

Making Ontario a Safer Place to Work:

FUNDING AND SAFETY
OUTCOMES OF ONTARIO'S
HEALTH AND SAFETY
ASSOCIATIONS

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Over the last decade, spending on health and safety training through the Ontario Ministry of Labour, Training & Skills Development (MLTSD) has not kept pace with the growing workforce. From 2013 to 2020, the amount of money available for health and safety training and research through the province's health and safety associations has fallen by approximately 17%, adjusting for inflation.¹ In contrast, the number of full-time workers (and equivalents) in the Province of Ontario has grown by about 3%.

The decline in spending on health and safety training signals a worrying trend given the established effectiveness of health and safety spending in making workplaces safer and improving business outcomes.² In this blog post, we examine trends in lost-time claim rates, lost-time injury rates, and fatalities to understand the real impact of shifts in funding towards health and safety on the safety of workers in certain industries, and conclude with some recommendations.

WSIB Health and Safety Training

The province delivers health and safety training and services through [six Health and Safety Organizations](#) (HSAs). Of these six organizations, four are Safe Work Associations: Workplace Safety & Prevention Services (WSPS), Infrastructure Health & Safety Association (IHSA), Workplace Safety North (WSN), and Public Services Health & Safety Association (PSHSA). Each association serves workers in different sectors, defined by the WSIB by [rate groups](#) as follows:

- WSPS supports manufacturing & industrial sectors, agriculture, landscaping, horticulture and agribusiness, and the Ontario service sector.
- IHSA supports workers in construction, electrical, utilities, aggregates, natural gas, ready-mix concrete, and transportation.
- WSN serves the mining, forestry, paper, printing and converting sectors and administers the Ontario Mine Rescue program on behalf of the MLTSD.
- PSHSA supports workers in health and community care, education, municipal & provincial government, public safety & emergency services, and First Nations communities.

The other two HSAs are the Occupational Health Clinics for Ontario Workers Inc. (OHCOW) and Workers Health & Safety Centre (WHSC), which are labour-governed associations.

¹ This figure includes both transfers from the MLTSD and training and publication revenues from health and safety associations.

² Mustard, CA, Tompa E, Saunders R. Estimating the financial return on employers' investments in the prevention of work injuries in Ontario. Institute for Work & Health. Issue Briefing, April 2022 (in press).

- OHCOW provides medical diagnosis, provides support and ensures appropriate treatment to workers or group of workers who may have work-related health concerns. It identifies, analyses and tracks workplace hazards and exposures and makes recommendations to workplace parties to eliminate hazards. It conducts investigations and research to utilize the knowledge to increase awareness of occupational health issues, works with communities, workers, and all sectors to further the prevention of occupational disease, injuries, and disabilities for all workers. Lastly, it provides focused education, information and advice on hazards and exposures, prevention, and risk elimination. As it targets the most vulnerable groups of workers it does not charge for its services and therefore does not have the means to raise revenue to make up for a shortfall of funds.
- WHSC provides health and safety training for workers and employers in Ontario whether they fall under provincially regulated or federally regulated workplaces.

HAS Funding

None of the HSAs are funded by Ontario's taxpayers. The province's HSAs are primarily financed through transfer payments from the Ministry of Labour, Training & Skills Development (MLTSD). The source of funds come from the WSIB, which collects employer payroll assessments applied to the 76.5% of employers covered under the *Workplace Safety & Insurance Act*.³ At the direction of the MLTSD, the WSIB forwards the funding amount to the Ministry who then distributes funds to the HSAs. To make up for any shortfalls in the Ministry's transfer payments, five of the six HSAs self-generate revenue (typically from providing training, consulting and publications).

From 2013 to 2020, the amount of funding provided to HSAs through the MLTSD has declined relative to inflation and the growth of the labour force in Ontario. In 2013, for every full-time worker covered by WSIB, the MLTSD transferred approximately \$8.00 to the HSAs (in 2013 dollars). By 2020, the MLTSD transferred approximately \$5.90 to the HSAs per full-time worker (2013 dollars). In 2020, the MLTSD transferred a total of \$72.3M to the HSAs, compared to \$93.9M in 2013 (2013 dollars). During this time, the amount of revenue generated by HSAs increased by 6%, adjusting for inflation, which partially offset the decrease in revenue provided by the MLTSD.

