



impact

FACT

**IMMIGRANTS ARE
EXPOSED TO A HIGHER
BURDEN OF WORK-
RELATED HEALTH AND
SAFETY RISKS**



Institute for Work & Health (IWH) researchers found that immigrant men are twice as likely to require medical attention for injuries occurring at work compared with Canadian-born men.



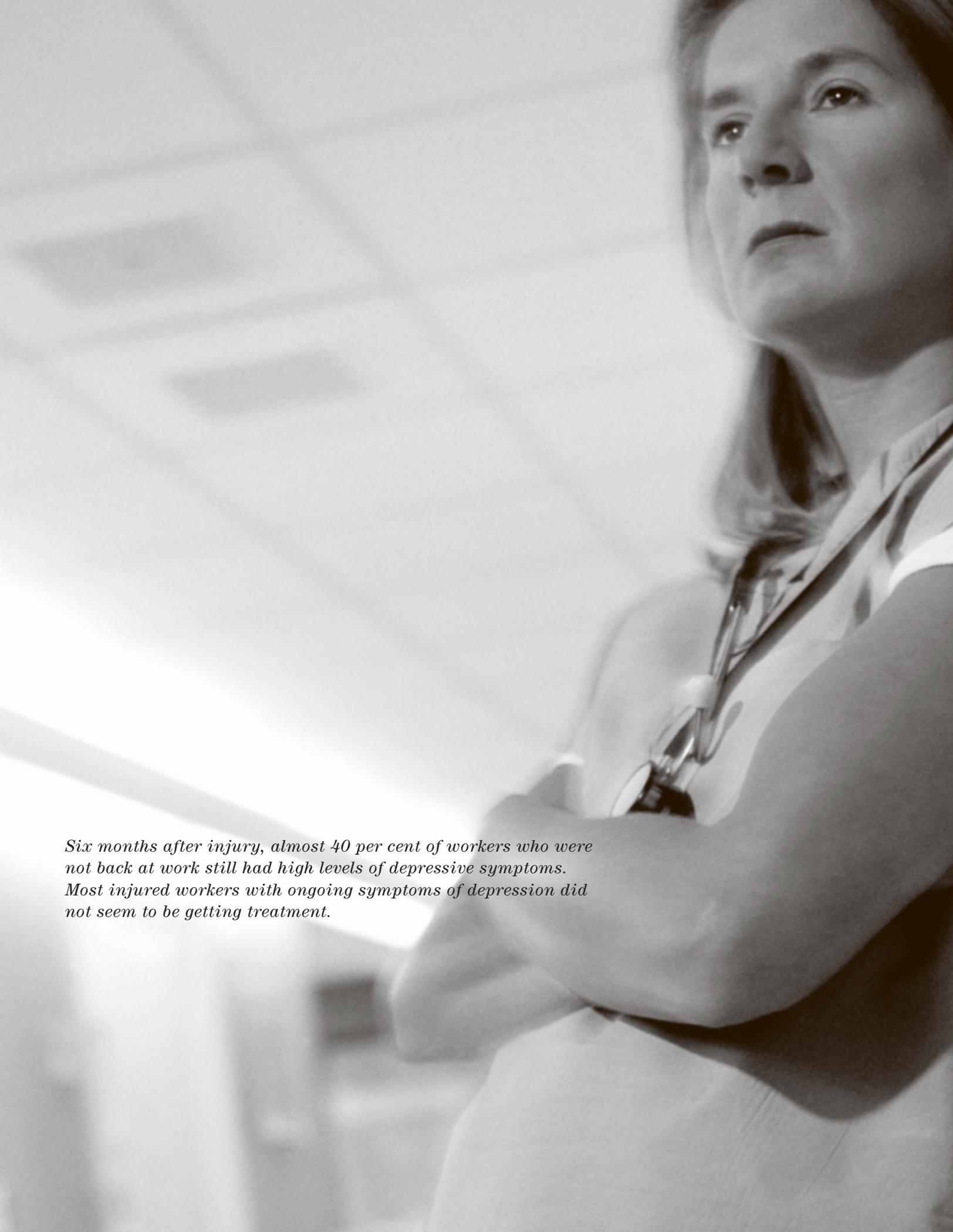
An IWH systematic review examined how effective different approaches were in preventing soft-tissue injuries to the neck, arm, shoulders or hands. Arm supports appear to protect against these types of upper extremity musculoskeletal disorders (MSDs).

