted stakeholders concerning removal of the three-day waiting period for benefits for police and firefighters from the *WC Act*. The consultation in April and May 2009 yielded strong interest among stakeholders; however, no consensus on the issue was achieved.

- In 2009, following consultation with stakeholders, the Board of Directors decided to pursue the following OHS legislative and/or regulatory amendments:
 - Forestry industry safety;
 - Liquefied Natural Gas (LNG);
 - OHS Demerits; and
 - Accident reporting and orientation under the general regulation.

Promoting continuity and Board decision making through policy outcome evaluation

Outcomes

- In 2009, the Board of Directors added return-to-work incentives as a policy evaluation priority for 2009/2010. Work on this study has begun, with focus groups held in November 2009. Results of the study are expected in the second quarter of 2010.

Activities

- WorkSafeNB hosted 13 information sessions to engage employers and their associations in the assessment process.

Providing effective oversight of the Appeals Tribunal

Outcomes

- In addition to approving Policy No. 41-010 Governance – Board of Directors' Principles for Governing the Appeals Tribunal, the Board created the Appeals Tribunal Evaluation Committee to ensure that Tribunal decisions are evidence-based and properly apply WorkSafeNB policy.

- The final report of the Appeals Tribunal pilot project, which will assist the work of the newly formed Appeals Tribunal Evaluation Committee, was tabled.

Policy and Legislative Priorities

In adhering to a disciplined legislative and policy decision-making process to balance benefits and assessment rates, in 2009 the Board of Directors approved the following policies related to the Balance Goal:

- Policy No. 41-010 Governance - Board of Directors' Principles for Governing the Appeals Tribunal;
- Policy No. 41-002 Governance Statement - WorkSafeNB Board of Directors, release 007;
- Policy No. 46-305 Indemnification, release 002;
- Policy No. 21-206 Funding Annuity Benefits, release 004;
- Policy No. 21-513 Who is a Survivor, release 003;
- Policy No. 21-515 Benefits for Survivors, release 003; and
- Policy No. 25-030 Chronic Pain, release 002.

- Policy No. 21-040 Interest on Claim-related Benefits and Employer Accounts, release 004;
- Policy No. 21-290 Recovery of Claim-related Overpayments, release 003;
- Fee Schedule No. 29-510 Prescription Eyeglasses, release 007;
- Fee Schedule No. 29-550 Care Allowance, release 14; and
- Fee Schedule No. 29-557 Clothing and Footwear, release 007.

The Board also analyzed issues related to:

- The three-day wait for police and firefighters;
- Benefits for young workers;
- The impact of the economic downturn on indexing benefits; and
- Allocating claim costs.

Staff Satisfaction and Engagement

Goal

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

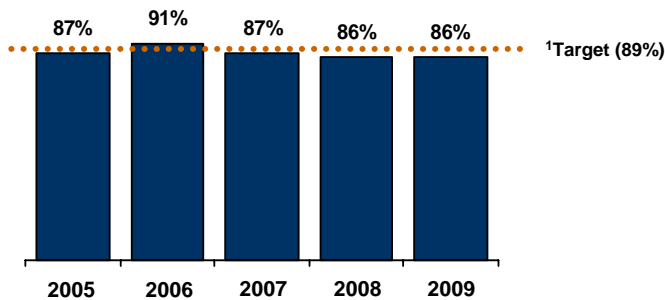
Target

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

Outcomes

WorkSafeNB is a Good Place to Work

Percent Agreement



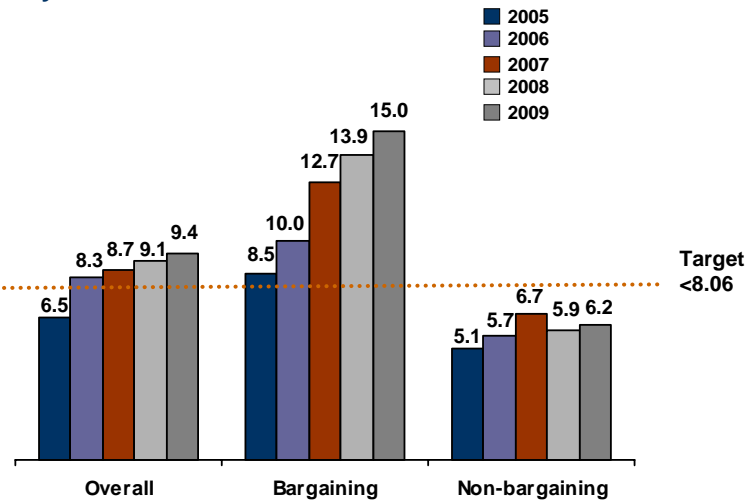
¹ Modified in 2009 from "greater than 80%" to "meet or exceed the previous five-year average"