As shown in Figure 1 below, the relative decline in funding is particularly notable when looking only at the four Safe Work Associations. From 2013 to 2020, total transfers from the MLTSD to the Safe Work Associations declined by 26% adjusted for inflation. However, over those years some of the Safe Work Associations experienced a notable uptick in funding from the MLTSD. From 2016 to 2018, MLTSD funding to PSHSA increase by 10%. However, from 2018 to 2020 funding from the MLTSD declined by 13%, leading to the lowest level of MLTSD

³ Kralj, B. (2019). A Study of the Impacts on WSIA Coverage Expansion in Ontario. Perspicacity Intelligence and Analytics.

funding since 2013. WSN experienced an increase in MLTSD funding in 2018, representing an increase of approximately 6% likely attributed to the statutory mine rescue program. This increase in funding was followed by a decline in the next year of approximately 2%.

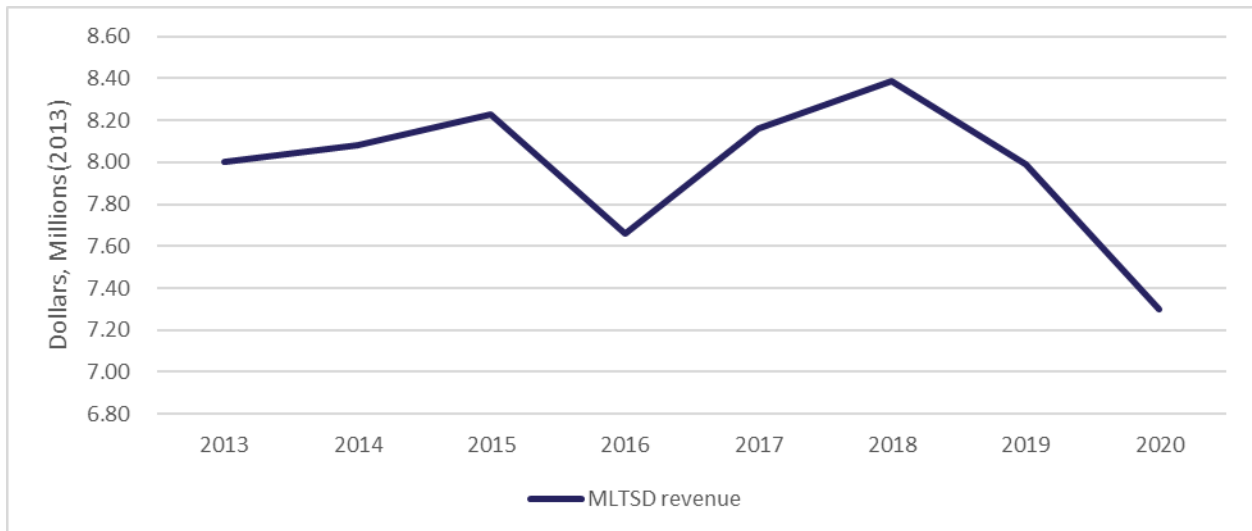


Figure 1. MLTSD revenue for PSHSA, 2013 to 2020 (2013 dollars)

Shifts in Health and Safety

From 2010 to 2019, there has not been a notable increase in the number of workplace injuries (measured by lost-time claims) or fatalities relative to the overall Ontario workforce or the number of workers covered by WSIB. We measure workplace injuries by the number of injury claims made to WSIB, recognizing that these numbers likely underestimate the true number of injuries in the workplace.⁴

However, from 2010 to 2019 certain industries have seen notable increases in lost-time injury rates and fatalities. These trends may point to gaps in Ontario’s health and safety training and support infrastructure that are in turn the result of changes in funding. In the charts that follow, we use claim and fatality data from the WSIB [Open Data Downloads](#).

