



Institute
for Work &
Health



Protecting vulnerable workers

ANNUAL REPORT 2012



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For years, the Institute for Work & Health (IWH) has conducted research on vulnerable workers, identifying and describing the increased risks that workers face on the job. **In 2012,** IWH continued to make important contributions to this growing body of research – this, as the Ontario prevention system took steps towards improving the protection of vulnerable workers.



System focuses
on vulnerable workers

The protection of vulnerable workers was a key theme of the work of the Expert Advisory Panel on Occupational Health and Safety, which was set up in 2010 by the Ontario Ministry of Labour to review the province's workplace health and safety system.

Vulnerability is often associated with workers who are new to the labour force, new to the job, new to the country or working in a new business

The report of the Expert Advisory Panel on Occupational Health and Safety, issued in December 2010, defined “vulnerable workers” as those who have “a greater exposure than most workers to conditions hazardous to health or safety and who lack the power to alter those conditions.”

Following one of the recommendations of the Panel, the Ministry of Labour (MOL) established a Vulnerable Workers Task Group to provide advice on how to better protect vulnerable workers. The MOL’s 2013 consultation paper on the development of an occupational health and safety (OHS) system strategy specifically asks for feedback on ways to reach out to and protect vulnerable workers.

The consultation paper notes that vulnerable workers may include young workers, recent immigrants, aboriginal peoples, older workers, those new to their jobs or working for new businesses, temporary foreign and seasonal workers, workers holding multiple, part-time or low-paying jobs, and workers involved in temporary employment.

The prevention of work injury and illness among vulnerable workers has long been a research theme at the Institute for Work & Health. For example, IWH Scientists Dr. Curtis Breslin and Dr. Peter Smith have identified the increased OHS risks of young workers and workers new to their jobs. Dr. Smith and former IWH Scientist Dr. Agnieszka Kosny quantified and described the factors affecting injury risk among recent immigrants.

One of the most striking findings of this body of work is that workers in their first month on a new job have a much higher risk of a lost-time injury than is the case for more experienced workers. The key risk factor is “newness,” not youth. Thus, vulnerability is often associated with workers who are new to the labour force, new to the job, new to the country or working in a new business.

This finding has been widely cited by organizations in Ontario’s OHS prevention system and was highlighted in the report of the Expert Advisory Panel. One of the Panel’s priority recommendations was to require health and safety awareness training for all new workers. This will become mandatory in Ontario when a new training regulation takes effect, which is expected to be early in 2014.



IWH committed to research
into vulnerable workers



The Institute continued to actively research the prevention of work injury and disability among vulnerable workers in 2012. Here is a snapshot of some of that research and what was learned.

Low-wage temp agency workers are less protected because of the complex working relationship in which they find themselves

TEMPORARY AGENCY WORKERS

Temporary work agencies are an established part of today's labour market. Research across international jurisdictions shows temp agency workers have higher injury claim rates than those in standard work arrangements.

In 2012, IWH Scientist Dr. Ellen MacEachen completed her research into how temporary work agencies manage health, safety and return to work (RTW), with a special focus on the situation of low-wage workers. MacEachen and her team interviewed low-wage temp workers, temp agency managers and owners, managers at client employer businesses and related experts to find out how injury prevention and RTW operate in temp agency workplaces. They discovered aspects of the temporary agency business environment, Workplace Safety and Insurance Board (WSIB) regulations and Ministry of Labour policies that make it difficult to protect temporary workers' health and safety and can sometimes create increased worker exposure to hazards and poor return-to-work conditions.

"Our main finding was that low-wage temp agency workers are less protected than regular workers because of the combination of two things," says MacEachen. "One is the structure of injury prevention financial incentives. The other is the complex working relationship in which temp agency workers find themselves, with two employers: the temp agency and the client employer."

SHIFT WORKERS

Shift work – employment in anything other than a regular daytime work schedule – is a large part of work in the Canadian economy. According to CAREX Canada (a national project that estimates the number of Canadians exposed to potential workplace carcinogens), about 13 per cent of working Canadians work a regular night or rotating shift schedule, and another 21 per cent work regular evenings, split shifts, on call or another type of irregular shift. Shift work is associated with a number of potential health risks, as well as a higher risk of work injury.

