Keeping Pace with Change

Annual Report 2003

INSTITUTE
FOR WORK & HEALTH
INSTITUT DE RECHERCHE
SUR LE TRAVAIL ET
LA SANTÉ

The Institute at a glance

The Institute for Work & Health (IWH) is an independent, not-for-profit research organization. Our mission is to conduct and share research with workers, labour, employers, clinicians and policy-makers to promote, protect and improve the health of working people.

What We Do

Since 1990, we have been providing research results and producing evidence-based products to inform those involved in preventing, treating and managing work-related injury and illness. We also train and mentor the next generation of work and health researchers.

How We Share Our Knowledge

Along with research, knowledge transfer and exchange is a core business of the Institute. The IWH commits significant resources to put research findings into the hands of our key audiences. We achieve this through an exchange of information and ongoing dialogue that ensures that research information is both relevant and applicable to stakeholder decision-making.

How We Are Funded

Our primary funder is the Ontario Workplace Safety & Insurance Board (WSIB). Our scientists also receive external funding from major peer-reviewed granting agencies.

Our Community Ties

The Institute has formal affiliations with four Ontario universities: McMaster University, University of Toronto, University of Waterloo, and York University. The Institute's association with the university community and its access to work-places and key sources of data has made it a respected advanced training centre. Over the last several years, IWH has hosted a number of international scientists. Graduate students and fellows also spend time at the Institute. They receive guidance and mentoring from the scientific staff and participate in projects, which enables them to gain first-hand experience and make vital connections to the work and health research community.

2003 at the Institute

With the largest and most dynamic economy in Canada, Ontario relies heavily on the strength, health and skills of its workforce. The dynamic Ontario economy can generate rapid change–the adoption of new technologies, the creation of new employment opportunities and the development of innovative approaches to the organization of work. Many of these changes will have consequences for how workplaces promote, protect and improve the health of working people.

In our 2003 Annual Report, we highlight some of the challenges on the horizon and describe several of the Institute's research and knowledge transfer projects that are responding to the health needs of workers in the contemporary labour market.

Contents

A joint message from the Chair of the Board and Institute President

Dr. Cameron Mustard
President

Mark Rochon
Chair, Board of Directors

Ontario's economy is the largest and most dynamic in Canada and the province is among the most diversified and productive economic regions in the global economy. Dynamic economies generate change–the adoption of new technologies, the creation of new employment opportunities and the development of innovative approaches to the organization of work.

Keeping pace with change in today's economy calls upon the creativity and commitment of all interests in the labour market–employers, managers, workers and representatives of organized labour, investors and government policy-makers. At the Institute for Work & Health, we remain committed to undertaking research that addresses emerging workplace health issues arising from changing features of the contemporary labour market.

Among the challenges facing all of us are new forms and patterns of employment such as self-employment, contract and temporary work. Many sectors of the economy will also be affected soon by the "graying" of the workforce in Ontario and across Canada, as fewer young workers enter the labour force and many older employees choose to work beyond the traditional age of retirement.

These shifts in the world of work require innovative approaches and labour market policy reforms to ensure the health and income security of workers are adequately protected. The active involvement of all interests in the labour market in addressing these challenges is key.

In this year's Annual Report we reflect on these and other challenges posed by the changing economy. We also describe how our multidisciplinary research teams and strong partnerships are keeping pace with change.

We were pleased this year to welcome our new Chief Scientist Dr. Anthony Culyer. His international research reputation and policy experience make him an ideal candidate to direct the Institute's research programs and collaborations, and to help shape our research agenda over the next several years.

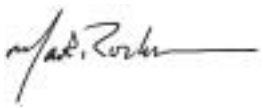
Our Board of Directors and Scientific Advisory Committee continue to provide strong leadership to the Institute. We also welcome the advice of our newest advisory group, the Knowledge Transfer & Exchange Advisory Committee, which met for the first time in May of 2003. We thank all of our advisory and board members for their dedication, thoughtful deliberation, and creativity.

We also acknowledge our growing list of external partners–colleagues and organizations involved in workplace health research or knowledge transfer projects. Partnerships have always been an essential ingredient of the Institute's success, and we thank you for helping us achieve our goals.

On behalf of the Board, we also want to thank and congratulate Institute staff on a successful and productive year.

There are several exciting projects on the horizon. Most recently, the Workplace Safety & Insurance Board of Ontario offered funding support to an Institute initiative to conduct systematic reviews of the scientific literature in the field of prevention. These reviews will help identify prevention strategies, programs and practices that are effective in reducing injury and improving the health of workers.

