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**ONTARIO
FEDERATION OF
LABOUR**

January 26, 2021

SENT VIA EMAIL: minister.MLTSD@ontario.ca

Hon. Monte McNaughton
Minister of Labour, Training and Skills Development
14th Floor
400 University Avenue
Toronto, ON M7A 1T7

Dear Minister McNaughton:

I am writing to you on behalf of the OFL, affiliates and allies, with respect to the recently released **Speer-Dykeman Report**, *The WSIB in Transition*, an operational review of the WSIB. As the Report makes a number of recommendations to the Government to implement, we ask that you be mindful of all stakeholders before taking any action either through legislative change or regulations.

A healthy, financially viable, and public compensation system is important to all; the finances of the WSIB are not solely important to the employer community. Recommendations about the finances of the WSIB are just as important to the worker community. Premium payments, much like taxes, are to the benefit of everyone. Having achieved a fully funded system, the Report opines on what should be done when the funding ratio reaches a certain percentage. Employers have no more ownership over premiums than we do in directing how our individual tax dollars are spent. There are many gaps in the compensation system that could use funding.

One such example of funding needed is found in the WSIB occupational disease review, written by Dr. Demers. That report called for ongoing research in occupational diseases, the creation of an independent scientific review panel, and improving education. This is but one example, among many. Instead of finding reasons to return money to employers, the WSIB should be following through with those recommendations as well as other improvements to the system.

The Report fails to recognize how we got to this point. The worker community remembers why the system was underfunded: a failure to keep premiums consistent with the expenses of the WSIB. An overly political opinion from the Auditor-General (as this Government knows) suddenly made the unfunded liability of critical importance. The WSIB found "savings" by paying less to workers and deciding that there were fewer permanent injuries. For example, the WSIB's own economic statements showed that in 2010, \$4.8 billion were paid out in benefits. By 2018, this number was \$2.5 billion, which means that injured workers' benefits were cut almost in half (\$2.3 billion reduction) in less than 10 years, while the number of injuries remained relatively constant. The reason the funding ratio is high is because the WSIB has starved the system. If there is a problem to analyze, it is why the WSIB allowed the funding to amass to this degree.

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The premiums held by the WSIB fund the compensation system, the health and safety system, and work to better the working conditions of all Ontario workers. It should be used for those purposes. Before any changes to the finances of the WSIB are made we expect broad, public consultation with all stakeholders on the specific changes proposed. In particular, we expect to be contacted directly to discuss any proposed changes.

While the report focuses on the WSIB's finances, it also made other recommendations that are of concern to us. It is our position that at least one recommendation ignores the provisions of the *WSIA*. Another seems to exceed, or at least expand, the mandate provided by the government in their announcement published May 23, 2019. Additionally, even the recommendations that we are pleased to see are so broad in scope that there should be consultation regarding the specifics of implementation.

The report recognizes that there was input from various individuals and groups, but such consultation was based on the three priorities of financial oversight, administration and efficiency stated in the May 2019 government announcement. Given that the review has gone beyond those 3 areas of focus and has made recommendations beyond the original scope of the review, it is our position that there needs to be further consultation to be fair to all concerned parties. Furthermore, consultation on broad priorities is different from consultation on specific recommendations. We expect the government to provide us with opportunities to comment on the specific recommendations outlined in the Speer-Dykeman Report, as well as their implementation.

Thank you for your attention to this matter and we look forward to your response.

Sincerely,



President

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