

The Liversidge e-Letter

An Executive Briefing on Emerging Workplace Safety and Insurance Issues

June 15, 2012

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

1 page

WSIB Chair Witmer Slammed UFL alleged to be “mess of her own making” *LAL: The Facts Suggest Otherwise*

Toronto Star Columnist says WSIB Chair Witmer “being brought back to clean up a mess of her own making”

In an article attacking the Liberal government for tabling the **Harry Arthurs Funding Review Report**, “*Funding Fairness*”, late one afternoon purportedly to bury its release, the focus quickly turned to present WSIB Chair Elizabeth Witmer’s supposed role in contributing to the current financial quagmire that besets the WSIB. In a June 4, 2012 article, “*How the Liberals buried a \$14 billion liability late in the day*” columnist Cohn suggests:

The Workplace Safety and Insurance Board — the same WSIB that Witmer is now taking over — is burdened by an unfunded liability of \$14.2 billion that requires “radical and rapid steps” to fix, concluded an independent report prepared for the government.

Now, Witmer is being brought back to clean up a mess of her own making — or at least one she made worse when overseeing the WSIB as labour minister for the Harris Tories.

The article presents this stinging close:

You might say Witmer’s work is just beginning. As she returns to the unfinished business of the 1990s — the era of slash and burn — she’ll have her work cut out for her anew, courtesy of her Liberal enablers.

Witmer left the WSIB buried by its own liabilities, and the Liberals buried the report on those liabilities. They owe each other.

I won’t comment on the allegations of the Liberals burying the *Funding Fairness* report. I will note though that the state of the Board’s finances has been generally newsworthy since, at the very latest, a November 2009 release of the **Auditor General’s 2009 Annual Report**, was discussed before legislative committees, pretty much the core subject of many leading announcements of the WSIB over the past two years, and one would think, one of the main reasons for recent WSIB managerial shake-ups. But, I

will comment on the linking of WSIB Chair Witmer to the current state of the Board’s finances.

Under the Tories, the Board’s unfunded liability actually dropped 42% from \$11.4 billion in 1995 to \$6.6 billion in 2003, the last year of a PC government, even while benefit payouts jumped 25%. Under the Liberals, the unfunded liability spiked from \$6.4 billion in 2005 to the current \$14 billion, a staggering 119% increase. That the more than doubling of the unfunded liability these past eight years will ensure Ms. Witmer has her work cut out for her is undeniable. But, if this is a sign that the “*chickens are coming home to roost*” (and of course the reasons for the UFL are *far more* complicated than that), if *anyone* owns them, these are Liberal not PC chickens. A picture, as they say, is worth a thousand words, so I have captured in the chart below the rise and fall of the UFL (in constant \$) over the past 30 years under PC, Liberal, NDP, PC again and finally Liberal (again) governments. *These are the facts. Draw your own conclusions.*