We look forward in the year ahead to sharing the results of our ongoing research aimed at promoting, protecting and improving the health of working people in Ontario.



Chair, Board of Directors

President

Preventing workplace injury and disability

Studies show that in Ontario today, between 30 to 40 per cent of workers' compensation claims involving days lost from work are attributed to non-traumatic injuries to the musculoskeletal system.

These conditions, sometimes termed Repetitive Strain Injuries or RSIs, stem from repeated exposures to adverse physical and psychosocial factors.

While the incidence rate of musculoskeletal injuries arising from traumatic causes has declined substantially over the past decade, the incidence of injuries due to non-traumatic causes has remained constant.

Source: Sullivan T. Injury and the New World of Work. UBC Press, Vancouver, 2000.

At the start of the 1990s, an estimated 1,000,000 Canadian workers were injured each year on the job. These injuries were serious enough to require medical care or wage-loss compensation provided by a provincial workers' compensation authority.

By the year 2000, the number of time-loss and no-time loss workers' compensation claims due to a job-related injury had declined to approximately 600,000–even though over this same period, Canada's labour force increased by 12 per cent.

There is evidence that workplace organizational policies and practices have become more focused on health and safety concerns over the past decade. A recently completed study by Geldart, Shannon and Lohfeld surveyed managers and employees in nearly 300 Ontario workplaces first in 1990 and then again in 2001. Among the important findings of this study was an increase in the health and safety training of new employees, from 68 per cent in 1990 to 92 per cent in 2001. The firms in the survey also reported increased management involvement in health and safety over the decade, including having health and safety as part of their performance appraisal.

One possible explanation for the increased attention to health and safety concerns within Ontario workplaces over the past decade is the introduction of experience-rated insurance premiums for workers' compensation insurance. Experience rating ties an individual company's premiums to claims for injury and illness experienced by its own workers. These programs were made mandatory for all firms insured under the Workplace Safety & Insurance Board of Ontario in the 1990s.

Some believe experience rating is an effective method of communicating the importance of health and safety prevention to employers. However, others argue that using economic incentives to influence employment practices may actually encourage unintended undesirable practices, such as under-reporting of workplace injuries. Further research is needed to fully understand the positive and negative effects of experience rating in the Ontario labour market.

The tasks ahead

Even though compensation claims have declined, there are still thousands of workers each year who suffer the effects of work-related musculoskeletal disorders (or WMSDs) caused by

physical and psychosocial exposures at work. To realize further reductions in rates of injury and disability among Ontario workers, we need increased emphasis on the identification and adoption of effective prevention interventions.

This will require greater attention to controlling workplace ergonomic conditions–the physical, psychosocial and organizational aspects of work–to achieve healthier organizational design. (Ergonomics is defined as "The study and process of designing and/or modifying tools, materials, equipment, work spaces, tasks, jobs, products, systems and environments to match the abilities, limitations, and social needs of human beings in the workplace.")

Effective prevention also requires giving attention to how soft-tissue injuries arising from cumulative workplace exposures are managed clinically. Proper management includes integrating injured workers' recovery with workplace practices that focus on early and safe return to work.

What the Institute is doing

Workplace interventions to reduce workplace injuries and improve musculoskeletal health: a program of intervention research

The burden of workplace-associated injury, particularly musculoskeletal disorders, has been attributed to both physical and organizational aspects of work settings. Differences in rates of injury occur both across jobs/sectors and between genders. Workplace parties (both unions and management) and insurers have urged researchers to work with them on interventions to reduce the number of these injuries.

Some of the major perceived barriers to the implementation of ergonomic programs or to healthier organizational design are: distrust of research and lack of understanding of the cost and long-term impact of implementing findings; and a lack of high quality intervention research studies.

Researchers and partners are working to identify workplaces that are willing to share information on interventions under way or to participate in proactive workplace intervention research.

Among the latter, researchers will undertake systematic evaluations of the effectiveness of diverse workplace interventions, designed with workplace parties and tailored to their specific needs and interests, to improve injury and musculoskeletal health outcomes. Long-term follow-up will be planned for workplaces working with system partners or participating in assessments or demonstration projects.

The research team is working with other health and safety partners to develop the strategies and tools required to fulfill these objectives and to mobilize the resources needed to implement the research program.

