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IN UNITY THERE IS STRENGTH



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Presentation to the Standing Committee on Finance and Economic Affairs

as part of their Pre-Budget Consultations 2024

Submitted on behalf of the Research Action Committee of the Ontario Network of Injured
Workers' Groups (ONIWG), Steve Mantis, Committee Chair

January 31, 2024

Thank you for coming to Thunder Bay and holding one of your committee hearings in our area.

Our main messages today are:

1. Cost shifting from WSIB to provincial coffers in areas such as health care, income support, community services, and retirement has significant impact on the provincial budget.
2. Occupational Health and Workers Compensation have long term consequences for workers, their families, and our economy.
3. Creating an equitable tax revenue stream will be the key to our long-term success as a province.

Introduction

The Ontario Network of Injured Workers' Groups (ONIWG) was founded in 1991 and since then has actively advocated on behalf of injured, ill, and disabled workers; this is done primarily on a systemic basis. We intervened in five Supreme Court of Canada cases that affected the rights of injured workers including the Martin & Laseur v Nova Scotia; which involved a Charter challenge to the strict limits to the Nova Scotia chronic pain regulation. We also routinely meet with senior levels of the Ministry of Labour, including the Minister of Labour and also with senior management at the Workplace Safety & Insurance Board (WSIB) and participate in public consultations on issues that affect injured workers. At these meetings, the Ontario Network of Injured Workers' Groups advocate for systemic change to benefit all workers and their communities.

Our group members are injured worker organizations in the province of Ontario. ONIWG is a democratically governed organization, with 22 member groups from all parts of Ontario. These

individual groups also work closely with other groups and agencies in their individual communities in order to advance the interests of injured and disabled workers.

The ONIWG Research Action Committee (RAC) was formed in 2013 following an eight-year project, the Research Action Alliance on the Consequences of Work Injury (RAACWI). The RAC has been an active participant in workers' compensation research, policy, and administration discussions.

1. Cost shifting from WSIB to provincial coffers in areas such as health care, income support, community services, and retirement has significant impact on the provincial budget.

Over the last 15 years, we have seen a radical shift at the WSIB as they have focused on cost containment and reducing costs to businesses and corporations. A recent correspondence from the WSIB to employers noted a savings to corporations of over \$8,000,000,000 since 2019.

This has meant that thousands of workers¹ with work acquired permanent injuries and illnesses each year are being left with little or no financial support or health care from the WSIB. These are workers that have their claims accepted by the WSIB.

The fact that the WSIB discontinues the long-term support to these workers and their families causes these costs to be shifted into the public sector. Many of these families end up in poverty² and in ill health forcing them to rely on publicly funded services; health care, welfare, and social services. A study undertaken by Street Health in Toronto found that 57% of the homeless people surveyed had a work injury or illness.

There has not been a comprehensive study on the total impact of this cost shifting from the WSIB to the public purse, but it may be in the range of \$2 Billion a year.

Another aspect of this cost shifting is the issue of claims suppression by employers in Ontario. Research completed in Ontario, British Columbia and Manitoba have found high levels of non-reporting of injuries and diseases to their respective workers compensation boards. The 2022 report from BC estimated that 40 – 50% of injuries and illnesses are not reported.³

If we factor the costs to these workers, their families, and the public sector, that should be funded through workers compensation system, we could be looking at an additional - \$1-3 Billion annually.

¹ According to the WSIB 2022 Annual Report, there were 95,218 lost time claims registered in that year.

² Peri Ballantyne et al., "Poverty Status of Worker Compensation Claimants with Permanent Impairments," *Critical Public Health* 26, no. 2 (2016): 173-190.
https://www.researchgate.net/publication/275952209_Poverty_status_of_worker_compensation_claimants_with_permanent_impairments

³ Claim Suppression: The Elephant in the Workplace – Report to the Board of Directors, BC Workers' Compensation Board, March 9, 2022

Recommendation #1 - To commission an independent study to determine the scale of cost shifting from the WSIB to publicly funded programs.