FACT

**INJURIES TO THE
UPPER EXTREMITIES
ACCOUNT FOR ABOUT
30% OF LOST-TIME
CLAIMS IN ONTARIO**

FACT

**ONE MONTH AFTER INJURY
ALMOST HALF THE
WORKERS IN AN IWH STUDY
HAD HIGH LEVELS OF
DEPRESSIVE SYMPTOMS**



Six months after injury, almost 40 per cent of workers who were not back at work still had high levels of depressive symptoms. Most injured workers with ongoing symptoms of depression did not seem to be getting treatment.



A MESSAGE FROM THE CHAIR AND PRESIDENT

The year 2008 saw exceptional turbulence in the global economy. The rapid deterioration in economic conditions has heightened concerns about the labour force participation of people with disabilities, the impact of unemployment on mental health and the adequacy of retirement benefits for older workers. Each of these issues aligns with the broad framework of the Institute for Work & Health's research priorities: to identify effective approaches to prevent work-related injury, and to assist disabled workers in recovering and returning to work. These two goals – which reflect primary and secondary prevention – encompass nine specific themes further aligned to the interests of workers and employers in the Ontario labour market.

In this year's annual report, we describe some examples of our current work in each of these nine thematic areas, which include topics such as preventing musculoskeletal disorders, vulnerable workers, return-to-work practices, and compensation and benefits. We invite you to delve deeper into these "Research Areas" on our website (www.iwh.on.ca). The renewed website was launched in late 2008 with a goal of making our research more accessible to the public.

For each Research Area, with one click, the site presents ongoing projects, newsletter articles, research highlights, scientific studies, related researchers and more. In 2009, we will add a searchable list of almost 500 published scientific studies and reports by IWH scientists.

During 2008, IWH scientists published 48 articles in peer-reviewed journals and made 67 presentations at conferences or to professional groups in Ontario, Canada and internationally. We also increased our efforts to produce evidence-based tools to support both primary and secondary prevention, working closely with our stakeholder partners.

We had strong success in our scientific recruitment efforts in 2008, announcing six new appointments: Dr. David Tulosso (Post-Doctoral Fellow), Dr. Ian Moore (Post-Doctoral Fellow), Dwayne Van Eerd (Associate Scientist), Dr. Ivan Steenstra (Associate Scientist), Dr. Jason Busse (Scientist), and Dr. Ron Saunders (Senior Scientist). In addition, Emma Irvin, a long-time IWH staff member, joined the executive team as Director of Research Operations.

We also marked some significant transitions among the Institute's Board of Directors. Dr. Peter George, President of McMaster University, and Ms. Leslie Bell, Chief Executive Officer, Ontario Nurses' Association, concluded their outstanding service to IWH's board in 2008. The Institute welcomed Ms. Janice Dunlop, Senior Vice-President, Human Resources, Ontario Power Generation and Dr.

Barbara Silverstein, Research Director, Safety and Health Assessment and Research Program to three-year appointments. Dr. Silverstein serves as the Chair of the Scientific Advisory Committee (SAC), succeeding Dr. Clyde Hertzman.

We appreciate the efforts of all of our staff for another productive year. They are a dedicated group with expertise in research, knowledge transfer and exchange, library services, information services and administration. We also thank the board and SAC for their guidance.

We gratefully acknowledge the support of Ontario's Workplace Safety and Insurance Board, our primary funder. We look forward to another year of working closely with our partners, to achieve our collective goals of preventing workplace injury and illness and of helping injured workers recover and return to work.

Dr. Roland Hosein
Chair, Board of Directors

Dr. Cameron Mustard
President

CONTENTS

- 08 Preventing Work Injuries and Illnesses
- 12 Helping Injured Workers Return to Work
- 17 The Year in Numbers
- 18 Auditors' Report
- 19 Financial Statements
- 24 Governance

INTRODUCTION

The Institute for Work & Health's research and our efforts to transform evidence into practice continue to be guided by two central goals: preventing work-related injury and illness, and helping injured workers recover and return to work. This report provides highlights of our work in 2008 towards achieving these goals.

The year 2008, particularly its last quarter, was a turbulent time for the world economy. Ontario's manufacturing sector had already been under pressure for several years. This was largely as a result of high energy prices, which raised costs and contributed to a rise in the value of the Canadian dollar. With the onset of the global financial crisis, energy prices plummeted, but so did demand for manufactured goods. By the end of 2008,

the unemployment rate in Ontario reached 7.2 per cent, compared to 6.5 per cent a year earlier. It has continued to rise since then in the province, in Canada overall and in other countries.