Research Team:
D. Cole (Principal Investigator), G. Hepburn, E. Tompa, S. Ferrier, D. Van Eerd, D. Kramer, M. Swift, R. Dolinschi, R. Wells, N. Theberge (University of Waterloo), N. Vezina, A. Beauvais (University of Québec at Montréal), J. Barling (Queen's University), M. St. Vincent (IRRST).

Non-traditional work arrangements

More Canadians are self-employed. The percentage of labour force participants working for themselves, with no employees, has increased from 12 per cent in 1976 to 15.3 per cent in 2003.

The rate of non-permanent employment has also increased from 9.4 per cent of the labour force reporting casual, temporary or seasonal employment relationships in 1997 to 10.5 per cent in 2003.

Self-employed or non-permanent labour force participants are less likely to receive workplace safety training or benefits, regulatory protection from unsafe work environments or entitlement to workers' compensation coverage.

Source: Canadian Labour Force Survey, 2003.

Today's economy is generating new forms and patterns of employment. Some of these novel employment arrangements may require adjustment and reform of labour market policies to ensure that the health and income security of workers are protected.

The classic features of a traditional employment arrangement are full-time, year-round employment provided by a single employer over a long period of time. In contrast, non-traditional employment arrangements may be part-time or based on contract (limited term) employment commitments. These arrangements typically do not include employer-provided employment benefits and may offer lower wages compared to the norm.

The tasks ahead

Health and safety protections and income security protections are based, in large part, on the assumption of a traditional employment arrangement. There are concerns that workers in non-standard employment arrangements may frequently find themselves outside the scope of legislated provisions for the protection of workers' health and the provision of income security protection.

Researchers:
E. Tompa,Coordinator(top,middle), H. Scott (right), S. Trevithick (bottom, middle), S. Bhattacharyya (left).
Not pictured: R. Dolinschi, C. Mustard.

What the Institute is doing

Underemployment and contingent work

Institute scientists are looking at the health consequences of two increasingly prevalent non-standard work arrangements–underemployment and contingent work. Contingent work includes a range of non-standard work arrangements such as part-time, short-tenure, multiple job holding, and solo self-employment. The goal of the Institute research is to determine whether workers involved in such arrangements are more likely to experience measurable negative health consequences.

The study has a number of objectives:

- to determine whether individuals who experience underemployment or are involved in contingent work arrangements have poorer health or are more likely to suffer declines in health than those who are in standard, long-tenure jobs.
- to establish whether any association between underemployment or contingent work and poor health is stronger among those who experience these arrangements for longer periods of time.
- to determine whether any association between underemployment or contingent work and poor health is explained by more unhealthy workers being involved in these work arrangements.
- to determine if any association between underemployment or contingent work and poor health can be partially explained by gender, family contexts, social support, drinking and smoking patterns and levels of physical activity.

An aging workforce

• In 2001, 8.4 per cent of Canadians over age 65 were working–up from 7.8 per cent five years earlier, according to a new report from Statistics Canada.

• An estimated 305,000 Canadians aged 65 and over were employed in 2001, up from about 255,000 in 1996. This represents approximately a 20 per cent increase, even though the total senior population grew by only 11 per cent during the same period.

Source: Statistics Canada, Perspectives on Labour and Income, Vol. 5 No. 2, February 2004.

To keep its economy vibrant and growing, Ontario needs skilled and healthy workers. A number of demographic trends raise concerns that the province may be facing a shortage of workers in next two or three decades.

The birth rate in Ontario has been declining steadily, reducing the number of young workers entering the labour market each year. Some population experts predict that immigration –from other countries and also from other provinces–will have to supply up to 80 per cent of new workforce entrants by mid-century.

At the same time, the so-called Baby Boom generation is now approaching the traditional age of retirement. The leading edge of this large population group will be turning 65 in the year 2011.

Increasing life expectancy means that more older Canadians are living well beyond the traditional retirement age of 65, many of them in good or excellent health. Perhaps paradoxically, there has been a trend toward early retirement over the past three decades. The frequency of persons retiring from employment before the age of 65 has increased from 43 per cent in 1976 to 70 per cent in 2002.

To compensate for the impact of shrinking numbers of younger workers and increasing numbers of older workers, federal and provincial governments are already considering policy initiatives that may encourage and support older people to remain in the workforce.

The tasks ahead

Adjusting successfully to an older workforce requires increasing attention from employers, labour and government over the coming decade. Demographers and other experts say we can anticipate a number of important effects.