Staff Engagement - Percent Agree Target > previous five-year average

| | 2008 | 2009 |
|--|------------|------------|
| Work is valuable & I make a difference | 89% | 89% |
| Understand role & contribution to vision | 89% | 89% |
| Committed to goals & I am inspired | 94% | 95% |
| Overall (Index) | 91% | 91% |

Other Indicators

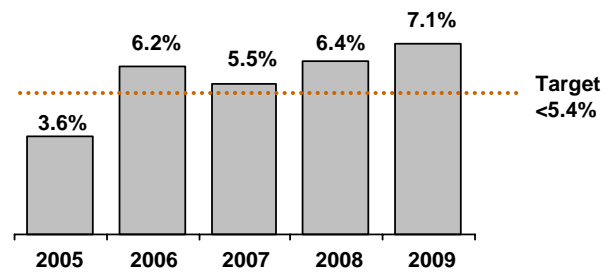
Days Absent¹



¹ Excludes family leave

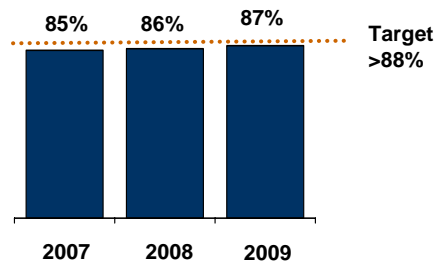
Staff Turnover

Percentage of all Staff (YTD)



Health & Safety

Annual Safety Index²



² Measures degree to which employees believe their work environment is safe, pleasant, conducive to productivity, positive, supportive, team oriented, and free from harassment from coworkers

Annual Results For Key Strategies – Staff Satisfaction Goal

Evaluating competitiveness of wages and benefits

Outcomes

- According to the Staff Satisfaction Survey, 59% of employees reported satisfaction with wages and benefits, down slightly from 62% in 2008.
- 6 grievances were raised by bargaining units in 2009:
 - 4 were resolved at first level; and
 - 2 were resolved at third level.

- In 2009, the Health Benefit Consultation Committee met twice and made presentations to all employees covered by the Plan to review recommendations. These recommendations were approved by Executive, effective January 1, 2010.

Building a WorkSafe culture among staff by promoting health, safety, and wellness

Outcomes

- WorkSafeNB reported a decrease in accidents among staff, down from 3.21 claims per 100 FTE in 2008 to 2.65 in 2009.
- 12 claims for WorkSafeNB employees were accepted in 2009, down from 14 in 2008. Costs of accepted claims in 2009 were \$10,657, compared to \$31,019 in 2008.
- In 2009, there were 19 reported incidents of violence against employees, up from 15 in 2008. The 19 incidents were violence in the form of verbal threats.
- Five training sessions on workplace violence were held in three regions, resulting in 126 WorkSafe Services employees receiving training to recognize and safely respond to incidents of workplace violence.
- The Staff Satisfaction Survey indicated that 89% of WorkSafeNB employees believe they work in an environment free of harassment from coworkers.
- More than 204 employees received the flu vaccination as part of wellness initiatives, compared to 168 in 2008. This increase may be attributed to the mass immunization campaign undertaken by the province.
- Approximately 18.1% of employees used the family and employee assistance program in 2009, up from

14.8% in 2008, but consistent with the trends projected by the provider.