This economic context has implications for the research we undertake at IWH. For example, there is evidence, recently summarized by the Organisation for Economic Co-operation and Development, that unemployment adversely affects worker health, particularly mental health. There is also evidence of the reverse relationship – workers with a high level of mental distress are more likely than others to become unemployed. This issue has been of longstanding concern to IWH and will demand renewed attention in the current climate. At the same time, there is evidence that, for employed workers, the frequency of workers' compensation claims falls in a recession, as inexperienced workers, who are

more prone to injury, are also more likely than others to lose their jobs. We began to take a closer look at such issues as 2008 drew to a close and will continue to do so in 2009.

In 2008, a realignment of the occupational health and safety (OHS) prevention system in Ontario also began. Over the course of 2009, a new model will be implemented to enable health and safety associations to enhance front-line resources, provide more consistent service across the province, use resources more efficiently, and respond more quickly to changing client needs. IWH will continue to offer support to its prevention system partners: access to the latest OHS research and to practical tools that we have developed in light of this research. We will also continue to engage our prevention system partners in the development of our research plans.

2008



GOAL 1

**PREVENTING WORK INJURIES
AND ILLNESSES**

one



VULNERABLE WORKERS

IWH researchers continue to be interested in identifying groups of workers who face a higher risk of work-related injury and in exploring what might be done to reduce this risk.

In 2008, IWH researchers paid special attention to immigrant workers, who are an increasingly important part of the Canadian labour market. The number of immigrants specifically coming to Canada for the purpose of work (economic class immigrants) increased almost 50 per cent between 1993 and 2005. Immigrant workers are expected to account for almost all net labour force growth by 2011. There has been much Canadian research on immigrants' earnings – documenting that recent immigrants earn less than Canadian-born workers. However, there has been little research on OHS risks facing immigrant workers, or on the incidence and consequences of work injuries among immigrants compared to Canadian-born workers.

Institute Scientist Dr. Peter Smith and President Dr. Cameron Mustard have begun to fill this gap through several studies on immigrant workers and OHS. They found that recent immigrants with up to 10 years in Canada were exposed to a higher burden of work-related health and safety risks compared to Canadian-born workers. In particular, immigrants were more likely to work in physically demanding occupations and small workplaces. Moreover, many recent immigrants, especially those with poor language skills and lower levels of education, were employed in occupations with higher physical demands than the jobs they had in their home country.

Drs. Smith and Mustard also found that immigrant men were more likely than Canadian-born workers to require medical attention for injuries occurring at work. As well, about 40 per cent of recent immigrants experiencing an absence from work of a week or more due to injury did not receive any type of payment during that period.

The evidence on elevated injury risks among immigrant workers suggests a need to provide information on occupational health and safety to immigrants before they start working in Canada, according to Dr. Smith. There are still considerable gaps in our knowledge about immigrant workers, particularly about the types of injuries they experience.

In 2009, IWH will continue to examine OHS issues in vulnerable groups. One theme we have begun to explore that connects various aspects of this research is that of “newness” and workplace injury. Namely, there is evidence of elevated injury risk for: young workers (new to the labour market), workers who are new to their jobs regardless of age, recent immigrants (new to Canada) and new firms.

PREVENTING MUSCULOSKELETAL DISORDERS

The prevention of work-related musculoskeletal disorders (MSDs) – injuries to muscles, tendons, ligaments and other soft tissues – has long been a research focus of IWH. These injuries are among the key causes of work absence. Our research activities in this area in 2008 included two systematic reviews: one on the implementation of participatory ergonomic interventions and the other on the prevention of injuries to the upper extremities (neck, shoulder, upper arm, elbow, forearm, wrist and hand). Systematic reviews provide an overview of the evidence from higher quality studies on a specific research question.



Participatory ergonomics (PE) typically involves the participation of employees or their representatives along with managers, ergonomists and others in the ergonomic design of work activities. In a previous systematic review, IWH researchers found evidence that PE interventions could have a positive impact on musculoskeletal symptoms, reducing injuries and workers' compensation claims, and on lost days from work or sickness absence. In 2008, a new systematic review looked at the elements that could help ensure the successful implementation of PE in workplaces. The research team, led by Associate Scientist Dwayne Van Eerd, found that factors that increased the likelihood of a successful program included: creating PE teams with appropriate members including workers, supervisors and advisors; management support for the program; and the provision of ergonomic training.

Injuries to the upper extremities are common among workers, accounting for about 30 per cent of lost-time claims in Ontario. Another systematic review looked at the effectiveness of interventions to prevent upper extremity MSDs and traumatic injuries. These injuries

can arise from many factors. Workplace risks for MSDs include: physical factors such as awkward postures, repetitive movements and heavy loads; psychosocial factors such as job dissatisfaction; and personal factors such as job tenure. Workplace risks for traumatic injuries include the absence of machine guards.