A new way of gaining insight into the risks related to shift work emerged from the 2012 work of a research team led by IWH President and Senior Scientist Dr. Cameron Mustard. The team looked at injury by time of day, examining both workers' compensation lost-time claims and records of emergency department visits. Both sets of data showed an elevated risk of work-related injury or illness in the evening, night and early morning periods. About 12 per cent of work injuries experienced by women and six per cent experienced by men were attributed to the higher risk of work injury during evening, night and early morning hours.

"Now we have two ways of establishing risk of work injury in evening and night work," says Mustard. "This is important, because it allows us to describe how risks differ by time of day and, in future, learn if the practices adopted by workplaces to address this increased risk are working or not."

In November 2012, the Occupational Cancer Research Centre (OCRC) and IWH co-hosted a symposium on workplace practices to mitigate the health effects of shift work. This was a follow-up to a symposium the organizations co-sponsored two years earlier on the health hazards of shift work.

Over 100 people representing employers, workers, government, research and the workers' compensation community came together in Toronto to share the latest evidence about interventions and discuss the implications for research and practice. The symposium explored a number of interventions that are showing promise: changes to shift-work schedules, controlled exposure to light and dark, and workplace policies and practices to promote work schedule flexibility.



Jackie, 58, works for a temporary work agency. She is worried about the safety of the production line in her current job, but she says nothing. She fears being labelled a “trouble-maker” and not being called back for future work.



Srihan, 35,

is a newcomer to Canada. Although he was a practising engineer in his country of origin, he finds himself doing manual, repetitive work. He's not at all familiar with – or used to – this type of work, but it's the only job he could find.

Gaps in essential skills can leave workers vulnerable by impeding their understanding of OHS rights and responsibilities, as well as the effectiveness of OHS training

OLDER WORKERS

The percentage of workers in Canada who are over age 55 is increasing. This is due both to the aging of the baby boomers and a trend towards delayed retirement. A number of studies looked at the impact of an aging workforce on workplace health and safety.

In one study, Dr. Peter Smith examined the relationship between five chronic conditions associated with older age and the risk of work-related injury. This study found that arthritis and back problems were associated with an elevated risk of work injuries that were both acute and repetitive in nature. Diabetes was also associated with an elevated risk of repetitive strain injuries among women. Senior Scientist Dr. Monique Gignac is also exploring the effects of arthritis on working life.

“Older workers may have more chronic conditions, but they are also often the workers with the greatest levels of experience and institutional knowledge,” says Smith. “So from a workplace perspective, as well as a societal perspective, we need to think about injury prevention for workers with chronic diseases and ways to keep these people injury-free and in the labour market.”

In another study, Dr. Smith and his team examined the relationship between age and different types of injuries in British Columbia. They found that, compared to other age groups, older workers are at greater risk of bone breaks, as well as nerve and spinal cord injuries, while younger workers are at greater risk of open-wound injuries and middle-age workers at greater risk of musculoskeletal injuries.

WORKERS WITH GAPS IN ESSENTIAL SKILLS

Gaps in essential skills such as reading, writing, speaking and doing basic math can not only limit workers’ opportunities in the labour market, but also leave them vulnerable in terms of being unable to fully understand and access their workplace rights and responsibilities with respect to health and safety. These gaps can also impede the effectiveness of OHS training.

A team led by IWH Senior Scientist and Director of Knowledge Transfer and Exchange Dr. Ron Saunders examined the feasibility of implementing and assessing a training program to improve the outcomes of OHS training by embedding curriculum that enhances essential skills. Saunders and his team identified an existing OHS training program with a suitable target population, developed an approach to revising the curriculum, and developed a model for evaluating a pilot of the new program.

Another 2012 project that addressed the needs of workers with gaps in essential skills saw IWH and Workplace Safety and Prevention Services (WSPS) – the Ontario health and safety association (HSA) serving the manufacturing, service and agricultural sectors – continue to collaborate

on the development of pictograms. These hazard and prevention symbols are meant to convey OHS messages to workers facing cultural, language and literacy barriers that could otherwise impede their understanding of risks and safe practices.