Activities

- WorkSafeNB implemented the 2009 Health and Safety (H&S) Plan, which included a review of 2008 activities, assessment costs, injury analysis, and an overview of the 2009 and first quarter H&S Plan.
- WorkSafeNB's ongoing Wellness Program offered employees a variety of activities related to physical, nutritional, psychological, and basic health.
- WorkSafeNB completed the following H1N1 preparedness activities:
 - The pandemic plan was presented to all employees throughout the province;
 - A communications portal was established on the Safetynet to provide employees the most current H1N1 information. WorkSafeNB staff provided positive feedback on the timeliness, usefulness, and accessibility of the portal; and
 - Prevention communications material was distributed to all regions.
- The JHSC held its annual meeting, and the security officer visited each region to provide training to JHSC members.

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- WorkSafeNB continued to promote its incident and hazard reporting procedure, with 26 hazards and 57 incidents identified and corrected in 2009.

Providing timely disability management services to optimize return-to-work outcomes of staff

Outcomes

- In 2009, the Disability Management Program helped 15 employees:
 - 10 returned to work through the Gradual Return-to-Work program;
 - 4 remained on the job through workplace adjustments; and

➤ 1 returned to work in a part-time position.

- 12.8% of WorkSafeNB employees were recognized for perfect attendance in 2009, an increase from 11% in 2008.

Developing strategies to evaluate employee engagement

Outcomes

- 32 employees left the organization, including 14 retirements. This staff turnover rate of 7.08% is higher than the five-year average of 5.4%.
- In 2009, 96 competitions were opened, 52 of which were for regular budgeted positions, resulting in the promotion of 14 employees. The vacancy rate for unfilled positions was 22.9, which is higher than the five-year average of 11.56.
- Each year, staff works with managers to develop personal performance objectives and to plan career development. This activity is supported by accurate job descriptions, 74 of which were reviewed in 2009. Sixteen managers participated in a one-day voluntary session to receive training on

staff engagement, with very positive feedback from participants.

- 97% of employees received a performance review in 2009.

Activities

- A total of 148 employees attended 30 workshops, courses, and information sessions sponsored by WorkSafeNB that addressed various topics designed to help employees reach their educational objectives.
- 7 human resources directives and/or procedures were reviewed and revised.
- The Annual General Meeting honoured 14 retirees and 63 employees for milestones of five to 35 years of public service.

Planning for the professional development of WorkSafeNB staff to ensure effective succession planning

Outcomes

- WorkSafeNB replaced four senior staff in 2009.

Activities

- WorkSafeNB spent \$543,041 on professional development initiatives in 2009, down from \$641,999 in 2008.

2.0 RESPONSES TO RISK

Risks identified in 2009 were grouped into the following four major areas: unique mandate risk, external risk, operational risk, and risk to reputation. The tables below summarize how the Board managed each risk. The risk and the goal affected by the risk are identified. Further, the tables include the results of the Board’s assessment that identifies if additional policy decisions are required, if sufficient resources are allocated, and if adequate oversight structures are in place. Finally, the tables include the level of residual risk following the Board’s assessment. The discussion following each table indicates progress made in addressing those risks identified by the Board as having a “cautionary” or an “unacceptable” level of residual risk.

2.1 UNIQUE MANDATE RISKS

A unique mandate risk is one that exists only because of WorkSafeNB’s legislated mandate.

| Unique Mandate Risks | | | | | | |
|--|-----------------------|------------------------|---------------|---|--------------------------------|-------------------------------|
| Summary of Risks | Goal Affected by Risk | Residual Level of Risk | Risk Strategy | Board Decisions to Guide the Management of the Risk | | |
| | | | | New or Updated Policy Decision Required | Sufficient Resources Allocated | Adequate Oversight Structures |
| 1. Funding level volatility | Balance | Unacceptable | Reduce | No | Yes | Yes |
| 2. Gaps and delays in health and safety legislation | Balance | Unacceptable | Reduce | No | Yes | Yes |
| 3. Appeals Tribunal decisions that are inconsistent with Board policy | Balance | Unacceptable | Reduce | Yes | Yes | Yes |
| 4. Impact of negative inflation on benefits | Balance | Unacceptable | Reduce | Yes | Yes | Yes |
| 5. Level and comprehensiveness of benefits | Balance | Cautionary | Reduce | Yes | Yes | Yes |
| 6. WorkSafeNB’s role in return to work and meeting stakeholders’ expectations | Return to Work | Cautionary | Reduce | Yes | Yes | Yes |
| 7. Changes to international financial reporting standards | Balance | Cautionary | Reduce | No | Yes | Yes |
| 8. Annuity set aside is subject to market volatility | Balance/Service | Cautionary | Reduce | Yes | Yes | Yes |
| 9. Decisions that threaten intergenerational equity and the sustainability of the workers’ compensation system | Balance | Acceptable | Reduce | No | Yes | Yes |
| 10. Varying expectations of WorkSafeNB’s role in health and safety | Safety | Acceptable | Reduce | No | Yes | Yes |
| 11. New and emerging occupational diseases | Balance/Safety | Acceptable | Accept | No | Yes | Yes |