The review team, led by IWH Scientific Director Dr. Ben Amick, found evidence that arm supports were beneficial in protecting upper extremity health. They also found that several interventions did not work. There was strong evidence that workstation adjustments were not effective if done alone, but the combination of adjustments and ergonomic training did seem to convey a benefit. There was also evidence that biofeedback training and job stress management training had no effect on protecting upper extremity health. More high quality research into occupational health and safety interventions to prevent and manage upper extremity MSDs and injuries is needed.

EFFECTIVE OHS PRACTICES

One strategy that is used to prevent work-related injury is to audit OHS practices in workplaces. These audits may be done by regulatory authorities or voluntarily by employers, with the aid of consultants. It is important for these audits to be valid and reliable. A valid audit is one that correctly identifies the areas of OHS practice that pose the greatest risk of injury or illness to workers. A reliable audit has findings that can be consistently reproduced by a different auditor.

There is a gap in the research literature on the validity and reliability of OHS audit methods. A study completed in 2008, led by IWH Associate Scientist Dr. Lynda Robson, aimed to begin to address this gap by describing the audit methods used among organizations in the Ontario prevention system. Specifically, researchers examined the audits' content validity and determined the feasibility of further study of reliability and validity. Seventeen audit methods from 10 auditing organizations were examined. Researchers found variation in content, data collection procedures, scoring and reporting across auditing methods. There was also variation among programs in structure, recruitment, training, and methods of quality control.

Five of the more comprehensive methods were analyzed to see how well they conformed to the Z1000 Occupational Health and Safety Management standard of the Canadian Standards Association (CSA). While a high proportion (74 per cent) of CSA Z1000's content was partially or fully represented in these methods, some elements of the standard were not strongly represented. These included integration with other management systems, objectives and targets, documentation, management review, and, especially, internal audits. The study

team made a number of suggestions to improve audit practices. It also found that it was feasible to plan other measurement studies with auditing organizations, and that there was particular interest in further work on inter-auditor consistency.

REGULATION AND INCENTIVES

How can governments and their agencies encourage employers to adopt sound OHS practices? In 2008, IWH continued research on the effects of particular approaches to OHS regulation, including financial incentives tied to OHS performance.

Many countries around the world are examining the effectiveness of different economic incentives to improve workplace health and safety practices. In 2007, the European Agency for Safety and Health at Work established a technical committee to advise on the most promising approaches on the design of OHS economic incentive programs, with particular attention to the needs

of small- and medium-sized employers. Institute Scientist Dr. Emile Tompa accepted an invitation to serve on this committee and is the only North American delegate contributing to the fact-finding process. The report will be available in 2009 and we expect it to provide valuable guidance to occupational health and safety agencies in Canada.

One form of incentive that has been used to promote injury prevention is experience rating of workers' compensation insurance: tying firms' insurance costs to their claims cost burden. The theory is that if firms receive rewards for good performance and penalties for poor performance, this will encourage them to pay close attention to injury prevention. Dr. Tompa has been leading a research project to assess the effects of experience rating on the frequency and duration of workers' compensation claims in Ontario. The team has used methods that account for other influences on claim rates. The research has found that a higher degree of experience rating is associated with lower lost-time claim rates, higher no-lost-time claim rates, and lower overall claim frequency. The magnitude of the effect on lost-time claim rates is greater than that on no-lost-time claim rates.

Two important aspects of Ontario's OHS prevention system are the work by Ministry of Labour inspectors to enforce the *Occupational Health and Safety Act*, and the consulting and training services offered by the health and safety associations (HSAs). In 2004, an integrated prevention program called the Ontario High Risk Firm Initiative was introduced to target ministry and HSA resources where they were most needed. From the outset, IWH has contributed to an evaluation of the initiative, in particular to determine the extent to which it has affected firm-level safety practices and contributed to better OHS outcomes. During 2008, a team of researchers, led by Senior Scientist Dr. Sheilah Hogg-Johnson, continued work on an evaluation study with support from a number of HSAs and the Ministry of Labour.

THERE WAS STRONG evidence that workstation adjustments were not effective if done alone, but the combination of adjustments and ergonomic training did seem to convey a benefit.





G O A L 2

**HELPING INJURED WORKERS
RETURN TO WORK**

t **two** **o**



DISABILITY MANAGEMENT/ RETURN TO WORK

Employers who are considering adopting practices to help manage worker disability want to see evidence that such practices are cost-effective, particularly in workplaces similar to their own. Filling this information gap has been a key objective of an IWH project to develop standardized metrics for work disability management benchmarking, led by Scientists Dr. Jason Busse and Dr. William Gnam.