LOST-TIME INJURY RATES

Lost-time injury rates for most industries have remained relatively stable or have declined since 2010. However, there are key industries where lost-time rates have increased since approximately 2015, a year where rates were at their lowest for several industries. Industries where we see a notable increase in lost-time injury rates include automotive, chemicals/process, education, electrical, health care, manufacturing, municipal, primary metals,

⁴ Shannon, H & Lowe, G. (2002) *How Many Injured Workers Do Not File Claims for Workers’ Compensation Benefits?* American Journal of Industrial Medicine. 42.

Prism Economics and Analysis. (2013). *Workplace Injury Claim Suppression: Final Report*. Prepared for Workplace Safety and Insurance Board.

pulp and paper, and services. This rebound in rates suggests that the WSIB’s health and safety prevention, capacity may not be adequate for meeting workers’ needs in these industries.

The industries with some of the most notable increases in lost-time injury rates since 2015 are presented in Figure 2. From 2015 to 2019, the lost-time injury rate for the primary metals industry increased by 73%, from 0.52 to 0.9. Likewise, the lost-time injury rates for the health care and education industries increased by 25% and 28%, respectively.

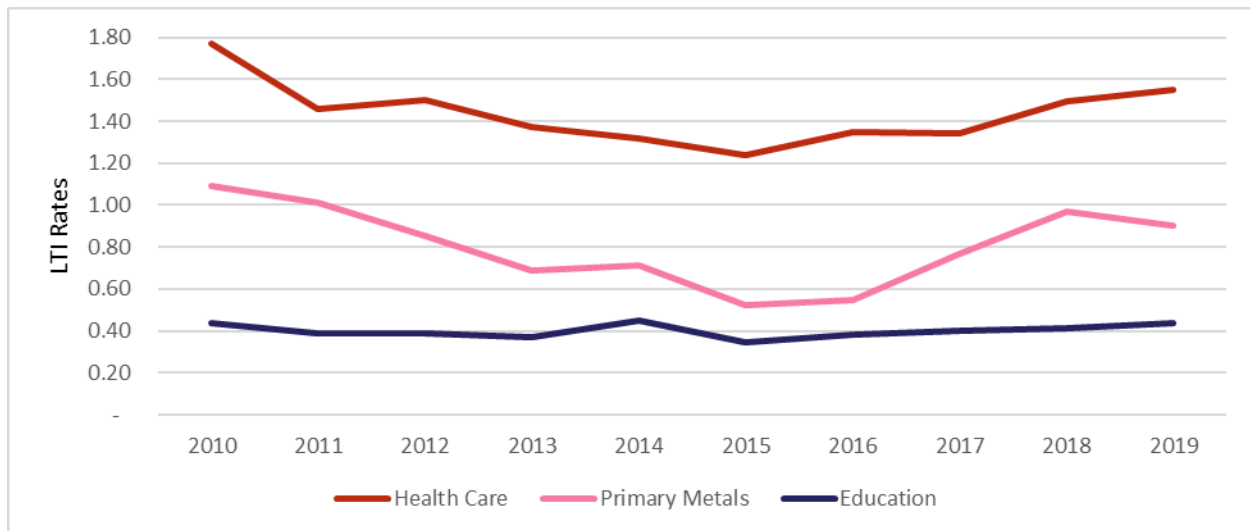


Figure 2. lost-time injury rates for healthcare, primary metals, and education industries, 2010 to 2019

FATALITIES

The WSIB data that we draw on for this analysis breaks fatalities into two types: occupational disease and traumatic fatalities. From 2010 to 2019, there have been 232 and 75 occupational disease and traumatic fatalities, on average annually. The number of occupational disease fatalities during that time reached its peak in 2010 at 301 deaths and has generally declined since then. The greatest number of traumatic fatalities from 2010 to 2019 was in 2013, at 87 fatalities. In 2020, there were 211 occupational disease deaths and 62 traumatic fatalities. However, for the purposes of this analysis we examine fatalities up to 2019 due to the impact of COVID on workplaces.

