

# The Liversidge e-Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

February 2, 2009

An Electronic Letter for the Clients of L.A. Liversidge, LL.B.

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## WSIB Chair Mahoney to personally lead wide-ranging consultation

*The Objective: To secure a broad consensus among stakeholders to deliver sustainable future*

**Since last Fall's market melt-down, I have been arguing for a new consultation process –The Board is listening**

In the January 7, 2009 issue of **The Liversidge e-Letter**, “**Urgent action required by WSIB and Government to ensure long-term viability**” I continued the argument presented since last Fall – that a new way must be found. This is, in part, what I said just a few weeks ago:

**A sound, inclusive process is needed**

Now, after the market melt-down, at a time when it is likely the Board will be hitting a new high watermark for the Unfunded Liability, a new cooperative partnership must be forged. ***No longer can the Board and/or government, either independently or in concert, proceed to develop and implement far-reaching workers' compensation reform without formal and official stakeholder participation.***

My suggestions have included among several others, these essential ideas:

1. The WSIB must provide a special financial report declaring its performance and released every quarter thereafter.
2. WSIB to set out more realistic long term funding plan.
3. The WSIB should slow down its reorganization plans.
4. As part of its “persistence study” the WSIB should encourage a review of the structural elements of **Workplace Safety and Insurance Act** [“WSIA”] which in my view are driving higher claims costs through the inability to distinguish between unemployment caused by an injury and unemployment caused by economic reasons.
5. The Board should get back to basics and promote prevention through its insurance levers, not as a stand alone business.
6. The WSIB must organize an **urgent Funding Summit** no later than mid-January, 2009 with Ontario's business leaders and senior government officials, to develop a new long-term funding strategy - a newly conceived 20 or 30 year plan. The Board should make this announcement right away, and commit to a process to be completed no later than the end of the 1<sup>st</sup> quarter of 2009. ***A new era must start today.***

I suggested the WSIB can't do it alone. Chair Mahoney now agrees, and has announced a landmark ambitious plan, in lock-step with these suggestions.

**Today, WSIB Chair Mahoney announced a new, wide-ranging consultation process**

In a widely distributed letter released today, WSIB Chair Mahoney set out his plans for a new stakeholder outreach:

**Dear Mr. Liversidge:**

Over the past two weeks, I have met with the Board of Directors and Executive Management team of the WSIB and the Honourable Peter Fonseca, Minister of Labour, to outline my business plan for 2009.

The Province of Ontario is facing an unprecedented economic challenge. I believe, as a major player in the province's economic health, ***the WSIB must begin to immediately assess its programs and services through a new economic lens.*** The goal of this evaluation will be to continue building a foundation for a sustainable workplace health and safety insurance system for Ontario; to ensure a WSIB that will serve generations to come as we move forward along the Road to Zero.

To this end, ***I am personally undertaking a wide-ranging consultation process on all significant changes to WSIB's programs and services.*** I am committed to achieving a broad consensus among stakeholders on how best to deliver a sustainable future for Ontario's WSIB. This process will include open and frank communications with all participants about the financial and legislative framework within which the WSIB operates.

I have assigned a full-time Special Assistant, Mr. Richard Sims, the responsibility of working with our stakeholders to coordinate this province-wide effort. Richard can be reached at (416) 344-4980 or by e-mail at richard\_sims@wsib.on.ca. ***Meaningful, results-oriented consultation is the number one priority for my office and given the urgency of this current economic downturn, I am proposing a planning workshop in early 2009 to chart an achievable course for the WSIB's future.***

As a key stakeholder committed to the continuous improvement of the programs and services delivered by the WSIB, I am counting on your organization's constructive input and recommendations. Together, we must look at what we are doing, how we are doing it and what we are planning to do jointly to provide for the injured workers of Ontario while respecting the fiscal realities that our premium rate-payers face.

Accordingly, I have asked Mr. Sims to contact you personally to arrange a mutually agreeable time for me to meet with you to begin this important consultation process. I want to hear and understand the legitimate constructive advice of your organization as we work together to keep Ontario's workplace health and safety system vibrant, relevant and strong.

Sincerely,

Hon. Steven W. Mahoney, P.C.,

***Will this be enough on its own to solve all of the problems? No. But, it will create an opportunity. Its success now depends on stakeholders and the Board together.***