The project began with a pilot in the financial services sector. It involved pooling the experience of participating employers and standardizing the measurement of work disability management practices and outcomes, in collaboration with consultants in this field. In 2008, the pilot was completed: participating employers received individual benchmark reports, comparing their performance to those of their peer group. After the pilot phase ended, the project's advisory board, composed

of senior representatives of workplace disability benefit programs, recommended that the Institute offer the disability management benchmarking program to an expanded range of Canadian employers and disability benefit trust plans. In late 2008, IWH formally launched the Workplace Disability Benchmarking initiative, with the objective of recruiting a minimum of 60 employers or disability benefit trust plans over the next three years. A number of prominent experts have endorsed the initiative, including Bill Wilkerson, CEO and Co-Founder of the Global Business Economic Roundtable on Addiction and Mental Health, who says, "Investments in disability management by businesses are really investments in an increasingly valued resource – skilled and experienced people. This is particularly true at a time when businesses must defend their competitive position in the face of enormous financial pressures."

Within the area of disability management, IWH has a particular interest in mental health and its interaction with other health issues. One recent study, led by IWH Adjunct Scientist Dr. Renée-Louise Franche and Research Associate Nancy Carnide, examined the role mental health plays in the recovery and return to work of workers with musculoskeletal disorders (MSDs), such as back pain or upper extremity injuries. The research found high levels of depressive symptoms in almost half of workers

one month after injury. About half of this group continued to have high levels of depressive symptoms six months after injury. Most – almost three-quarters – of the latter group continued to have high levels 12 months after injury.

Among those who had not returned to work, or who had tried but left work again by the six-month mark, almost 40 per cent had high levels of depressive symptoms. This was more than double the rate among injured workers who had returned to work and stayed. Furthermore, most injured workers with ongoing depressive symptoms did not seem to be getting treatment.

In many work disability insurance schemes around the world, there is a concerning trend towards an increase in the proportion of disability episodes that are of long duration. There are many possible explanations for this trend, including an aging workforce, changes in employment opportunities, access to health-care services, changes in case management practices or changes in benefit program design. Understanding the factors that may lead to longer disability episodes and poor return-to-work outcomes is a significant part of recent and current IWH research.



Over the past several years, a team of staff from both the IWH and the Ontario Workplace Safety and Insurance Board (WSIB) have been working together to analyze the trend towards longer duration compensation claims in Ontario. This trend appears to have started following important legislative changes in 1998. To date, the team has concluded that changes in the demographic characteristics of workers, the severity of injury and employment characteristics were not responsible for the increase in the proportion of compensation claims that are receiving benefits for long durations. The project team is currently focusing attention on the increased prescribing of opioids for pain management during this period, and on changes in adjudication and case management practices as possible factors influencing the trend.

In 2008, we also initiated work with the Accident Compensation Corporation (ACC) in New Zealand to better understand the factors influencing the rise in long duration wage-replacement claims for work and non-work injuries in that country. In the specific case study of the

New Zealand experience, evidence points to changes in the use of health-care services as the primary factor influencing the deterioration in return to work. As a further contribution in 2009, with the help of the ACC and the WSIB, we are undertaking a survey of case management services for long-term claims in seven workers' compensation systems internationally.

IMPROVING CLINICAL TREATMENT OF WORK INJURIES

As a key part of IWH's contribution to research on the effectiveness of clinical treatments of work-related injury, we host the Cochrane Collaborative Back Review Group (BRG). It is one of 50 review groups established by The Cochrane Collaboration, an international not-for-profit organization dedicated to providing information about the effects of health care. The Back Review Group coordinates the publication of literature reviews on the prevention and treatment of neck and back pain and other spinal disorders. These reviews are regularly used in evidence-based guidelines and programs of care. In 2008, the BRG published two new protocols, four new reviews and nine updated reviews in *The Cochrane Library*. Among these were several reviews or updates of different treatments for low-back pain: antidepressants, non-steroidal anti-inflammatory drugs, individual patient education and massage therapy.

The review on massage therapy, authored by Associate Scientist Dr. Andrea Furlan and colleagues, considered evidence for its effectiveness in managing chronic low-back pain. Among the earliest known approaches for treating pain, massage can promote muscle relaxation and improve circulation. Based on evidence from a small number of high quality clinical trials, the review concluded that massage was effective in decreasing pain severity and improving function among adults disabled by chronic low-back pain.

THE ADEQUACY OF WORKERS' COMPENSATION BENEFITS

Among the goals of workers' compensation systems in Ontario and other jurisdictions is to provide income benefits to injured workers that are fair, adequate and promptly paid. The methods to calculate benefit levels are set out in legislation governing these systems. When the legislation changes in a way that affects how benefits are determined, the question arises as to how this affects the goals of fair and adequate compensation. In 2008, IWH completed the first phase of a study, led by Dr. Emile Tompa, for WorkSafeBC that examined this issue in relation to legislative change in British Columbia (B.C.).