Occupational Disease Fatalities

As Figure 3 shows, while the manufacturing industry has made gains in the relative reduction of workplace fatalities due to occupational disease, recent trends show that fatalities may be on the rise in that industry. There was a decrease in the proportion of fatalities attributable to the manufacturing sector from 2011 to 2017, which was then followed by an increase from 11% to 19% between 2017 and 2019. In that industry, between 2013 and 2017, there were on average 26 fatalities per year, but the number of annual fatalities increased to 53 and 43 in 2018 and 2019, respectively.

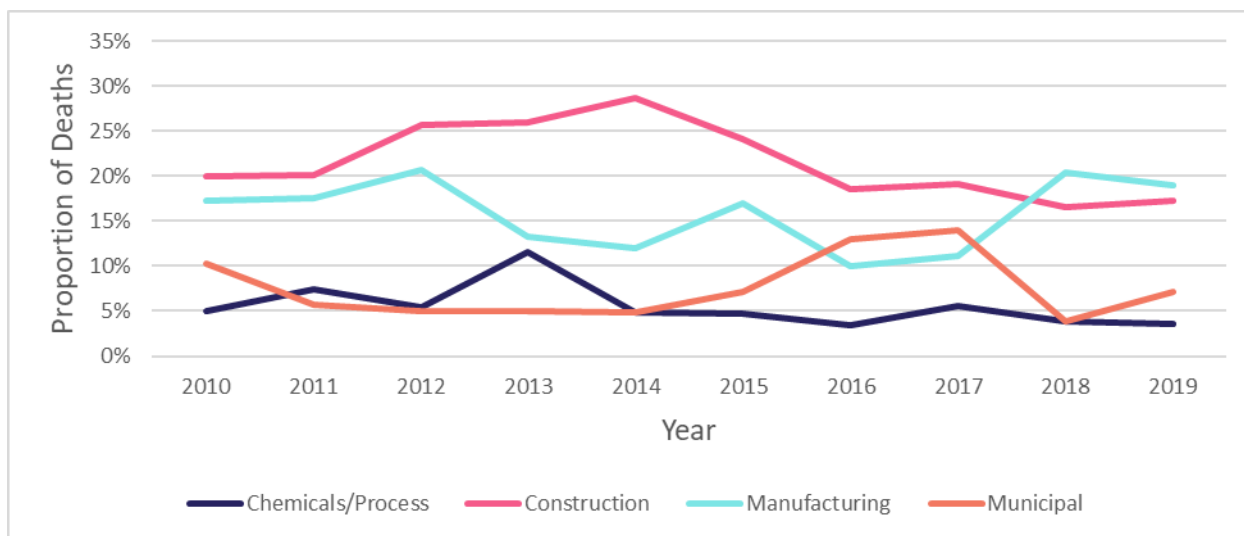


Figure 3. Occupational disease fatalities by industry as a proportion of all occupational disease fatalities, 2010 to 2019

While there has been a recent increase in occupational-disease fatalities in the manufacturing industry, the construction, chemicals/process and Municipality industries have seen a recent decline in fatalities. For the construction industry, the proportion of the deaths resulting from occupational diseases increased between 2011 and 2014, but then decreased to 17% in 2019. In 2019, 21 fewer people died from occupational disease than in 2010. The proportion of the deaths resulting from occupational diseases in the Municipal industry peaked in 2017 at 14% (30 fatalities) but declined to 7% (16 fatalities) in 2019. The proportion of occupational disease deaths attributable to the chemicals/process industry peaked in 2013 at approximately 12% (21 fatalities), reaching less than 4% (8 fatalities) in 2019.