The team completed its work on the development and evaluation of pictograms for kitchen prep workers, and began work on the development of pictograms for the hotel/motel sector. Pictograms for retail, restaurant and greenhouse workers are now available on the website of Health & Safety Ontario (representing the province’s four sector-based HSAs) and through the IWH website, as well.

INJURED WORKERS

Injured workers can also be seen as vulnerable in the sense that they face a substantial risk of further work injury or aggravation of their existing condition. A number of 2012 projects explored disability prevention and sustainable return to work among injured workers.

Certain skills outside of traditional injury rehabilitation are needed to successfully navigate potential obstacles to returning to work – skills and experience that injured workers may lack. IWH Scientist Dr. Dorcas Beaton led a project to assess the need for, and feasibility of, an online support and education program to help injured workers develop these “skills for the job of recovery.”

Competitive and cost-cutting work environments, job insecurity and poor official communications were found to negatively affect co-worker support

Beaton's team recruited 250 workers through the WSIB's specialty clinics to participate in focus groups or a survey. It learned that participants were interested in an online program that would help develop skills in communicating and negotiating, maintaining support systems, and coping with stresses and stigma, as well as increase their knowledge of the roles of employers, health-care providers and the WSIB.

Co-worker support is also important for successful return to work. To better understand the challenges that face co-workers when an injured colleague returns to work on modified or accommodated duties, a team led by Dr. Agnieszka Kosny held focus groups with union representatives and injured workers and interviewed co-workers working within the industrial construction sector.

The team learned that the structure of work can make it difficult for co-workers to support their injured peers. In particular, competitive and cost-cutting work environments, job insecurity, a lack of modified work and poor official communications were found to negatively affect co-worker support.

IWH Scientist Dr. Emile Tompa continued to lead a ground-breaking project in 2012 examining the adequacy of workers' compensation benefits for workers who become permanently impaired after a job-related injury. This project linked workers' compensation data from Ontario and British Columbia with data from Statistics Canada on the earnings of injured workers. It then matched the injured workers with workers ("controls") who had similar characteristics and earnings up to the time of injury, but who were not injured.

This allowed Tompa to explore the extent to which earnings were affected by injury and the extent to which workers' compensation benefits made up for lost earnings. He found that, on average, the workers' compensation systems in both provinces did a good job of replacing lost earnings, but that there was considerable variability around this average.

Because this work initially focused on injuries that occurred in the late 1980s and early 1990s, Tompa is now updating his analysis based on workers with more recent injuries.