Prior to June 30, 2002, B.C.'s system for compensating long-term work-related disability involved two methods of calculating benefits: a loss-of-function/permanent-impairment benefit, and a loss-of-earning-capacity benefit. A worker was eligible for whichever benefit was higher. A new law, Bill 49, focused benefits determination on loss of function and changed the benefit formula. Earlier, disabled workers received 75 per cent, before tax, of their pre-injury earnings. This changed to 90 per cent, after tax, of pre-injury earnings. There were also changes to the cost-of-living adjustment and to benefits received after age 65.

As a measure of adequacy, the researchers used the pre-Bill 49 target replacing 75 per cent of pre-injury before-tax earnings. The researchers assessed if at least this rate was achieved for both men and women. As a measure of fairness, they assessed if this rate was achieved for different age and impair-

ment categories. The study found that, overall, the pre-Bill 49 policy had adequate and equitable earnings replacement rates by these standards. Under Bill 49, average benefits paid to workers for long-term disability fell. However, the standards for adequacy and fairness were still met for all categories. One possible exception was the 50 to 59 age category, where the average replacement rate fell to between 73 to 82 per cent, in some cases going below the target rate of 75 per cent.

MEASURING HEALTH AND FUNCTION

To fully account for the costs of workplace injuries and illness (or the benefits of preventing workplace injury or disability), we need to be able to not only measure the cost of absence from work, but also measure the loss in work productivity experienced by injured workers who return to work. A worker recovering from a disabling musculoskeletal disorder or living with a chronic disease such as arthritis may have difficulty performing work tasks quickly or accurately. Unlike absence from work, which is relatively easy to define and measure, there are large challenges in defining and measur-

ing deficits in work performance among workers recovering from a disabling injury or managing a chronic disease. Institute Scientist Dr. Dorcas Beaton is leading a team of researchers from IWH and other organizations to look at this question. There is a particular focus on workers with arthritis in connection with the international project on Outcome Measures in Rheumatoid Arthritic Clinical Trials (OMERACT).

This work on the methods that researchers use to measure work productivity is important for a number of reasons. Improved precision in measurement methods can assist workplace parties, health-care providers and health service funders in fully understanding the costs and the benefits of different clinical treatments, and the costs and benefits of different approaches to accommodating worker health impairments. And strengthened international consensus on the best approach to measuring work productivity promises to improve the comparability of results in future research studies.

UNLIKE ABSENCE from work, there are large challenges in defining and measuring deficits in work performance among workers recovering from a disabling injury or managing a chronic disease.





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THE YEAR IN NUMBERS

STAFF

87 TOTAL STAFF (73 FULL-TIME; 14 PART-TIME)
35 ADJUNCT SCIENTISTS

STUDENTS

6 PHD STUDENTS
3 POST-DOCTORAL STUDENTS
1 COMPLETED PHD

PROJECTS

70 ACTIVE PROJECTS
32 NATIONAL/PROVINCIAL PROJECT COLLABORATIONS
8 INTERNATIONAL PROJECT COLLABORATIONS
19 NATIONAL/PROVINCIAL POLICY ADVISORY ROLES
8 INTERNATIONAL POLICY ADVISORY ROLES

FUNDING

\$1,787,241 RESEARCH GRANT FUNDING
\$4,922,275 WORKPLACE SAFETY AND INSURANCE
BOARD FUNDING

AUDITORS' REPORT

TO THE DIRECTORS OF INSTITUTE FOR WORK & HEALTH

We have audited the balance sheet of Institute for Work & Health as at December 31, 2008 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, 2008 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Stern Cohen LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
February 23, 2009

FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS

| For the year ended December 31, | 2008 | 2007 |
|---|---------------------|---------------------|
| Revenue | | |
| Workplace Safety and Insurance Board of Ontario | \$ 4,922,275 | \$ 4,864,232 |
| Other (Note 6a) | 1,787,241 | 2,019,225 |
| Investment income (Note 6b) | 53,840 | 50,033 |
| | \$ 6,763,356 | \$ 6,933,490 |
| Expenses | | |
| Salaries and benefits | \$ 5,258,573 | \$ 5,316,956 |
| Travel | 137,994 | 133,456 |
| Supplies and service | 119,110 | 127,225 |
| Occupancy costs | 568,131 | 538,227 |
| Equipment and maintenance | 77,940 | 196,408 |
| Publication and mailing | 76,795 | 71,078 |
| Voice and data communications | 37,532 | 44,009 |
| Staff training | 53,730 | 47,740 |
| Outside consultants (Note 6c) | 168,218 | 267,564 |
| Other | 90,127 | 128,566 |
| Amortization of capital assets | 98,939 | 106,711 |
| Amortization of deferred rent | (45,264) | (45,264) |
| | \$ 6,641,825 | \$ 6,932,676 |
| Excess of revenue over expenses for the year | \$ 121,531 | \$ 814 |

See accompanying notes.