Traumatic Fatalities

As shown in Figure 4 below, the construction industry has seen a recent decline in the relative number of fatalities related to occupational disease. But we see an opposite trend for the industry with respect to traumatic fatalities. From 2012 to 2019, the proportion of traumatic fatalities attributable to the construction industry increased from 29% to 38%, respectively. The relative number of fatalities in the transportation industry have also increased in recent years. The proportion of traumatic fatalities for the transportation industry decreased from 23% to 18% between 2012 and 2019. Importantly, although there is an increase in the proportion of traumatic fatalities in the construction industry, the absolute number of traumatic fatalities in that industry decreased from 60 to 31 between 2010 and 2019.

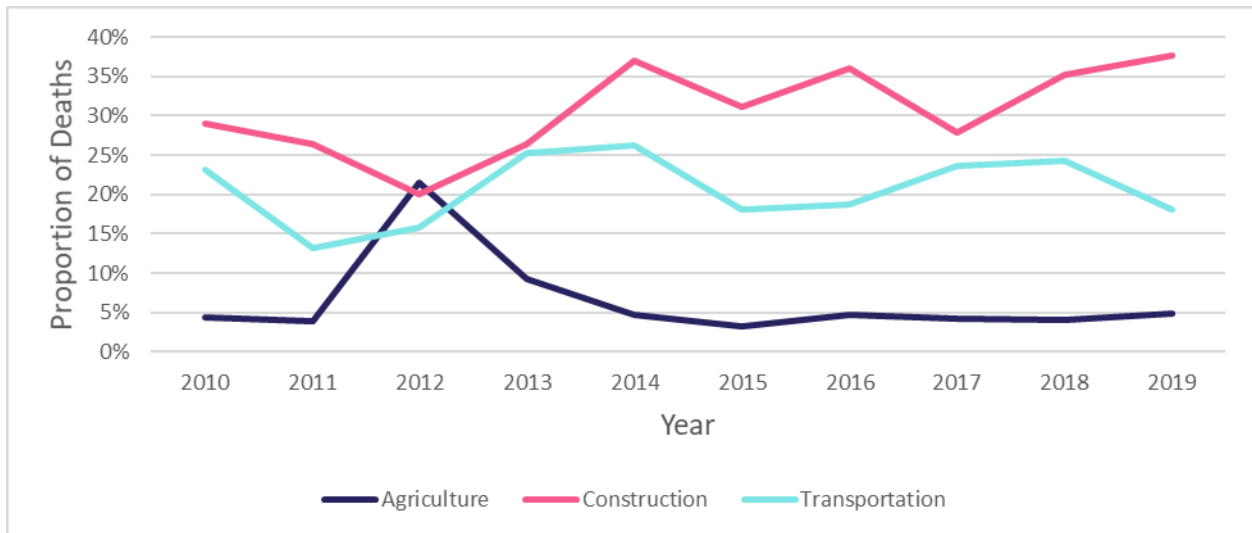


Figure 4. Traumatic fatalities by industry as a proportion of all traumatic fatalities, 2010 to 2019

Increases in the relative number of traumatic fatalities attributable to the construction and transportation industries have been counterbalanced by decreases from other industries. The agriculture industry has seen a notable shift in the proportion of the traumatic deaths from 2012 to 2019. The proportion of traumatic deaths peaked at approximately 21% (15 fatalities) in 2012 but remained relatively constant at around 4% (3 fatalities) from 2012 until 2019.

The Impact of COVID

Our previous analysis of claims and fatalities spans from 2010 to 2019. We end our analysis at 2019 because of the impact of COVID on workplaces, and by extension workplace injuries and fatalities. As Figure 5 shows, the key events that lead to claims in 2019 shifted in 2020. There was a notable decline in claims related to bodily reaction and exertion, contact with object and equipment, and falls corresponding with a substantial increase in claims related to exposure to casustic, noxious, or allogenenic substances, likely the result of COVID. We speculate that the reduction in health & safety incidents is likely due to the closure of many businesses during the early months of the pandemic.