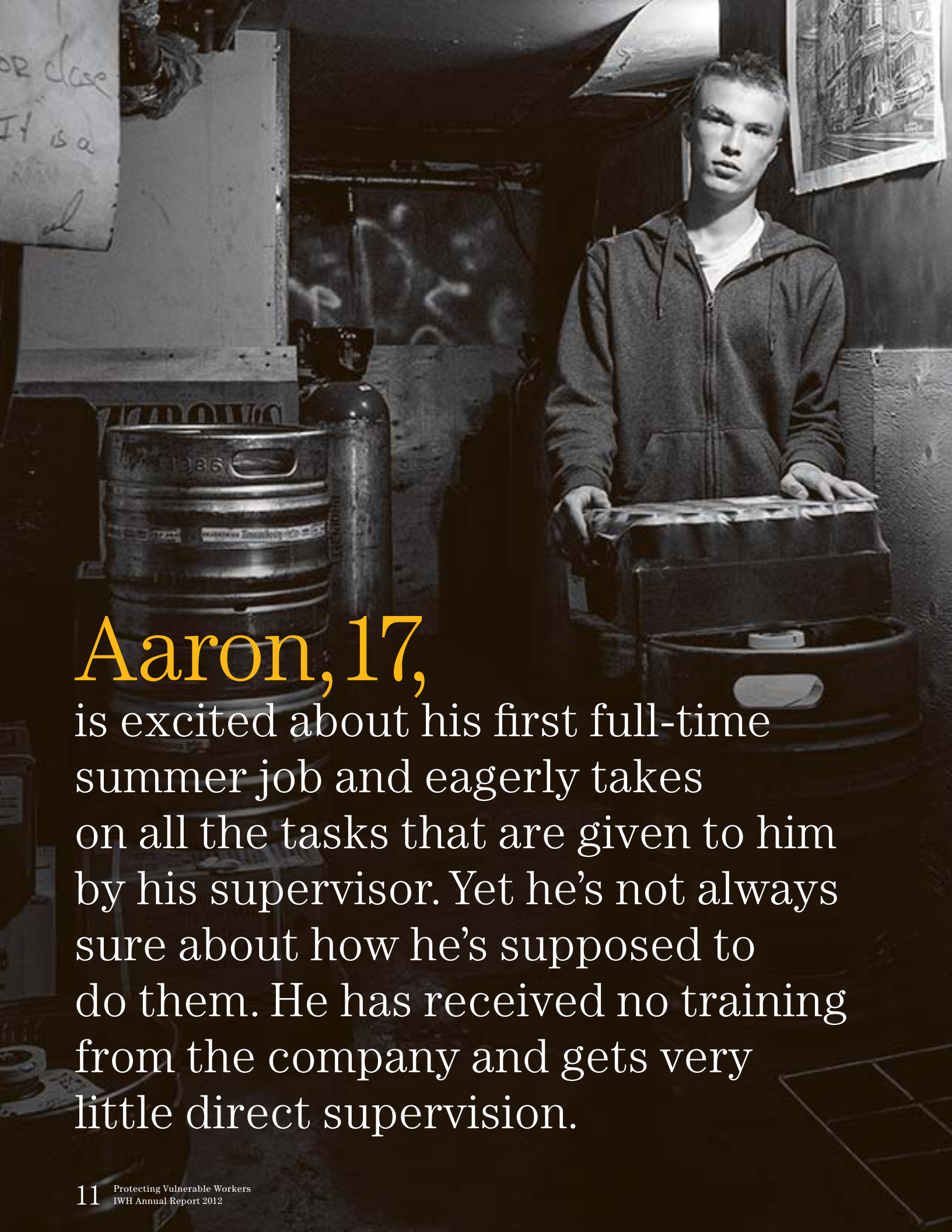
MEASURING VULNERABILITY TO WORK INJURY AND ILLNESS

The Expert Advisory Panel report noted that worker vulnerability arises for various reasons: not knowing one's rights under the *Occupational Health and Safety Act* (such as the right to refuse unsafe work), having no work experience or training that is job- or hazard-specific, and being unable to exercise rights or

raise health and safety concerns for fear of losing one's job or, in some cases, being deported. The MOL's 2013 consultation paper on a prevention strategy for the OHS system adds another item to this list: lack of employer commitment to safety.


A current project led by Dr. Peter Smith, which began in 2012, aims to better understand the factors that underlie an individual's risk of work injury or illness. It is broadening the focus from identifying the types of workers who are more likely to sustain injuries, to understanding and measuring the work these workers do and the characteristics of the workplaces or industries in which they do them.

A preliminary framework is looking at factors such as hazard levels in the workplace, workplace protections and policies, worker awareness of occupational hazards, and worker empowerment to participate in injury prevention. The research involves focus groups with workers, employers and policy-makers, as well as a pilot survey of workers in Ontario. The results of this work will help identify issues that could be the focus of prevention efforts to protect vulnerable workers.



Aaron, 17,

is excited about his first full-time summer job and eagerly takes on all the tasks that are given to him by his supervisor. Yet he's not always sure about how he's supposed to do them. He has received no training from the company and gets very little direct supervision.



Preventing work injury and
work disability

In addition to studies focused on vulnerable workers, the Institute continued in 2012 to conduct a wide range of research and knowledge exchange designed to help prevent work injury, illness and disability. Some examples of these projects are outlined here.

We are leading research designed to better understand the degree to which “breakthrough change” is possible and what factors are critical to making such change

LEADING INDICATORS OF OHS PERFORMANCE

Work continued in 2012 on a project to develop leading indicators of OHS performance. Led by IWH’s Associate Scientific Director and Senior Scientist Dr. Ben Amick, Interim Scientific Director and Senior Scientist Dr. Sheilah Hogg-Johnson and Associate Scientist Dr. Lynda Robson, the project was done in collaboration with the WSIB, MOL and four sector-based HSAs. Several potential leading indicators were tested in a survey of thousands of firms in Ontario, and results are expected in 2013.