STATEMENT OF NET ASSETS

| For the year ended December 31, | 2008 | | 2007 | |
|--|-------------------------------|---------------------------|-------------------|------------|
| | Invested in capital assets | Unrestricted (Note 6d) | Total | Total |
| Beginning of year | \$ 144,633 | \$ 599,651 | \$ 744,284 | \$ 743,470 |
| Excess (deficiency) of revenue over expenses for the year | (98,939) | 220,470 | 121,531 | 814 |
| Investment in capital assets | \$ 74,107 | \$ (74,107) | \$ — | \$ — |
| End of year | \$ 119,801 | \$ 746,014 | \$ 865,815 | \$ 744,284 |

See accompanying notes.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

| For the year ended December 31, | 2008 | 2007 |
|---|----------------|------------------|
| Operating activities | | |
| Excess of revenue over expenses for the year | \$ 121,531 | \$ 814 |
| Items not involving cash | | |
| Amortization of capital assets | 98,939 | 106,711 |
| Amortization of deferred rent | (45,264) | (45,264) |
| Deferred revenue | (111,617) | (410,309) |
| Adjustment to fair value | (20,850) | — |
| Working capital from (required by) operations | \$ 42,739 | \$ (348,048) |
| Net change in non-cash working capital balances related to operations | 274,339 | (109,205) |
| Cash from (required by) operations | \$ 317,078 | \$ (457,253) |
| Investing activities | | |
| Purchase of capital assets | \$ (74,107) | \$ (53,876) |
| Short-term investments | (26,826) | 272,635 |
| | \$ (100,933) | \$ 218,759 |
| Change in cash during the year | 216,145 | (238,494) |
| Cash | | |
| Beginning of year | 307,409 | 545,903 |
| End of year | \$ 523,554 | \$ 307,409 |

See accompanying notes.

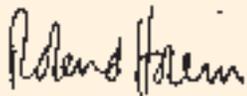
FINANCIAL STATEMENTS

BALANCE SHEET

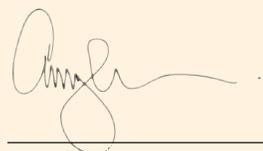
| As at December 31, | 2008 | 2007 |
|---------------------------------|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 523,554 | \$ 307,409 |
| Short-term investments (Note 2) | 822,052 | 774,376 |
| Accounts receivable (Note 3) | 494,514 | 744,585 |
| Prepaid expenses and deposits | 38,488 | 64,800 |
| | \$ 1,878,608 | \$ 1,891,170 |
| Capital assets (Note 4) | 119,801 | 144,633 |
| | \$ 1,998,409 | \$ 2,035,803 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | \$ 310,456 | \$ 312,500 |
| Deferred revenue (Note 5) | 822,138 | 933,755 |
| Deferred rent | — | 45,264 |
| | \$ 1,132,594 | \$ 1,291,519 |
| Net Assets | | |
| Invested in capital assets | \$ 119,801 | \$ 144,633 |
| Unrestricted | 746,014 | 599,651 |
| | \$ 865,815 | \$ 744,284 |
| | \$ 1,998,409 | \$ 2,035,803 |

Other information (Note 6)
See accompanying notes.

Approved on behalf of the Board:



Director



Director

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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.

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

(C) Deferred rent

The lease inducements, consisting of cash, are deferred and amortized over the term of the lease.

(D) Short-term investments

Short-term investments are recorded at fair value.

(E) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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.

2 / SHORT-TERM INVESTMENTS

| | 2008 | 2007 |
|---------------------------|-------------------|------------|
| GIC | \$ 533,041 | \$ 518,659 |
| Government of Canada Bond | 125,925 | — |
| Corporate note | 163,086 | 255,717 |
| | \$ 822,052 | \$ 774,376 |

The guaranteed investment certificates earn an average interest of 4.3% and mature in 2009, 2010, and 2011. The Government of Canada bond earns interest of 5.5% and matures in 2009. The Corporate note earns interest of 4.5% and matures in 2012.