For example, some economists expect that aggregate consumer demand (and therefore the demand for

goods and services) will decline, as older-aged households become more plentiful and as the number of younger households–those engaged in forming and raising families–declines. Experts also predict rising demand for a broad range of health and care-giving services. An aging society will change both the profile of labour force participants and the characteristics of goods and services provided by the economy.

Retaining older labour force participants will require attention to the health of older workers. Age-related declines in sensory function, in physical strength and in functional ability will need to be accommodated on the job.

The performance demands of different occupations will also need to be assessed relative to the capacities of older workers. For example, there is evidence from many European economies and from experiences here in Ontario that long service in education occupations and in health care-giving occupations is related to a higher incidence of long-term disability claims.

What the Institute is doing

Disability while at work: A comparison of different measures in persons with arthritis

The impact of arthritis in the workplace remains largely unrecognized and poorly measured, even though this group of diseases is known to be a leading cause of disability in Canada.

It is expected that the number of working age people affected by arthritis will double in the next 15 years. This will be primarily due to the "graying" of the workforce.

While workers with arthritis occasionally miss days from work because of their symptoms, there is growing evidence that they may be less productive even on the days they do come to work.

This study compares several new approaches to measuring self-reported "decreased activity at work." The results will provide guidance on which measure is best suited to quantifying work disability in patients with arthritis. The ultimate goal is to plan workplace interventions aimed specifically at workers with arthritis which may enable them to miss fewer days of work and to be more productive on the job.

One goal of this research project is to create a new partnership between the Institute for Work & Health and the Canadian Arthritis Network (a Network Centre of Excellence), which will help set a research agenda addressing the workplace needs of people with arthritis.

Researcher Team:
C. Bombardier (Principal Investigator); D. Beaton; M. Gignac (University Health Network); D. Lacaille (Arthritis Research Centre of Canada)

Understanding the effectiveness of injury compensation programs

When workers' compensation was first introduced in 1913, its overarching goal was to provide financial protection to both injured workers and employers. Compensation ensured injured workers and their families didn't go destitute following a workplace accident. Employers were protected from bankruptcy resulting from a legal suit arising from a job-related injury sustained by a worker in their employ.

Today, workers' compensation systems face two competing pressures. On the one hand, scientific knowledge is expanding the scope of evidence linking work exposures to health, which has implications for expanding compensation entitlement. On the other hand, increasing global economic integration is creating pressures to lower payroll costs and payroll-financed benefits. The policy challenge is to balancing pressures for an expanded scope of entitlement with relative fairness and with financial sustainability in an era of liberalized trade arrangements and increasing global economic integration.

In the competitive environment arising from global economic integration, there are strong pressures from employers to minimize payroll costs, including workers' compensation premiums. Given the integration of the Ontario economy in the larger North American economy, it is important to note that Ontario is among the lowest cost jurisdictions when compared to 44 US states in terms of employer workers' compensation costs.

In recent years, Ontario compensation premium costs have been in the lowest quartile of workers' compensation jurisdictions. In addition to performing as one of the lowest cost jurisdictions in North America, the Workplace Safety & Insurance Board of Ontario has also achieved a higher wage replacement rate than most jurisdictions in the United States, made greater investments in prevention services and applied research and incurred lower medical care expenditures as a proportion of premium revenue.

The tasks ahead

As the world of work changes and evolves in Ontario, the workers' compensation system faces constant pressure to adapt and respond. The Institute is committed to providing research evidence to policy-makers responsible for the programs and directions of the compensation system.

What the Institute is doing

Post-accident earnings and benefits adequacy and equity: An evaluation of the Permanent Disability Program

Although jurisdictions across North America differ in how they determine income benefits for workers who sustain permanent disabilities from a work accident, most share several common goals: to provide fair, adequate and prompt payment of benefits; to administer programs at low cost; and to encourage early and safe return to work.

While many workers' compensation boards have experimented with different program designs, there has been little research on the implications of permanent disability program design on the long-term labour-market earnings of an injured worker or the adequacy and equity of workers' compensation benefits.

Institute researchers carried out two related studies to assess permanently impaired workers' experiences–in particular their labour-market earnings and lost-earnings replacement rates after a work-related injury. Scientists used data from the Longitudinal Administrative Databank (LAD) maintained by Statistics Canada, which includes a random sample of all Canadian tax filers. This data was linked to anonymized claims data from the pre-1990 and post-1990 long-term disability programs of the Ontario Workplace Safety & Insurance Board.