BREAKTHROUGH CHANGE IN OCCUPATIONAL HEALTH AND SAFETY

Dr. Lynda Robson is leading research designed to better understand the degree to which “breakthrough change” (BTC) – large and intentional improvement in a workplace’s rate of injury and illness – is possible and what factors are critical to making such change.

The initial phase involved analyzing WSIB statistics and studying four firms in greater depth through onsite visits and interviews. A second phase, begun in 2012, is studying why three sister manufacturing plants have contrasting OHS outcomes. One plant experienced breakthrough change, another more modest change and one no change at all.

A third phase is comparing the four BTC firms identified in the first phase to see if and how they differ from “stay-the-same” cases (i.e. firms of the same size, in the same sector and with the same earlier poor performance that did not undergo a large change in claim rate).

FINANCIAL INCENTIVES SYMPOSIUM

The effectiveness of experience rating, one of the principal policy levers of workers’ compensation providers, remains a debated and contested topic. In November 2012, the Institute hosted an international symposium on the challenges of workplace injury prevention through financial incentives, including experience rating. The symposium organizers were IWH Scientists Dr. Emile Tompa and Dr. Ellen MacEachen.

The symposium presented the latest research on financial incentives, including the international papers assembled by Tompa in a special 2012 issue of the journal *Policy and Practice in Health and Safety* on the topic of experience rating. The symposium also provided a forum for the 180 participants – researchers, students, policy-makers, injured workers, employer organizations, worker organizations and others – to debate OHS incentive strategies and identify opportunities for improving the health and safety of workers.

TRAINING METHODS FOR OFFICE ERGONOMICS

Ontario’s growing knowledge and service industries are driven by computing and communication technologies. Consequently, more workers are being exposed to computer-based OHS hazards. Conducting in-person training can be time- and cost-intensive.

Dr. Ben Amick led a team of researchers who worked with the Centre for Addiction and Mental Health to develop and pilot an evidence-based computer-based training program on office ergonomics. Given the pilot’s success in increasing workers’ knowledge of the risks of computer work and their ability to appropriately change the set-up of their workstations, the team is working with Health & Safety Ontario to make a program based on this model widely available.

GEOGRAPHIC VARIATION IN WORK INJURY

Work injury rates differ by province, as well as by region within a province. IWH Scientist Dr. Curtis Breslin led research that aimed to identify the extent to which these variations are related to such factors as provincial policies, regional demographics, and differences in the mix of industries found in each region. He found a higher risk of job injury in Canada’s western provinces, even after taking individual and regional factors (including industry mix) into account. This suggests factors affecting work injury are operating at a jurisdictional level.

DISABILITY OUTCOMES FOR WORKERS WITH LOW-BACK PAIN

A team led by IWH Associate Scientist Dr. Ivan Steenstra began work on an evidence-based tool that draws on workers’ compensation data to estimate various outcomes for workers with lost-time injuries involving low-back pain. Looking at a variety of factors measured early in the life of a claim, the tool hopes to estimate the probability of remaining on benefits and the likelihood of a recurrence. Work on refining the tool is ongoing.

KNOWLEDGE TRANSFER AND EXCHANGE

IWH Associate Scientist Dwayne Van Eerd led two projects in 2012 focused on knowledge transfer and exchange. One project looked at how the Institute’s *Participatory Ergonomics Guide* is used by stakeholders in British Columbia. The other involved hosting a meeting of the Knowledge Translation Trainee Collaborative (KTTC), at which knowledge transfer trainees from across Canada came together to discuss emerging priorities and research in knowledge transfer and the sustainability of this national collaborative.

A message from the Chair
and President

In 2012, IWH continued to make important contributions to the growing body of research for the prevention of work injury and illness among vulnerable workers.

Research on vulnerable workers has long been an area of focus for the Institute for Work & Health

As the Ontario Ministry of Labour works to implement the recommendations of the Expert Advisory Panel on Occupational Health and Safety, one of the key priorities will clearly be improving the protection of vulnerable workers from work injury and illness. Research on vulnerable workers has long been an area of focus for the Institute for Work & Health.