One of the ways that the WSIB reduces their long terms costs is through the process of “deeming” workers to have earnings they don’t have. We have brought this issue forward to the United Nations under the Convention on the Rights of Persons with a Disability (CRPD)⁴

Recommendation #2 – Ensure that the WSIB compensates workers and their families for the actual losses they experience and stop the subsidizing WSIB with public dollars.

2. Occupational Health and Workers Compensation have long term consequences for workers, their families, and our economy.

Occupational injuries and illness can create significant costs to workers, their families, and our public services. Professor Peri Ballantyne did a survey of 494 workers with a permanent disability in conjunction with the Ontario WSIB. In her letter to the survey respondents in 2010, she shared some of the results of the study. She wrote:

75% said your health is somewhat or much worse than it had been the day before your workplace accident. Fifty percent of you reported that most days are currently quite a bit or extremely stressful, with work or lack of work being a major stressor for 55% and 56% of you, respectfully. Of concern to us is that 77% and 73% of you indicated that your personal health or your financial circumstances were the major sources of stress in your life.

In terms of chronic health conditions, what stood out to us was the following:

- *55% reported a diagnosis of back pain – for 83% this diagnosis was made after your workplace injury*
- *49% reported a diagnosis of nerve pain – for 94% this diagnosis was made after your workplace injury*
- *44% reported a diagnosis of a mobility impairment – for 96% this diagnosis was made after your workplace injury*
- *42% reported a diagnosis of repetitive strain injury (RSI) – for 89% this diagnosis was made after your workplace injury*
- *41% of you reported a diagnosis of arthritis – for 72% this diagnosis was made after your workplace injury*
- *40% reported a diagnosis of depression – for 80% this diagnosis was made after your workplace injury*
- *39% reported a diagnosis of musculo-skeletal pain – for 92% this diagnosis was made after your workplace injury*
- *26% reported a diagnosis of high blood pressure – for 65% this diagnosis was made after your workplace injury*

⁴ Available at: https://injuredworkersonline.org/wp-content/uploads/2019/09/ONIWG_Submission-22nd-Session-CRPD_2019.pdf.

In addition to the above diagnosed problems, many of you reported the following additional difficulties:

- 74% of you reported having problems sleeping
- 69% of you reported having numbness in the limbs
- 66% of you experienced stigma as an injured worker:
 - from a co-worker (69%),
 - from a work supervisor (61%)
 - from WSIB staff (60%)
 - from a medical doctor (31%)
 - from a prospective employer (26.5%)
- 48% reported having problems concentrating
- 38% of you reported having an anxiety problem

In terms of health care, we note that 36% of you had been hospitalized during the 5 years prior to your completion of the survey – 63% of you as a result of your workplace injury. Twenty-three percent of you reported having been hospitalized during the year before you completed the survey – a third of these hospitalizations were reported to be the result of workplace injuries. Despite the complex health conditions reported, 17% of you had no contact with a general practitioner or family doctor ‘in the past year’ (in the year prior to the survey).

Forty percent of you indicated that during the past 12 months, you had experienced a need for health care that you were unable to receive;

- 78% of you reported that in the past 12 months, you needed but did not get treatment for a physical health problem
- 24% needed but did not get treatment for an emotional or mental health problem.

Eighty percent of you reported using medications on a regular basis (at least once a week), and 61% reported regularly using 4 or more medical drugs. Twenty-three percent of you indicated that in the past 12 months, you had been unable to get medications, or used them less often than directed (25%), because of the cost. Forty-one and a half percent of you indicated you did not use a medication you were directed to use, because of the side-effects.

Since the workplace injury, 40% of you reported having experienced period(s) of unemployment. At the time the survey took place, 55% of you reported being currently employed (mostly in a single job rather than multiple jobs; about half in the same or a very similar job to the pre-injury job; and about half of you with the pre-injury employer). Thirty eight percent of you reported being currently unemployed, with a large proportion of you (78%) indicating that a health condition or disability affects your current ability to look for work.