2009 Board Response to Guide the Management of Unique Mandate Risks

Throughout 2009, WorkSafeNB's efforts to reduce its unique mandate risk were as follows:

Risk #1 – Funding level volatility

Policy No. 37-100 Long-term Fiscal Strategy accepts short-term fluctuations in investment returns (and thus in its funding position) with the expectation of average annual returns sufficient to meet its liabilities over a longer time period. Therefore, the Board approved this level of volatility in setting the asset mix policy and funding policy after the 2006 Asset-liability Study. WorkSafeNB manages this risk on an ongoing basis by diversifying its assets and by diversifying its selection of investment managers. During its 2009 strategic planning sessions, the Board of Directors agreed to reschedule the Asset-liability Study from 2011 to 2010. Also, Mercer (Canada) Limited, an independent investment consulting firm, has been retained to review the investment-related policies and directives of WorkSafeNB.

Risk #2 – Gaps and delays in health and safety legislation

WorkSafeNB may address legislation that is not sufficiently prescriptive in two ways. It may propose amendments to legislation and its regulations or interpret legislation through policy. WorkSafeNB is awaiting government's response to the following proposed legislative and/or regulatory changes (date of original proposal in parentheses):

- An amendment to Section 8 of the *OHS Act* to define "new employee" and to expand employers' responsibilities concerning safety policy (2009);
- Amendments to the *General Regulation* (91-191) and *Underground Mine Regulation* (96-105) under the *OHS Act* (April 2006);
- Amendments to the fall protection requirements in the *General Regulation* (91-191) under the *OHS Act* (August 2009);
- New regulations under the *OHS Act* to govern health and safety at Liquefied Natural Gas facilities in New Brunswick (August 2009); and
- An amendment to the *WC Act* so that demerit penalties can be imposed for offences under the *OHS Act* (November 2009).

In 2009, the Board of Directors also approved:

- Policy No. 23-715 Employer Legislated Requirements and Services to further guide employers in their responsibilities;
- Policy No. 24-001 OHS Philosophy to emphasize the development of a safety culture among employers; and
- Policy No. 26-010 Definition of an Employee to more precisely define "employee" under the *OHS Act*.

Risk #3 – Appeals Tribunal decisions that are inconsistent with Board policy

The *WHSCC Act* establishes the Board of Directors' responsibility for providing oversight of the Appeals Tribunal. In 2009, the Board of Directors approved Policy No. 41-010 Governance – Board of Directors' Principles for Governing the Appeals Tribunal, which communicates the principles to guide the activities of the Appeals Tribunal. An Appeals Tribunal Evaluation Committee was also established to perform this oversight function.

Risk #4 – Impact of negative inflation on benefits & Risk #8 – Annuity set aside is subject to market volatility

The Board of Directors reviewed a discussion document on the issue, identified as a policy priority in 2009, and concluded that because of the expected end to the recent economic downturn, these risks should be downgraded to “acceptable.” WorkSafeNB continues to monitor this risk.

Risk #5 – Level and comprehensiveness of benefits

The Board of Directors added Benefits Balance as a policy priority for 2009/2010 and approved the principles upon which the policy will be based. WorkSafeNB also performed audits to confirm that benefits and services are provided according to established policy.

Risk #6 – WorkSafeNB’s role in return to work and meeting stakeholders’ expectations

The Board of Directors identified eight return-to-work policy priorities for 2009/2010. It also added Policy No. 21-418 Return-to-Work Incentives as both a policy evaluation priority and a stakeholder engagement priority for 2009/2010 to determine whether this pilot project is producing the intended outcomes. The Board affirmed the current strategic direction after receiving preliminary information on the return to work issues in 2009. Eight documents are under review and will be returned to the Board for decisions in 2010.

