



# News Release

For Immediate Release

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## **WSIB'S UNFUNDED LIABILITY AND SLOW-STARTING INFRASTRUCTURE GRANTS A CONCERN: AUDITOR GENERAL**

(TORONTO) Ontarians might have a truer picture of the provincial deficit if the government included the Workplace Safety and Insurance Board (WSIB) in its official financial results, Auditor General Jim McCarter said in his *2009 Annual Report*, released today.

“We believe the government should formally re-evaluate its current policy of excluding the WSIB from the province’s financial statements,” McCarter said, adding that including the WSIB “could enhance government accountability and transparency.”

The WSIB currently has an unfunded liability—the difference between its assets and its obligations—of \$11.5 billion. If included in the province’s financial statements, that figure would raise Ontario’s reported accumulated deficit by more than 10%. The WSIB does not appear on the province’s books because it is classified as a trust under administration.

However, given the size of the unfunded liability, McCarter questioned whether the government “is not running an insurance business through the WSIB rather than administering a true trust. Excluding the WSIB from the province’s books also may convey the message that the government has no role to play in addressing the WSIB’s financial challenges.”

In his chapter on the province’s Public Accounts, the Auditor General also noted that the \$1.1 billion in infrastructure grants provided to municipalities in 2007/08 have remained largely unspent by the municipalities— and a significant portion went to pay down existing municipal debt rather than to new projects. In fact, McCarter’s audit of the 2008/09 Public Accounts found that only two of Ontario’s 25 municipalities had spent 100% of their grants, totalling \$22 million, and 15 municipalities had not spent any of the nearly \$330 million they received (grants to municipalities represented 70% of the total funding). This could indicate that the government’s planned stimulus spending may not achieve the immediate stimulus effects intended.

The Auditor also reviewed the WSIB’s unfunded liability in more detail in Chapter 3 of his Report.

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