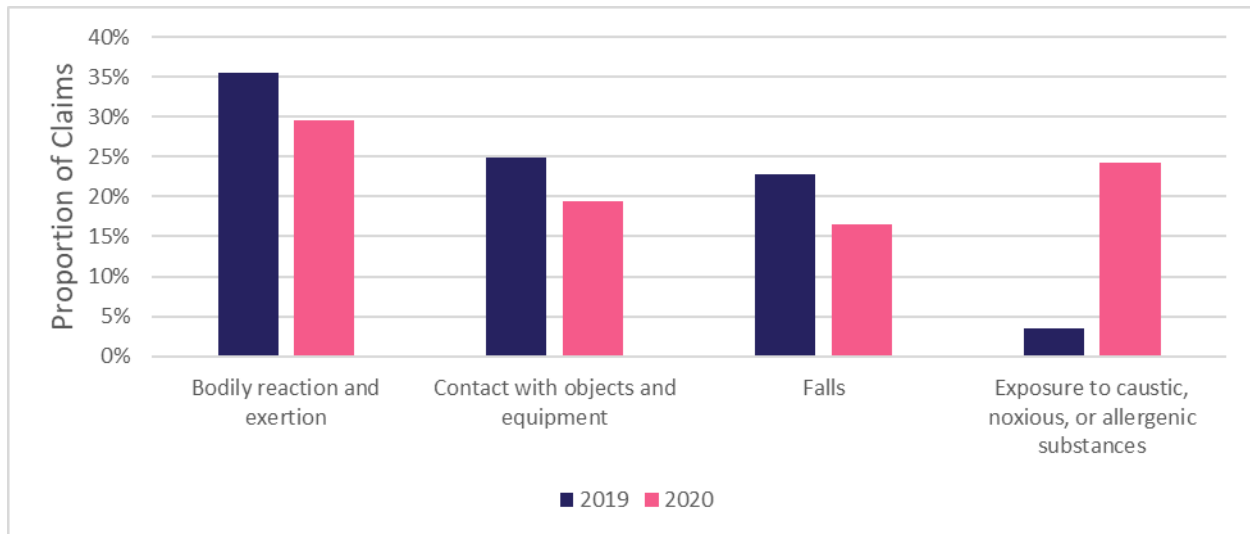


Figure 5. proportion of lost-time claims, 2019 versus 2020

Importantly, the trends that we identified in our analysis have been disrupted by COVID given the threat it poses, and continues to pose, to worker welfare and the change in work and workplaces resulting from public health measures. The full, permanent impact of COVID on work and workplaces is yet to be realized. Thus, it is unknown how the trends in claims and fatalities we have identified here will continue once the pandemic is resolved.

Benefits of investing in Prevention

Spending on workplace health and safety not only makes Ontario a safer place to work, but it also makes good business sense. The Institute for Work and Health examined the impact of investment in prevention services and found that investment in health and safety is, on net, a benefit and not a cost. More spending on health and safety is associated with fewer injuries, fewer WSIB claims, as well as substantial returns to businesses in the form of higher morale and better business operations.⁵

For every dollar spent on health and safety, the financial gains can potentially range from \$1.24 to \$2.14.⁶ One case study involving a large mechanical business found that the return on investment (ROI) associated with spending \$2,880 per worker per year in health and safety realizes a return of \$5,587 which is an ROI of 1.94.⁷

Health and safety training reduces injuries and makes Ontario businesses more competitive, which can translate into financial benefits to the provincial government and the WSIB. Fewer

⁵ Mustard, CA, Tompa E, Saunders R. Estimating the financial return on employers' investments in the prevention of work injuries in Ontario. Institute for Work & Health. Issue Briefing, April 2022 (in press).

⁶ WSIB Ontario. (2022). Health and Safety Excellence Program. WSPS Executive Advisory Update, February 16, 2022.

⁷ Mustard, CA, Tompa E, Saunders R. Estimating the financial return on employers' investments in the prevention of work injuries in Ontario. Institute for Work & Health. Issue Briefing, April 2022 (in press).

injuries and claims can make the WSIB insurance fund more sustainable and potentially reduce employer premiums over time. Furthermore, the financial benefits of greater health and safety spending can translate into more competitive and profitable businesses, which in turn may pay more in tax and enhance the financial position of the province overall.