This research provides valuable information on the adequacy, equity and cost of workers' compensation benefits programs for permanent disability and are relevant to workers' compensation programs in jurisdictions across North America.

Research Team:
E. Tompa, (Principal Investigator), C. Mustard, S. Sinclair, S. Trevithick, M. Vidmar.

Integrating research knowledge into decision-making

Designing and carrying out high quality research in the field of workplace health is certainly vital. But it represents just part of the challenge. We must also develop ways to deliver new research-based information into the hands of policy-makers, clinicians, workplaces and others so they can incorporate the findings into their own decision-making.

There is a growing appetite for evidence-based information in the "real world" of work. Members of the Institute's key audiences–including policy-makers, the Workplace Safety & Insurance Board, Ontario's Health and Safety Associations and workplace parties–have repeatedly expressed their "need for evidence" in recent years. They want to enhance their use of research to ensure more effective decision- and policy-making.

Our challenge is to make sure that the research evidence is relevant, timely and presented in a format that can easily be adapted and applied. Building strong relationships with our audiences and helping them to understand and use research is critical to our success.

In 2003, the Institute's Knowledge Transfer group changed its name to Knowledge Transfer & Exchange. The new name recognizes the need for two-way communication in the knowledge transfer process. Instead of developing and then communicating research-based messages (the "Push" model) about back pain treatment or prevention of workplace injury, we have built on that process and moved to an "exchange" model. This approach facilitates stakeholder input and information exchange from the very earliest stages of a research project through to message development and the communication of results.

Our KTE model is based on exchange of information from research to practice, and from practice back to the research agenda. This ongoing collaboration enables us to work closely with our partners to ensure that the tools and strategies developed for transfer purposes are sensitive to their needs.

The sheer size and scope of the Ontario labour market poses a major challenge for our small KTE department. To exchange information with every workplace and key decision-maker would be impossible.

Instead we have identified "conduits" or knowledge brokers who are part of existing information networks. These networks of individuals–such as Ontario's Health and Safety Associations, business councils, clinical networks and labour organizations–have the ability to reach many decision-makers and make our knowledge transfer and exchange efforts more effective and efficient.

What the Institute is doing

Educational Influentials: Clinical Knowledge Brokers' Network

The use of "opinion leaders" (practitioners who serve as informal mentors/teachers to their peers) is an established mechanism for transferring research knowledge.

To date, more than 200 Educationally Influential (EI) physiotherapists,occupational health nurses and kinesiologists have been identified and invited to participate in knowledge exchange sessions. Work is ongoing to identify similar opinion leaders among primary care physicians and occupational therapists.

The EI project involves partnerships with relevant professional bodies such as the College of Physiotherapists of Ontario, the Ontario Occupational Health Nurses Association, the Ontario Kinesiologists Association, the Ontario College of Family Physicians, the College of Physicians and Surgeons of Ontario, the Guidelines Advisory Committee of the Ontario Medical Association and the Ontario Ministry of Health and Long-Term Care.

Team members:
R. Reardon, J. Gibson, S. Sinclair, V. Pennick, D. Van Eerd, P. Subrata, C. Kennedy, P. Côté, J. Hayden, C. Ammendolia, C. Bombardier, J. Guzman, S. Hogg-Johnson

Investing to reduce workplace injury and disability

The province of Ontario is well-positioned to lead the developed economies in achieving continued reductions in preventable work injury and disease. The province has established an innovative set of institutions and agencies to support workers and employers in making work safer.

The mandated obligation to establish Joint Health and Safety Committees in all workplaces with more than 20 employers is one example. The designation of a Health and Safety Association for each major economic sector in the province is a second example. And a third example is the assignment of the regulatory responsibility for prevention programs services in the Ontario economy to the Ontario Workplace Safety & Insurance Board (WSIB). Ongoing efforts to align and integrate the focus of these institutions and agencies will increase the effectiveness of the prevention system in Ontario.

The investment in the Institute for Work & Health is an additional innovative element in the research and development capacity in Ontario to support workers and employers in making work safer. The Institute conducts original research on a number of fronts relevant to real-world problems: effective workplace interventions to prevent work-related musculoskeletal disorders, the effectiveness of clinical interventions in treating work-related musculoskeletal disorders, optimal strategies to support early and safe return to work among injured workers, and research on aspects of insurance and benefit design that supports the development of effective compensation policies.

