



COCA Construction in Ontario

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COCA Highlights Industry Issues for all Party Leaders

With an upcoming election on October 10, COCA took the opportunity to alert the leaders of all three political parties to the issues facing the construction industry. We have asked the leaders to consider these issues as policy platforms are unveiled during the campaign, and more importantly act on these issues when a new government is formed in October. The following is a list and short explanation of priority issues for COCA and the industry:

Leadership On Waste Capacity

As it now stands, the closing of the Michigan border to waste would cripple much of Ontario's construction industry. There is limited ICI capacity locally and none being developed. The solution is to overhaul the process that approves the establishment of facilities to handle waste and expedite applications to significantly increase local capacity.

Commitment to Water System Sustainability

Any action on water protection requires a commitment to proclaim the Sustainable Water and Sewer Systems Act (SWSSA), including a timeline for regulations. These regulations should include a requirement for full cost pricing by municipalities.

Strengthen Our Economy Via a Commitment to Infrastructure

Monies that are announced should be used in a planned, deliberate fashion and long term planning should include

funding for municipal upgrades to infrastructure.

Supporting Ontario with a Strong Construction Industry

The Minister of Public Infrastructure Renewal launched the Construction Advisory Council in the fall of 2006 to discuss important issues facing the construction industry - e.g. tendering practices, labour supply, infrastructure planning and so on. A commitment to the Construction Advisory Council is needed so that the Minister can continue to speak for the construction industry in Cabinet.

Ensure Contractors and Subcontractors Are Paid Via the Construction Lien Act

The construction industry is struggling to operate with the outdated Construction Lien Act, the legislation which dictates how the industry conditions of contract are met. COCA has recommendations for technical amendments to the Construction Lien Act to add clarity and certainty to the Act. The Construction Lien Act should be amended to support its original intention and to fully cover construction work.

Support the Recruitment and Training of a Skilled Workforce

COCA recommends that a specific apprenticeship tax credit be established for the construction industry. Simply put, the current tax credit could be restructured so that the industry and

the apprentices could realize more value, especially with regard to retention of apprentices.

Mandatory WSIB Coverage for All Construction Workers

The WSIB receives premiums covering only 61% of Ontario's construction workers but those funds must pay for all WSIB programs, administration, the unfunded liability and the cost of accidents relative to construction. COCA recommends that the new government pass legislation requiring the payment of WSIB premiums for all persons who work on a construction site.

Reverse the Industry Trend to the Underground Economy

The underground economy is extremely dangerous to the long-term health of the construction industry and is estimated to cost the Ontario government more than \$1.3 billion a year. The underground grows during economic slowdown so the issue must be addressed now in order to prevent future growth. We urge the government to work with industry to study, investigate, and act on proposals to increase tax and regulatory compliance across the construction industry.

COCA will update members with a document available on our website outlining where each party and party leader stands on the above-mentioned issues. Please check www.coca.on.ca in the near future for this analysis.

COCA Members

- Acoustical Association of Ontario
- Architectural Glass & Metal Contractors of Ontario
- Association of Millwrighting Contractors of Ontario
- Canadian Farm Builders Associations—Ontario Division
- Canadian Fence Industry Association
- Concrete Floor Contractors Association
- Construction Association of Thunder Bay
- Electrical Contractors Association of Ontario
- Grand Valley Construction Association
- Hamilton-Halton Construction Association
- Heavy Construction Association of Toronto
- Interior Systems Contractors Association of Ontario
- Kingston Construction Association
- London & District Construction Association
- Mechanical Contractors Association of Ontario
- Ontario Demolition Contractors Association
- Ontario Electrical League
- Ontario General Contractors Association
- Ontario Industrial Roofing Contractors Association
- Ontario Painting Contractors Association
- Ontario Refrigeration & Air Conditioning Contractors
- Ontario Road Builders' Association
- Ontario Sewer & Watermain Construction Association
- Ottawa Construction Association
- Pipe Line Contractors Association of Canada
- Reinforcing Steel Institute of Ontario
- Resilient Flooring Contractors Association of Ontario
- Sarnia Construction Association
- Sault Ste. Marie Construction Association
- Sealant & Waterproofing Contractors Association
- Scaffold Industry Association of Ontario
- Sudbury Construction Association
- Terrazzo, Tile & Marble Guild of Ontario
- Toronto & Area Road Builders Association
- Toronto Construction Association
- Utility Contractors Association of Ontario
- Windsor Construction Association