Our 2012 Annual Report provides an overview of this work, from our past findings about injury risk among workers new to their jobs (which was cited in the 2010 report of the Panel), to our more recent research on OHS and return-to-work issues in work performed through temporary employment agencies. We also provide highlights of other research conducted by IWH in 2012.

During 2012, IWH scientists completed an impressive body of work. They published 60 articles in peer-reviewed journals and made 55 presentations to conferences and professional groups in Ontario, Canada and internationally.

The Institute's Board of Directors welcomed two new directors in 2012. Emily Spieler, Edwin Hadley Professor of Law at Northeastern University in Boston, joined the Board in September 2012 (having been appointed the new chair of the IWH Scientific Advisory Committee). Lewis Gottheil, Director of the Legal Department of the Canadian Auto Workers, joined the Board in December.

The Board of Directors also acknowledged the valued service of directors who completed their terms in 2012: Barbara Silverstein, Research Director, Safety and Health Assessment and Research for Prevention Program, Washington State Department of Labor & Industries (and former chair of the IWH Scientific Advisory Committee), and John O'Grady, Partner and Labour Market Consultant, Prism Economics. The Board especially applauded the contribution of Mr. O'Grady, who served on the Board for 18 years, three of those as its chair.

We note our appreciation for the talented and dedicated staff of the Institute for Work & Health. They work hard to advance the IWH mission to conduct and share research that is valued by policy-makers, workers and workplaces, clinicians, and health and safety professionals in order to protect and improve the health of working people.

We also gratefully acknowledge the support of Ontario's Workplace Safety and Insurance Board and its predecessors, our primary funder for over 20 years – since the Institute's inception in 1990 until the end of 2012. As of January 1, 2013, our core funding is provided by the Province of Ontario under the stewardship of the Chief Prevention Officer of the Ministry of Labour.

We look forward to the continuation of close working relationships with all partners in the OHS prevention system in Ontario. We will also continue to build strong connections with researchers and OHS stakeholders in other provinces and countries.



Ian Anderson
Chair, Board of Directors



Dr. Cameron Mustard
President and Senior Scientist





The year in

PEOPLE

- 73 total staff (54 full-time, 19 part-time)
- 34 adjunct scientists
- 7 PhD students
- 2 post-doctoral appointments

FUNDING

- \$1,914,180 research grant funding
- \$4,690,370 Workplace Safety and Insurance Board funding



n numbers

PROJECTS

- 53 active research projects
- 60 papers published or in press
- 55 presentations of results/stakeholder consultations
- 44 external grants awarded
- 30 national/provincial project collaborations
- 9 international project collaborations
- 23 national/provincial policy advisory roles
- 3 international policy advisory roles

TO THE DIRECTORS OF THE INSTITUTE FOR WORK & HEALTH

We have audited the accompanying financial statements of the Institute for Work & Health, which comprise the balance sheets as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of operations, net assets and cash flow for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute for Work & Health as at December 31, 2012 and December 31, 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Stern Cohen LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
April 3, 2013

Statement of Operations

For the year ended December 31,	2012 \$	2011 \$
Revenue		
Workplace Safety and Insurance Board of Ontario	4,690,370	4,690,370
Grant revenue (Note 7a)	1,663,918	1,890,159
Other	230,427	256,203
Investment income (Note 7b)	19,835	22,642
	6,604,550	6,859,374
Expenses		
Salaries and benefits	5,184,310	5,503,802
Travel	159,193	116,307
Supplies and service	88,093	93,183
Occupancy costs	608,833	622,102
Equipment and maintenance	107,055	88,044
Publication and mailing	81,291	99,066
Voice and data communications	52,113	47,180
Staff training	33,714	29,540
Professional services	138,287	127,797
Other	61,070	71,041
Amortization of capital assets	53,566	60,746
	6,567,525	6,858,808
Excess of revenues over expenses for the year	37,025	566

See accompanying notes.

Statement of Net Assets

For the year ended December 31,	2012 \$		2011 \$	
	Invested in capital assets \$	Unrestricted \$ (Note 7c)	Total \$	Total \$
Beginning of year	78,903	677,609	756,512	755,946
Excess (deficiency) of revenue over expenses for the year	(53,566)	90,591	37,025	566
Investment in capital assets	50,044	(50,044)	—	—
End of year	75,381	718,156	793,537	756,512

See accompanying notes.