In addition to the investment in the Institute for Work & Health, the Ontario WSIB allocates funds to high-quality research teams based in Ontario universities, through the agency of the WSIB Research Advisory Council. This pooling of research investments, on the behalf of all workplace parties in Ontario, is an efficient approach to building evidence surrounding effective practices for the primary and secondary prevention of workplace injury, illness and disability in Ontario. These investments contribute to the strengthening of a culture of evidence-based policy and practice.

2003: the year in numbers

>>people

- The Institute had a total complement of 97 full- and part-time staff.
- This included 16 scientists, one visiting scientist, 22 adjunct scientists, and 14 students.

>>funding

- We received $4.86 million in funding from the Ontario Workplace Safety & Insurance Board.
- Institute scientists received $1,030,882 in peer-reviewed grants.

>>research programs

- Scientists, staff and students participated in 62 research projects.
- A total of 158 presentations focusing on Institute research were made across Canada and around the world.
- Two IWH students completed their doctoral theses.

>>publications

- Institute staff published 40 research articles in peer-reviewed journals.
- A total of 51 articles were submitted for publication or were "in press."
- A total of 54 new papers were registered in the IWH Working Paper Series.

>>knowledge transfer & exchange programs

- Staff took part in 25 KTE projects.
- A total of 37 partner organizations took part in our knowledge transfer and exchange activities.
- A new five-member KTE Advisory Committee met for the first time in May.

>>information exchange activities

- A total of **10** non-IWH researchers spoke at our external plenary series.
- A total of **21** IWH staff made presentations at our internal plenary series.
- We received **4,912** requests for information from the public and media.
- A new IWH web site containing **1,350** pages was launched in September.
- The web site was visited **86,946** times.
- More than **30** articles about IWH or IWH research appeared in general and specialty print media.

Auditors' report

We have audited the balance sheet of Institute for Work & Health as at December 31, 2003 and the statements of operations, net assets and cash flow for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2003 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants.
Toronto, Canada.
March 1, 2004.

Statement of Operations

For the year ended December 31,	2003 ($)	2002 ($)
Revenue		
Workplace Safety & Insurance Board of Ontario	4,864,324	4,995,000
Other (Note 7a)	901,855	877,252
Interest	25,214	20,728
	5,791,393	5,892,980
Expenses		
Salaries and benefits	4,391,474	4,133,706
Travel	125,125	143,692
Supplies and service	153,083	159,410
Occupancy costs	451,499	469,012
Equipment and maintenance	68,492	59,136
Publication and mailing	60,571	106,609
Voice and data communications	28,624	36,647
Staff training	57,530	84,023
Outside consultants (Note 7b)	190,529	407,429
Other	103,430	128,956
Amortization of capital assets	229,646	268,396
	5,860,003	5,997,016
Deficiency of revenue over expenses for the year	(68,610)	(104,036)

See accompanying notes

Statement of Net Assets

For the year ended December 31,

	2003			2002
	Invested in capital assets	Unrestricted (Note 7c)	Total($)	Total($)
Beginning of year	583,842	213,284	797,126	951,162
Deficiency of revenue over expenses for the year	(229,646)	161,036	(68,610)	(104,036)
Investment in capital assets	63,206	(63,206)	—	—
Awards to Foundation (Note 7f)	—	(50,000)	(50,000)	(50,000)
End of year	417,402	261,114	678,516	797,126

See accompanying notes

Statement of Cash Flow

For the year ended December 31,	2003($)	2002($)
Operating activities		
Deficiency of revenue over expenses for the year	**(68,610)**	(104,036)
Items not involving cash		
Amortization of capital assets	**229,646**	268,396
Deferred revenue	**(92,884)**	98,004
Working capital from operations	**68,152**	262,364
Net change in non-cash working capital balances related to operations	**24,889**	(63,528)
Cash from operations	**93,041**	198,836
Investing activities		
Purchase of capital assets	**(63,206)**	(68,550)
Short-term investments	**(9,769)**	(32,658)
	(72,975)	(101,208)
Financing activities		
Loan payable	**(41,500)**	(38,830)
Awards to Foundation	**(50,000)**	(50,000)
	(91,500)	(88,830)
Change in cash during the year	**(71,434)**	8,798
Cash		
Beginning of year	**656,708**	647,910
End of year	**585,274**	656,708