Recommendations

To address the funding shortfalls that HSAs have experienced over the last several years, and improve the safety and operation of Ontario's businesses, we recommend that the province make changes to how funding is provided to the HSAs and how the surplus in the WSIB insurance fund is allocated.

1. FUNDING SOURCE

Currently, core funding to the HSAs is provided by the MLTSD but is sourced through WSIB premiums. Rather than having the MLTSD collect funds from WSIB premiums and disperse them to the HSAs, these funds should be provided directly from the WSIB. Removing the MLTSD from the funding allocation streamlines the process and ensures that money collected from premiums stays within the broader insurance system. The Chief Prevention office within the MLTSD would continue to provide oversight. This approach has the added benefit of keeping employer WSIB assessments under the WSIA separate from taxpayer dollars.

Furthermore, core funding to the HSAs should be increased so they can provide more free training, consulting, and publications to the 76.5% of employers that pay assessment fees to the WSIB.⁸ To fund this increased training, non-covered employers representing 1.7 million workers in Ontario would continue to pay a nominal fee for training. This change would reduce the HSAs' reliance on revenues collected from training and publications, which have increased since 2013. It would also make health and safety training more accessible to Ontario's employers, improving Ontario workplaces and better supporting the not-for-profit HSAs model.

2. WSIB SURPLUS

The WSIB eliminated its unfunded liability by 2018, which was 10 years ahead of its legislated schedule. (Regulations required 100% funded status by 2027). By mid 2021, the WSIB was funded at 119.5%, equating to a \$6.2B surplus. Earlier this year the MLTSD announced the WSIB will refund \$1.5B of the surplus to safe employers.⁹

Workers should also benefit from the surplus, and we propose that some of the WSIB surplus be used to significantly increase investment in Ontario's six HSAs. Funding should be provided pursuant to the WSIB Operational Review recommendation #21 which states that "the government should enter into three to five year transfer agreements with the Health & Safety Associations" and recommendation #22 which adds, "if the government changes the funding model for prevention related programming, it should consider increasing the overall funding available for these activities".

⁸ Kralj, B. (2019). A Study of the Impacts on WSIA Coverage Expansion in Ontario. Perspicacity Intelligence and Analytics.

⁹ WSIB Ontario. (2022). [WSIB to rebate up to \\$1.5 billion in surplus funds to Ontario businesses.](#)

Improved investment in prevention has been shown to help reduce and prevent the occurrence of occupational-related fatalities and injuries in workplaces which results in savings of up to \$2.14 for every new dollar invested. This aligns with many of the recommendations in the Auditor General's H&S in the Workplace report, which are aimed at reducing injuries, illness and fatalities.¹⁰

Conclusion

Over the last several decades, workplaces in Ontario have become safer. Most notably, the number of work-related fatalities has remained stable or declined in most years, relative to the size of both the insured and total workforce. However, in recent years trends in both industry lost-time injury rates and fatalities by industry point to a potential stagnation or, in some cases, backsliding of the gains made in making Ontario's workplaces safer for workers in some industries. The lack of adequate funding may lead to the downsizing of staff which will reduce health & safety prevention capacity in the province.

These shifts in lost-time injury rates and fatalities have occurred against a backdrop of decreased core funding to HSAs in the province. This decrease in funding threatens to undermine the level of safety that Ontario's workplaces currently enjoy. This decrease also represents a lost opportunity for the province and Ontario businesses to benefit from the notable financial returns that workplace safety spending provides.

The Provincial government should unwind the reduction to prevention funding implemented by the previous government to reinvest in workplace injury prevention. Going forward restored funding will need to be adjusted annually to keep up with inflation and the growth of Ontario workers and workplaces. In addition, the province should change how funding from the WSIB program is allocated to HSAs and make use of the WSIB insurance fund surplus to finance increased health and safety training in the province.

¹⁰ Ministry of Labour, Training and Skills Development. (2019). [Health and Safety in the Workplace, Chapter 3](#).