Risk #7 – Changes to international financial reporting standards

To take effect in 2011, these changes could require the estimation of liabilities using a different measure, which could introduce greater volatility to WorkSafeNB’s annual financial results. In 2009, WorkSafeNB continued to prepare for these changes by working with other Boards and with external auditors to identify significant areas in the transition. The Asset-liability Study to be held in 2010 will take this issue into account.

Risk #9 – Decisions that threaten intergenerational equity and the sustainability of the workers’ compensation system

In 2009, the Board of Directors approved Policy No. 41-010 Governance – Board of Directors’ Principles for Governing the Appeals Tribunal to mitigate the risk of the Appeals Tribunal deviating from WorkSafeNB policy.

Risk #10 – Varying expectations of WorkSafeNB’s role in health and safety

Embedded in legislation is the principle of internal responsibility whereby workplace parties take responsibility for ensuring optimal health and safety practices and policies are implemented in the workplace. Building on this principle, WorkSafeNB has taken steps to provide further incentives to employers in fulfilling this responsibility. WorkSafeNB also directs resources toward helping both industries and employers that are high risk or have high accident frequencies. In 2009, the Board of Directors modified Policy No. 24-001 OHS Philosophy to emphasize its commitment to “helping New Brunswick workplaces build a safety culture, where all individuals consider workplace injuries unacceptable.”

Risk #11 – New and emerging occupational diseases

The Board has approved Policy No. 21-111 Conditions for Entitlement - Occupational Diseases to guide staff in determining whether a disease is an occupational disease that arose out of and in the course of employment. To do so, WorkSafeNB (1) evaluates scientific and medical literature to determine probable causal association between the exposure reported and the disease; and (2) weighs claim-specific medical evidence to evaluate if the particular exposure and the disease reported are work related.

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2.2 EXTERNAL RISKS

External risks are societal trends and behaviours that could impact the goals of WorkSafeNB.

| External Risks | | | | | | |
|--|------------------------|------------------------|---------------|---|--------------------------------|-------------------------------|
| Summary of Risks | Goal Impacted by Risk | Residual Level of Risk | Risk Strategy | Board Decisions to Guide the Management of the Risk | | |
| | | | | New or Updated Policy Decision Required | Sufficient Resources Allocated | Adequate Oversight Structures |
| 12. General health status – longer recovery times caused by the poor general health status of New Brunswickers | Balance/Return to Work | Cautionary | Accept | Yes | Yes | Yes |
| 13. Availability and cost of health care | Return to Work | Cautionary | Accept | No | Yes | Yes |
| 14. Increased accidents associated with skills and labour shortages | Safety | Cautionary | Accept | No | Yes | Yes |
| 15. Level of knowledge and resources to address emerging high-risk industries | Safety | Cautionary | Reduce | No | Yes | Yes |
| 16. Changes to legislation, regulation, and policy in other jurisdictions | Balance | Acceptable | Reduce | No | Yes | Yes |
| 17. Literacy and education level of injured workers | Return to Work | Acceptable | Accept | No | Yes | Yes |
| 18. Impacts of language and cultural barriers on safety and return to work | Safety/Return to Work | Acceptable | Reduce | No | Yes | Yes |

2009 Board Response to Guide the Management of External Risks

Throughout 2009, WorkSafeNB's efforts to address external risks were as follows:

Risk #13 – Availability and cost of health care

In 2009, the Board of Directors identified Policy No. 25-001 Medical Aid - Principles and Policy No. 25-002 Medical Aid Standards of Care as policy priorities. Revisions to these policies, which establish standards for treatment and evidence-based care to be provided to WorkSafeNB clients, were approved in February 2010.

Risk #15 – Level of knowledge and resources to address emerging high-risk industries

With the changing nature of the economy and more knowledge-based industries, WorkSafeNB must be prepared to address new and emerging workplace injuries. In 2009, the Board of Directors proposed legislative changes to accommodate the LNG industry now represented in the province.