See accompanying notes

Balance Sheet

As at December 31,	2003($)	2002($)
Assets		
Current assets		
Cash	585,274	656,708
Short-term investments (Note 2)	582,700	572,931
Accounts receivable (Note 3)	165,007	115,805
Prepaid expenses and deposits	95,247	126,004
	1,428,228	1,471,448
Capital assets (Note 4)	417,402	583,842
	1,845,630	2,055,290
Liabilities		
Current liabilities		
Accounts payable	110,038	66,704
Deferred revenue (Note 5)	940,351	1,033,235
Current portion of loan payable (Note 6)	45,000	41,500
	1,095,389	1,141,439
Loan payable (Note 6)	71,725	116,725
	1,167,114	1,258,164
Net Assets		
Invested in capital assets	417,402	583,842
Unrestricted	261,114	213,284
	678,516	797,126
	1,845,630	2,055,290
Other information (Note 7)		

See accompanying notes

Approved on behalf of the Board:

Director Director

Notes to the financial statements

The Institute for Work & Health was incorporated without share capital on December 20, 1989 as a not-for-profit organization. The Institute is a knowledge-based organization that strives to research and promote prevention of workplace disability, improved treatment, optimal recovery and safe return to work. The Institute is dedicated to research and the transfer of research results into practice in clinical, workplace and policy settings. The Institute is predominantly funded by the Workplace Safety & Insurance Board of Ontario (WSIB) up to the Institute's approved WSIB budget. Other revenues are generated through research activities and certain interest earned.

1. Significant accounting policies

(a) Amortization
Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Maintenance and repairs are charged to operations as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in income.
Amortization is charged to operations on a straight-line basis over the following periods:

Furniture and fixtures	- 5 years
Computer equipment	- 3 years
Leaseholds	- term of the lease

(b) Revenue recognition
The Institute follows the deferral method of accounting for contributions. Restricted contributions, which are contributions subject to externally imposed criteria that specify the purpose for which the contribution can be used, are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions, which include contributions from the WSIB, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Investments
Short-term investments are carried at cost.

2. Short-term investments

	2003($)	2002($)
GICs	**200,000**	472,931
Ontario Savings Bonds	**382,700**	100,000
	582,700	572,931
Estimated fair value	**583,000**	573,000

The GIC earns interest of 3.45% per annum and matures in 2004. The Ontario Savings Bonds yield between 2.5% and 5.5% and mature in 2007 and 2008.

3. Accounts receivable

	2003($)	2002($)
The Foundation for Research and Education in Work & Health Studies	**30,364**	67,887
Other	**134,643**	47,918
	165,007	115,805

4. Capital Assets

Cost	Accumulated amortization	Net 2003 ($)	Net 2002 ($)
Furniture & fixtures			
474,017	359,484	**114,533**	150,801
Computer equipment			
986,285	900,579	**85,706**	129,012
Leaseholds			
434,328	217,165	**217,163**	304,029
1,894,630	1,477,228	**417,402**	583,842

5. Deferred revenue
The Institute records contributions as deferred revenue until they are expended for the purpose of the contribution.

	2003($)	2002($)
NIOSH	**139,928**	400,049
CIHR	**426,192**	261,405
HEALNet	**24,168**	47,727
SSHRC	**11,407**	65,387
CHSRF	**46,704**	17,356
OCA	**139,111**	136,861
Arizona State University	**19,517**	34,046
WSIB-RAC	**105,033**	6,260
Other	**28,291**	64,144
	940,351	1,033,235

6. Loan payable

The loan payable, from the organization's landlord, bears interest at 9% per annum and is repayable $4,486 monthly on account of principal and interest until maturity May 2006. Principal payments are due as follows:

	($)
2004	45,000
2005	49,500
2006	22,225
	116,725

7. Other information

(a) Other revenue

	2003($)	2002($)
NIOSH	260,121	34,264
CIHR	294,453	78,522
HEALNet	23,560	81,737
SSHRC	53,980	32,268
OCHS	27,565	258,489
NHRDF	-	26,646
CHSRF	15,704	138,045
Ministry of Health	35,519	29,828
WSIB-RAC	46,066	-
University of Saskatchewan	41,316	29,110
Relocation costs	-	53,619
Other	103,571	114,724
	901,855	877,252

(b) Outside consultants

	2003($)	2002($)
University co-investigators	23,147	94,130
Other project-related services	83,979	278,591
Other services	83,403	34,708
	190,529	407,429

(c) Unrestricted net assets

Unrestricted net assets are not subject to any conditions which require that they be maintained permanently as endowments or otherwise restrict their use.

