

# COCA Construction in Ontario

Volume 1, Issue 63

April 2008

## Canadian economy springs forward

After registering an almost ¾ point contraction to finish 2007, the Canadian economy surged back in January to post a 0.6% gain.

While the broad sector-based growth casts an encouraging light for the overall economy, economists are warning that the results are no indication that Canada has

become immune to the present troubles characterizing the U.S. economy. Nor, after a year of slowing growth is it ready to stage a turn around.

January's turnaround is demonstrating our own strong domestic demand. Goods and manufacturing output continues to decline, while

the demand for services continues to rise. Despite our strong domestic economic demand, we remain vulnerable to external forces, namely the state of the American economy that many believe is already in the midst of a significant recession.

## Federal Funds Transfer Good News for Ontario Construction Industry

On March 27<sup>th</sup> the federal and provincial governments issued a joint statement announcing that \$709 million dollars will soon be transferred to the Ontario Treasury from the Federal coffers.

The good news for the Ontario construction industry is that \$195 million will be dedicated to public transit improvements. Specifically,

the funds are earmarked for the \$18 billion dollar MoveOntario 2020 plan that would boost train, bus and commuter services in the GTA and Hamilton.

These funds are part of a larger promise of \$709 million that includes money to hire more police officers and help workers in industries hit by the high dollar.

## WSIB Drafts Funding Framework to 2011

WSIB has released a draft of its Funding Framework that goes to its Board of Directors on April 10. While hastily drawn up, the draft Framework agrees with goals that were sought by COCA and its allies. The Framework calls for maintaining average assessment rates at \$2.26 for at least six years and it also reaffirms the year 2014 as the target for eliminating the Board's Unfunded Liability, UFL. In order to meet the Framework targets, WSIB is counting on a 35% reduction in Lost Time Incidents (LTIs), an unspecified reduction in claim persistency (length of time injured workers receive benefits before resuming work), a return on investment averaging 7%, a substantial reduction in health care costs and

general savings by way of the Board's new service delivery model.

All of the assumptions in the Framework are problematic, especially claims persistency, given a general slowdown in the economy (when claims tend to endure longer).

To put the Funding Framework into perspective, Acting President David Surplis told WSIB Chair Hon. Steve Mahoney that the UFL had been reduced from \$11 billion to \$9.3 billion from 1992 to 2008. According to the FF, however, the \$9.3 billion will be erased in just six years, a very unlikely event.

## Former President David Surplis Returns to COCA



At the request of COCA's Executive Committee, David Surplis has assumed the role of Acting President. Mr. Surplis has graciously agreed to see both the staff and the organization through the search for a new Chief Operating Officer. Mr. Surplis can be reached at (416) 968-7200 ext 226 or dsurplis@coca.on.ca.

Mr. Surplis was COCA President for 11 years, from 1990 to 2001.

## COCA Members

- Acoustical Association of Ontario
- Architectural Glass & Metal Contractors of Ontario
- Association of Millwrighting Contractors of Ontario
- Barrie Construction Association
- 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 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

## Eating the goose that lays the golden eggs?

The Barrie Construction Association and local developers are appealing to Barrie Council to reconsider the size of proposed increases to ICI construction sector development charges.

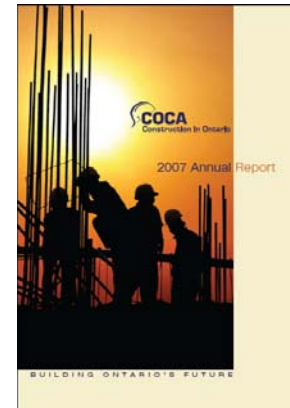
A newly authored study examining development charges in the region is proposing a new common development charge of \$17.64 per square foot for all ICI construction rates. The new rate represents a 48% increase over the current commercial construction rate of \$11.88 per square foot; a 76% increase over the current institutional

construction rate of \$10.05 per square foot; and, a 131% increase over the current industrial construction rate of \$7.64 per square foot.

Given the uncertain state of the Ontario and broader Canadian economies, it must be asked why Barrie Council would make such a decision at this time. Charges of the magnitude of those being proposed would most certainly negatively impact the one sector that is set to help drive the provincial economy and arguably has the greatest role to play in addressing the province's core infrastructure deficit.

## Annual Report Now Online

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## Transpavé Inc. fined \$110,000 under Bill C-45 for death of employee

Employer commitment to Occupational Health and Safety is no longer an option is the message being sent as a result of the Transpavé Inc. case. The company is the first Canadian firm to be convicted of criminal negligence causing death of an employee under the Criminal Code of Canada. The company was fined \$110,000 for the death Steve L'Écuyer, then 23 years-old, at the time of the 2005 incident.

The precedent setting decision stems from Bill C-45 or Westray amendment to the Criminal Code, which came into effect in 2004. The amendment replaces the term corporation with organization and:

establishes a positive OHS duty, with lower thresholds. Under s. 22.1 of the Criminal Code, Bill C-45 establishes a two-step formula to determine the guilt of an organization. The first step is the failure of any "representative" of the organization to take "reasonable steps to prevent bodily harm," and the second step requires proof that a "senior officer" failed to ensure that OHS due diligence.

The significance of this case lies in it being the first of its kind to establish that a company can be successfully prosecuted for the actions of its employees. Before C-

45 came into effect firms were only able to be held liable for the "acts and omissions of the persons who by their position in the corporation could be considered as the 'directing mind' or the 'alter ego' of the corporation," which translated in to only the most senior leadership. Also significant in this case is the charging of Transpavé Inc. under the Criminal Code, and not specific individuals.

For more detailed information on the outcome of this case, please see the article provided by Michael Zacks at [www.lawyersweekly.ca/index.php?sec=tion=article&articleid=645](http://www.lawyersweekly.ca/index.php?sec=tion=article&articleid=645)