3 / ACCOUNTS RECEIVABLE

| | 2008 | 2007 |
|--|-------------------|------------|
| The Foundation for Research and Education in Work and Health Studies | \$ 62,535 | \$ 92,726 |
| Other | 431,979 | 651,859 |
| | \$ 494,514 | \$ 744,585 |

4 / CAPITAL ASSETS

| | Cost | Accumulated amortization | 2008 | Net 2007 |
|----------------------|---------------------|--------------------------|-------------------|-------------------|
| Furniture & fixtures | \$ 304,415 | \$ 275,943 | \$ 28,472 | \$ 47,504 |
| Computer equipment | 335,810 | 251,361 | 84,449 | 76,488 |
| Leaseholds | 503,131 | 496,251 | 6,880 | 20,641 |
| | \$ 1,143,356 | \$ 1,023,555 | \$ 119,801 | \$ 144,633 |

NOTES TO FINANCIAL STATEMENTS

5 / DEFERRED REVENUE

| | 2008 | 2007 |
|-----------------|-------------------|-------------------|
| CAN | \$ 11,447 | \$ 23,270 |
| CIHR | 156,853 | 304,314 |
| MOHLTC | 49,000 | 6,230 |
| NIOSH | 14,694 | 44,027 |
| OCA | 475 | 12,403 |
| Worksafe BC | 156,376 | 76,362 |
| WSIB – Contract | — | 2,141 |
| WSIB – RAC | 345,954 | 416,380 |
| Other | 87,339 | 48,628 |
| | \$ 822,138 | \$ 933,755 |

6 / OTHER INFORMATION

(A) Other revenue

| | 2008 | 2007 |
|----------------------------|---------------------|---------------------|
| ACC | \$ 37,772 | \$ — |
| CAN | 11,823 | 8,663 |
| CIHR | 580,418 | 437,246 |
| CREIDO | 18,083 | — |
| CRE-MSD | 16,743 | — |
| MOHLTC | 6,230 | 375,750 |
| Mustard Foundation | 40,634 | — |
| NIOSH | 29,333 | 9,787 |
| OCA | 11,928 | 23,678 |
| Ontario Neurotrauma Fund | — | 17,758 |
| University of Maryland | 2,823 | 20,098 |
| University of Saskatchewan | — | 30,161 |
| WCB Manitoba | 34,534 | — |
| WDMB – Special Project | — | 85,700 |
| Worksafe BC | 106,521 | 93,857 |
| WSIB – Contract | 2,141 | 67,859 |
| WSIB – Pilot | — | 345,000 |
| WSIB – RAC | 707,668 | 489,890 |
| Other | 180,590 | 13,778 |
| | \$ 1,787,241 | \$ 2,019,225 |

(B) Reconciliation of investment income

| | 2008 | 2007 |
|----------------------------------|------------------|------------------|
| Interest | \$ 32,990 | \$ 50,033 |
| Gain on adjustment to fair value | 20,850 | — |
| Total | \$ 53,840 | \$ 50,033 |

(C) Outside consultants

| | 2008 | 2007 |
|--------------------------------|-------------------|-------------------|
| University co-investigators | \$ 4,000 | \$ 124,239 |
| Other project related services | 125,069 | 107,178 |
| Other services | 39,149 | 36,147 |
| | \$ 168,218 | \$ 267,564 |

(D) 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.

| | 2008 | 2007 |
|----------------------------|---------------------|---------------------|
| Total assets | \$ 1,998,409 | \$ 2,035,803 |
| Invested in capital assets | (119,801) | (144,633) |
| | \$ 1,878,608 | \$ 1,891,170 |
| Liabilities | (1,132,594) | (1,291,519) |
| Unrestricted net assets | \$ 746,014 | \$ 599,651 |

(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 \$295,463 in contributions to the Plan during the year (2007–\$308,504).

(F) Commitments

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

| Year | Amount |
|-------------|-------------------|
| 2009 | \$ 224,000 |
| 2010 | \$ 259,000 |
| 2011 | \$ 262,000 |
| 2012 | \$ 267,000 |
| 2013 | \$ 267,000 |

(G) Financial instruments

The organization's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable. 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.

Unless otherwise noted, it is management's option that the carrying amount of the company's financial instruments approximates fair value.

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University of Toronto

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Principal
Organizational Solutions

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 that protects and improves the health of working people and is valued by policy-makers, workers and workplaces, clinicians, and health & 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. 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. This 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 and 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 workplaces and key sources of data have made it a respected advanced training centre. Over the last several years, IWH has hosted a number of international scientists. Graduate students and fellows are also associated with the Institute. They receive guidance and mentoring from scientific staff and participate in projects, which give them first-hand experience and vital connections to the work and health research community.



**Institute
for Work &
Health**

Research Excellence
Advancing Employee
Health

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