You can clearly see that most of these workers with serious, lifelong injuries and diseases were in need of ongoing health care and income support. Much of these costs are being covered in our public services.

Along with the suffering of these workers and their families, there is a loss to our economy. At a time when there are labour shortages across Ontario, so many of these workers who have existing skills and work experience are left behind. According to StatsCan, there are over 600,000 people with a work acquired disability in Ontario. If 40% of these are unemployed, that is 240,000 workers making up part of that labour shortage.

What then is the impact of loss income tax revenue to Ontario? Assuming average Ontario income tax at \$5,000 per worker, that translates into \$1.2 Billion loss revenue that could be available to the provincial budget.

What makes this even worse is the long term consequences to all of us in Ontario. As the WSIB makes the system less costly to corporations, they have less of an incentive to invest in occupational health and safety(OH&S). The end result is an increase in workplace injuries and diseases. Lost time claims rose by 151% between 2019 and 2022.⁵

Along with this major increase in injuries and illness, we are seeing a high incidence of not reporting injuries to the WSIB (as noted previously). This lack of reporting and documenting these accidents is counter to good OH&S practices, which based their risk abatement practices on reported injuries and illnesses. No injuries reported, no corrective action taken, more injuries to follow.

You can see this is a worsening problem for all of us.

Recommendation #3 – Institute a public awareness campaign to encourage the reporting by workplace parties of all injuries or diseases that may be work related.

Recommendation #4 – Establish an independent agency to track long term outcomes for workers with permanent disabilities and their families.

3. Creating an equitable tax revenue stream will be the key to our long-term success as a province.

Concerns about the corrosive effects of extreme inequality are nothing new. In the 4th century B.C., for example, Plato wrote that no person should be more than four times wealthier than any other, lest the divide lead to laziness among the rich and stifle opportunity for the poor.

He would not be very pleased, then, by the report from the Canadian Centre for Policy Alternatives, which shows that the country's 100 highest-paid CEOs make more than 245 times the average income among workers - a ratio unprecedented in Canada's history. Nor would he be impressed to learn that the two richest Canadians own as much wealth as the poorest 30 per cent combined.

We have seen this gap between rich and poor grow for the last three decades as year after year, Canadian governments have reduced the taxes that corporations pay. Since 1981, the corporate tax rate on net income (that is on their profit only) has been cut almost in half, from 50.9% to 26.5%. And even with this major decrease in corporate taxes, many corporations are not satisfied. Canada's top corporations often pay far less than the official average corporate tax rate. As revealed by a [Toronto Star/Corporate Knights investigation, Canadian companies have used complex techniques and loopholes to reduce their tax bills by \\$62.9 billion over the past six years.](#)

⁵ WSIB Annual Report 2022

Sixty years ago, corporations and individuals contributed approx. equal shares into the government coffers. Today, citizens contribute \$3.50 for every \$1 paid by corporations.

This trend is seen in workers compensation and occupational health and safety as the WSIB has focused on reducing premiums to corporations. Over the last 30 years, premiums have fallen from \$3.20 per \$100 of payroll to \$1.16 per \$100 of payroll.

Recommendation #5 - Create new top income tax brackets that apply to income levels over \$1,000,000 that slowly reach the 70 to 80 per cent tax range that was standard practice in the post-war years.

Recommendation #6 - Remove the corporate tax deductibility of pay packages over a million dollars. In that way, if a company wants to pay its CEO more than that, it wouldn't receive a tax break on it.

Recommendation #7 - Introduce a wealth tax, starting with those with over \$10 million.

Recommendation #8 - Increase the capital gains inclusion rate. Capital gains tax breaks are an important way to avoid paying their fair share. Income made when a stock is sold at a profit is called a capital gain, and only half of capital gains income counts as income for tax purposes. But a buck is a buck; whether you make it in the stock market or by working a minimum-wage job, both should count evenly as income.

We encourage you, our elected leaders, to stop the trend that rewards those who already have more than enough so that the rest of us can be full participants in Canadian society.

Thank you.