	2003($)	2002($)
Total assets	1,845,630	2,055,290
Invested in capital assets	(417,402)	(583,842)
	1,428,228	1,471,448
Liabilities	(1,167,114)	(1,258,164)
Unrestricted net assets	261,114	213,284

(d) Commitments

The Institute is committed under a lease for premises which expires May 31, 2006 with annual rents, exclusive of operating costs as follows:

	($)
2003	189,000
2004	189,000
2005	189,000
2006	79,000

(e) Pension

For those employees of the Institute who are members of the Hospitals of Ontario Pension Plan, a multi-employer defined benefit pension plan, the Institute made $235,694 contributions to the Plan during the year (2002- $144,590).

(f) Awards to foundation

The financial statements include the following balances and transactions with The Foundation for Research and Education in Work & Health Studies.

	2003($)	2002($)
Transactions		
Awards to Foundation	50,000	50,000
Balances		
Accounts receivable	30,364	67,887

The Institute's commitment and award to The Foundation for Research and Education in Work & Health Studies is reviewed annually by the board of directors. Subsequent to year-end the Institute awarded $50,000 to the foundation. The award was made from the Institute's surplus which had accumulated from revenues earned to December 31, 2003.

(g) Financial instruments

The organization's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and loan payable. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments is approximated by their carrying value.

Board of Directors

With our appreciation

In 2003, there were several changes on the Board of Directors and the Scientific Advisory Committee (SAC). The Board and Institute staff gratefully acknowledge the wise counsel and valued contributions of these individuals.

- Linda Jolley stepped down from her ex-officio position after five years of service
- Pearl MacKay-Blake retired after three years of service
- Andy King retired after nine years of service
- Lorna Marsden retired after 10 years of service, including two as Chair
- Ed Welch completed a nine-year term

Chair

Mark Rochon
President & Chief Executive Officer
Toronto Rehabilitation Institute

Directors

Ian Anderson
General Counsel
United Food and Commercial Workers, Local 1000A

Lesley Bell
Chief Executive Officer
Ontario Nurses' Association (ONA)

Clyde Hertzman
Professor, Department of Health Care and Epidemiology
University of British Columbia

Rosemary McCarney
Executive Director
Street Kids International

Cameron Mustard
President & Senior Scientist
Institute for Work & Health

John O'Grady
Labour Market Consultant

Jill Hutcheon
Vice-President, Research and Policy
Workplace Safety & Insurance Board

Dorothy Pringle
Professor, Faculty of Nursing
University of Toronto

Glen Wright
Chair
Workplace Safety & Insurance Board

Scientific Advisory Committee

Chair

Clyde Hertzman
Professor, Department of Health Care and Epidemiology
University of British Columbia

Committee Members

John Burton
School of Management and Labor Relations
Rutgers University, USA

Tony Culyer
Department of Economics and Related Studies
University of York, England

Richard Deyo
Back Pain Outcomes Assessment Team
University of Washington Medical Center, USA

Robert Norman
Research Advisory Council
Workplace Safety & Insurance Board, Canada

Johannes Siegrist
Institute of Medical Sociology
University of Dusseldorf, Germany

Cameron Mustard
Institute for Work & Health, Canada

Barbara Silverstein
Safety & Health Assessment & Research for Prevention Program Washington State Department of Labor & Industries, USA

Tores Theorell
The National Institute for Psychosocial Factors and Health (IPM), Sweden

The Institute for Work & Health's Scientific Advisory Committee (SAC) is a sub-committee of the Board of Directors. The committee comprises senior national and international scientists whose expertise mirrors the disciplines within the Institute. The SAC meets each spring to review the research and knowledge transfer activities and directions of the Institute.

The Board and the Institute gratefully acknowledge the wise counsel and valued contributions of these individuals.

Knowledge Transfer & Exchange Advisory Committee

This committee held its inaugural meeting in May 2003. It provides advice to the Institute's Knowledge Transfer & Exchange (KTE) unit regarding the quality of the current program, future opportunities, and evaluation. Committee members have experience in knowledge transfer relevant to the Institute's target audiences.

Chair

John Lavis
Canada Research Chair in
Knowledge Transfer and Uptake
Associate Professor
McMaster University

Committee Members

Sonya Corkum
Vice President, Partnerships and
Knowledge Translation
Canadian Institutes of Health Research

Jeremy Grimshaw
Director of Clinical Epidemiology
Ottawa Health Research Institute
Centre for Best Practices,
Institute of Population Health
University of Ottawa

Nancy Hutchison
Co-ordinator, Safety, Health
and Environment
United Steel Workers of Canada

Liz Scott
Principal
Organizational Solutions