Risk #17 – Literacy and education level of injured workers / Risk #18 – Impacts of language and cultural barriers on safety and return to work

In 2009, the Board of Directors began reviewing Policy No. 21-419 Communications in Rehabilitation. The review includes emphasizing the importance of all participants in rehabilitation providing information that is clear, concise, and timely to facilitate understanding of legislation, policy, and WorkSafeNB decisions. Further, the policy directs parties communicating information to be aware of barriers such as literacy and language that may affect the

Measuring the Strategic Goals – 2009 Results

understanding of those receiving the information. The Board also approved Policy No. 20-100 Principles of Service Delivery to communicate to clients the service that they can expect from WorkSafeNB.

2.3 OPERATIONAL RISKS

Operational risks refer to a failure of people or systems that may impact the ability of WorkSafeNB to fulfill its legislative responsibilities.

| Operational Risks | | | | | | |
|--|---------------------------------|------------------------|---------------|---|--------------------------------|-------------------------------|
| Summary of Risks | Goal Impacted by Risk | Residual Level of Risk | Risk Strategy | Board Decisions to Guide the Management of the Risk | | |
| | | | | New or Updated Policy Decision Required | Sufficient Resources Allocated | Adequate Oversight Structures |
| 19. WorkSafeNB employee retirement levels | Staff Satisfaction & Engagement | Unacceptable | Reduce | No | Yes | Yes |
| 20. Impact of catastrophic events on business continuity | Service | Cautionary | Reduce | No | Yes | Yes |
| 21. WorkSafeNB employee retention in specialized fields | Staff Satisfaction & Engagement | Cautionary | Reduce | No | Yes | Yes |

2009 Board Response to Guide the Management of Operational Risks

In 2009 WorkSafeNB focused on reducing operational risks as follows:

Risk #19 – WorkSafeNB employee retirement levels

The satisfaction of staff and the ability to provide timely and effective service may be impacted by staff turnover and the loss of corporate memory resulting from retirements. In response to this risk, the Board has allocated resources to the executive management program, the growing leaders program, professional development, and succession planning for key positions in WorkSafeNB.

Risk #20 – Impact of catastrophic events on business continuity

To manage the risk associated with the possibility of the H1N1 flu virus pandemic, in 2009 WorkSafeNB completed and presented its pandemic plan to staff throughout the province. This plan:

- Identified WorkSafeNB's business priorities;
- Outlined specific employees' roles and responsibilities during a pandemic;
- Established a communications strategy;
- Identified employee training; and
- Communicated assessment and reporting protocols.

WorkSafeNB's Information Technology department also expanded its capability to manage unforeseen loss of crucial employees by training employees to run core processes such as medical aid and benefits payments.

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Risk #21 – WorkSafeNB employee retention in specialized fields

WorkSafeNB is concerned with retaining specialized workers, such as physiotherapists and occupational therapists. It is expected that this risk may be somewhat mitigated with the Board's decision not to sell WorkSafeNB's rehabilitation facility in Grand Bay-Westfield.

2.4 RISKS TO REPUTATION

Risks to reputation are the risks that could impact the perceptions and attitudes of stakeholders, clients, and the public toward WorkSafeNB.

| Risks to Reputation | | | | | | |
|--|-----------------------|------------------------|---------------|---|--------------------------------|-------------------------------|
| Summary of Risks | Goal Impacted by Risk | Residual Level of Risk | Risk Strategy | Board Decisions to Guide the Management of the Risk | | |
| | | | | New or Updated Policy Decision Required | Sufficient Resources Allocated | Adequate Oversight Structures |
| 22. Government decisions independent of WorkSafeNB advice | Balance | Unacceptable | Reduce | N/A | N/A | N/A |
| 23. Fraud and abuse | Balance | Acceptable | Reduce | No | Yes | Yes |

2009 Board Response to Guide the Management of Risks to Reputation

In 2009, key developments and decisions related to the risks to reputation were as follows:

Risk #22 – Government decisions independent of WorkSafeNB advice

Notwithstanding the Board of Directors' decision not to recommend legislative changes to the three-day waiting period provision in the *WC Act*, in 2009 the Government of New Brunswick amended the legislation by eliminating the three-day waiting period for benefits for police and firefighters.

Risk #23 – Fraud and abuse

As a result of the agreement initiated with Canada Revenue Agency in 2008 to facilitate the exchange of information to identify and register employers, WorkSafeNB has registered 500 employers legally obligated to pay assessments.