Statement of Cash Flow

For the year ended December 31,	2012	2011
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	37,025	566
Items not involving cash		
Amortization of capital assets	53,566	60,746
Adjustment to fair value of short-term investments	(245)	9,457
Working capital from operations	90,346	70,769
Net change in non-cash working capital balances related to operations		
Accounts receivable	25,555	75,353
Prepaid expenses and deposits	(18,027)	38,202
Accounts payable	79,322	(210,416)
Deferred revenue	28,755	(188,012)
Cash from (required by) operations	205,951	(214,104)
Investing activities		
Purchase of capital assets	(50,044)	(34,278)
Short-term investments	(24,277)	311,356
	(74,321)	277,078
Change in cash during the year	131,630	62,974
Cash beginning of year	428,014	365,040
Cash end of year	559,644	428,014

See accompanying notes.

Balance Sheet

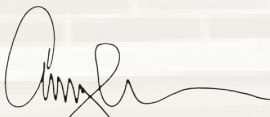
As at December 31,	2012 \$	2011 \$
Assets		
Current assets		
Cash	559,644	428,014
Short-term investments (Note 3)	767,236	742,714
Accounts receivable (Note 4)	717,826	743,381
Prepaid expenses and deposits	149,852	131,825
	2,194,558	2,045,934
Capital assets (Note 5)	75,381	78,903
	2,269,939	2,124,837
Liabilities		
Current liabilities		
Accounts payable	361,957	282,635
Deferred revenue (Note 6)	1,114,445	1,085,690
	1,476,402	1,368,325
Net Assets		
Invested in capital assets	75,381	78,903
Unrestricted	718,156	677,609
	793,537	756,512
	2,269,939	2,124,837

Other information (Note 7)
See accompanying notes.

Approved on behalf of the Board:



Director



Director

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 injury and 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 and 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. First time adoption of accounting standards for not-for-profit organizations

Effective January 1, 2012, the Institute adopted the requirements of the CICA Handbook and Canadian accounting standards for not-for-profit organizations (ASNFPPO). This framework is in accordance with Canadian generally accepted accounting principles (GAAP). These are the first financial statements prepared in accordance with this new framework, which has been applied retrospectively. The accounting policies set out in the note on significant accounting policies (see Note 2) have been applied in preparing the financial statements for the year ended December 31, 2012, and for the comparative information presented in these financial statements for the year ended December 31, 2011.

The Institute issued financial statements for the year ended December 31, 2011, using generally accepted accounting principles prescribed by the CICA Handbook. The adoption of ASNFPPO had no impact on the previously reported assets, liabilities and equity of the Institute and, accordingly, an opening statement of financial position as at January 1, 2011, and a reconciliation of the operating results and net assets for December 31, 2011, have not been presented. Certain of the Institute's presentations and disclosures included in the financial statements reflect the new presentation and disclosure requirements of ASNFPPO.

2. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Capital assets

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

The Institute has a policy to derecognize capital assets when fully amortized.

(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.

Revenue in excess of expenditures from fee-for-service contracts is recognized at the completion of the contract.

Investment income from interest and dividends is recognized on an accrual basis, and changes in fair value of investments are recognized in net income.

(c) Short-term investments

Short-term investments are recorded at fair value.

(d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Institute to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenditures during the year. Actual results could differ from these estimates.

(e) Financial instruments

The Institute's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and deferred revenue. The Institute has elected to measure all financial instruments, other than investments, at cost or amortized cost.

3. Short-term investments

	2012 \$	2011 \$
Guaranteed Investment Certificates	599,848	580,922
Corporate Note	—	161,792
Money Market Mutual Fund	167,388	—
	<u>767,236</u>	<u>742,714</u>

The Guaranteed Investment Certificates earn an average interest of 3.25% and mature at various dates between 2013 and 2014.