COCA 3R Seminars Prompt Questions from Industry

As reported in prior editions of the COCA newsletter COCA partnered with member associations and the MOE to inform members of their obligations under the 3R Regulations. To this date seminars have been held in Toronto, Kingston, London, Ottawa and Cambridge, with seminars planned in Barrie and Hamilton. Attendance at the seminars averaged 60-70 people, with many excellent questions and comments raised by the contractor audience.

The seminars provided an opportunity for both the industry to understand their obligations under the 3R regulations and also for government representatives to understand the industry's concerns as they relate to reducing, reusing and recycling. One of the most common concerns amongst the contractors was the lack

of recycling facilities available to accept construction materials. Furthermore, because it is so difficult to find a recycler many times the contractor will realize both cost and time savings to landfill most of the material. Many participants also stressed the importance of LEED certification as it requires superior execution of the 3R's.

Ministry of Environment (MOE) Inspections are currently focused on educating contractors and encouraging compliance with the 3R regulations. However, COCA recognizes it is difficult to comply with a recycling regulation if a facility does not exist to accept the material. COCA will continue to work with the MOE to identify further issues with the current scope of the 3R regulations, as well as solutions for the industry.

2008 WSIB Construction Premium Rates Finalized

The WSIB 2008 Premium Rates were finalized last week and the average construction premium rate for 2008 decreased by approximately 1%. Although positive news for 2008, the presentation given by the WSIB to COCA and its members in July regarding the 2008 rates raised concerns regarding a possible increase of Premium Rates for 2009.

Although construction is consistently reducing its LITI frequency rate (8.5% in 2006), it is somewhat troubling that rates aren't decreasing at the same pace. In fact, in The Hon. Steve Mahoney's letter to employers in June, he stated that the 'WSIB is facing significant financial pressures'. COCA learned that these pressures are due to, but not exclusive to the: Increase of the cost per LTI; the projected substantial increase year over year in

Loss of Earnings benefits (19%); and the higher persistency rate (claims continuing to be on benefits longer). COCA responded to the presentation with a letter to the WSIB explaining our concern regarding the escalating costs within the system as well as continual high persistency rates.

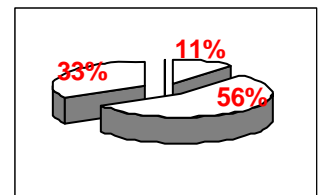
COCA recognizes that a portion of the projected increase in costs for 2008 are a result of the amendments made to the WSIB system through Bill 187. We have asked that the WSIB fully cost the amendments contained in Bill 187 so that we can understand if the construction industry should plan on future increases in premium rates. Bill 187, passed in Spring 2007, allows for the WSIB to review workers Loss of Earnings due to suitable and available work past 72 months as well as increasing injured workers bene-

fits. In addition to the costs resulting from Bill 187, the WSIB cited that there are 82% more claims remaining on the books between 13 to 24 months after injury from 2005 injuries than from 1998 injuries.

COCA is working with the WSIB and contractors to moderate these costs and will continue to update members. For a copy of the WSIB's presentations please see www.coca.on.ca

The Results Are In!

Website poll results show that 56% of contractors think improving incentives in the experience rating program should be the priority of the WSIB's new Prevention Strategy, while 33% think it should be to increase OH&S training through the CSAO for both workers and supervisors, and 11% think it should be to establish Accreditation of Safe Employers. .



Visit www.coca.on.ca to voice your opinion on our next polling question:

What do you think needs to be done in Ontario to Increase Reduction, Re-use and Recycling in Construction?

COCA would like to thank Karen Renkema for her hard work and



dedication while at COCA over the last year. We wish her all the best in her new role as Director of Government Relations with the Ontario Road Builders Association. Karen's last day with COCA is September 12th. We are currently accepting applications for a new Vice-President of Policy and Government Relations. For more information visit www.coca.on.ca