4. Accounts receivable

	2012 \$	2011 \$
The Foundation for Research and Education in Work and Health Studies	36,638	99,427
Other	681,188	643,954
	<u>717,826</u>	<u>743,381</u>

5. Capital assets

	2012		
	Cost \$	Accumulated amortization \$	Net book value \$
Furniture and fixtures	39,628	32,983	6,645
Computer equipment	294,481	225,745	68,736
	334,109	258,728	75,381
2011			
	Cost \$	Accumulated amortization \$	Net book value \$
Furniture and fixtures	39,628	26,195	13,433
Computer equipment	244,437	178,967	65,470
	284,065	205,162	78,903

6. Deferred revenue

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

	2012 \$	2011 \$
Opening balance – deferred revenue	1,085,690	1,273,702
Less: revenue recognized	(1,663,918)	(1,890,159)
Add: current year deposits	1,692,673	1,702,147
Ending balance – deferred revenue	1,114,445	1,085,690

The details of the deferred revenue balance are as follows:

	2012 \$	2011 \$
Canadian Arthritis Network	65,674	23,875
Canadian Institutes of Health Research	464,365	308,761
Ontario Chiropractic Association	6,559	(2,941)
Workers' Compensation Board – Manitoba	7,877	147
WorkSafeBC	77,932	260,249
Workplace Safety and Insurance Board – Research Advisory Committee	347,759	425,274
Other	144,279	70,325
	1,114,445	1,085,690

7. Other information

(a) Grant revenue

	2012 \$	2011 \$
Canadian Institutes of Health Research	513,203	825,285
Foundation for Research and Education in Work and Health Studies	—	72,445
Ontario Chiropractic Association	15,000	30,394
Social Sciences and Humanities Research Council	16,919	2,235
Workers' Compensation Board – Manitoba	31,270	98,448
WorkSafeBC	354,833	205,492
Workplace Safety and Insurance Board – Research Advisory Committee	684,181	626,453
Other	48,512	29,407
	1,663,918	1,890,159

(b) Reconciliation of investment income

The investment income of the Institute includes the following:

	2012 \$	2011 \$
Interest	19,590	32,099
Gain (loss) on adjustment to fair value	245	(9,457)
Total	19,835	22,642

(c) Unrestricted net assets

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

	2012 \$	2011 \$
Total assets	2,269,939	2,124,837
Invested in capital assets	(75,381)	(78,903)
	2,194,558	2,045,934
Liabilities	(1,476,402)	(1,368,325)
Unrestricted net assets	718,156	677,609

(d) Pension

For those employees of the Institute who are members of the Healthcare of Ontario Pension Plan, a multi-employer defined benefit pension plan, the Institute made \$305,193 in contributions to the Plan during the year (2011 – \$346,436).

(e) Commitments

The Institute is committed under a lease for premises that expires July 31, 2014, with annual rents, exclusive of operating costs, as follows:

	2013 \$	2014 \$
	267,000	156,000

(f) Financial instruments

It is management's opinion that the Institute is not exposed to significant interest rate, currency, market or credit risks arising from these financial instruments.

(g) Subsequent events

Following amendments to the *Occupational Health and Safety Act* and the *Workplace Safety and Insurance Act* in 2011 (Bill 160), responsibility for the governance of research funding for worker health protection was transferred from the Workplace Safety and Insurance Board to the Ontario Ministry of Labour. The Institute's funding contract with WSIB expired December 31, 2012, and has been replaced by a five-year funding agreement with the Ministry of Labour expiring in 2017.

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ABOUT THE INSTITUTE

The Institute for Work & Health (IWH) is an independent, not-for-profit research organization. Our mission is to conduct and share research that protects and improves the health of working people and is valued by policy-makers, workers and workplaces, clinicians, and health and safety professionals.

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. 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 with our audiences. This approach ensures that research information is both relevant and applicable to their decision-making.

How We Are Funded

Our primary funder in 2012 was the Ontario Workplace Safety and Insurance Board. As of 2013, our primary funder is the Province of Ontario. Our scientists also receive external peer-reviewed grant funding from major granting agencies.

Our Community Ties

The Institute has formal affiliations with four universities: McMaster University, University of Toronto, University of Waterloo and York University. Because of our association with the university community and our access to key data sources, IWH has become a respected advanced training centre. We routinely host international scientists. In addition, graduate students and fellows from Canada and abroad are also associated with IWH. They receive guidance and mentoring from scientific staff, and participate in projects, which gives them first-hand experience and vital connections to the work and health research community.



**Institute
for Work &
Health**

Research Excellence
Advancing Employee
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