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## **Ontario's Priorities for the People**

### **Council of Ontario Construction Associations**

### **2019 Pre-Budget Submission**



## **Introduction**

The Council of Ontario Construction Associations (COCA) is a federation of 29 construction associations representing more than 10,000 general and trade contractors that operate in the industrial, commercial and institutional segments of the construction industry, work in all regions of the province and employ approximately 400,000 workers. COCA is committed to working with decision makers at Queen’s Park to ensure that Ontario’s legislative and regulatory environment supports success in the construction industry and broad prosperity across the province. COCA is the largest and most representative voice for the non-residential construction industry in Ontario.

In order to attract new investments that will create increased employment and economic growth in order to build Ontario up for everyone, COCA believes that the Government of Ontario can improve the business climate in the province by establishing the following priorities:

- Implement the prompt payment regime and adjudication system outlined in the province’s Construction Act as scheduled on October 1, 2019
- Support the implementation of the WSIB’s Rate Framework initiative as scheduled on January 1, 2020
- Invest in occupational health and safety
- Invest in public infrastructure that supports the province’s economy and our enviable way of life in a planned and strategic way
- Ensure that “community benefits” clauses in the government’s procurement of construction services are fair and reasonable
- Work with stakeholders in the development of a modern skilled trades and apprenticeship system that addresses the needs of the labour market while satisfying the needs of apprentices, journeypersons and their employers



## **1. Implement Prompt Payment and Adjudication as Outlined in the Construction Act**

The Construction Act was created by Bill 142 Construction Lien Amendment Act 2017 which received Royal Assent on December 12, 2017. Bill 142 was the product of 18 months of consultations that involved all stakeholders. During those consultations, all stakeholders were called upon to compromise approximately equally and fairly. The Bill passed with all party support.

The sections of the Act that modernized the former Construction Lien Act came into effect on July 1, 2018 and the prompt payment regime and the adjudication system spelled out in the Act are scheduled to come into force on October 1, 2019.

We implore the government to implement the payment regimes and adjudication system as scheduled, on October 1, 2019 to ensure that hard working contractors are paid in a fair and timely way for work they have completed as specified.

## **2. WSIB**

The Workplace Safety and Insurance Board (WSIB) has been working with stakeholders for several years on the development and implementation of a modern employer classification system, a new prospective experience rating program and a new employer premium rate setting process. This work is generally referred to as the new Rate Framework initiative. The new employer classification system is derived from the North American Industry Classification System (NAICS) which is widely used by governments throughout North America to classify businesses for a variety of purposes including for their workplace compensation systems. Unlike the current classification system, NAICS is updated on a regular basis to address new types of businesses.

The new experience rating program will apply to all employers and produce a premium rate specific for each individual employer based upon the risk they represent to the compensation system, while striking a reasonable balance between individual accountability and collective liability. This modern new Rate Framework is scheduled to be implemented on January 1, 2020 and we urge the government to support it and its implementation as scheduled. Too much has already been invested in this important modernization of our workplace compensation system.

Before the Rate Framework is implemented, a legislative amendment should be made that exempts executive officers of construction companies who are not “on the tools” and who are not exposed



to construction risk from participating in the workers compensation system as they are in other industries.

### **3. Health and Safety**

Every worker deserves the right to return home safe and sound after a day's work. Unfortunately, this is not always the case. Even though Ontario has a very good health and safety record, statistically speaking, relative to other jurisdictions, far too many workers die, suffer injuries or become ill as a result of workplace causes. We strongly recommend that the government provide the Prevention Office in the Ministry of Labour and the Health and Safety Associations that it funds with the support and resources necessary to significantly improve the performance of the province's workplace health and safety system. Monies that fund the activities and programs of the Prevention Office do not flow to the government from the tax base. These monies are paid by employers as part of their WSIB premiums and are transferred over to the Ministry of Labour.

### **4. Infrastructure**

In order to participate effectively in the dynamic global economy of today and compete for the investments that are the foundation of job creation and growth, Ontario must have modern transportation infrastructure to get goods to markets and people to work efficiently. The province must also have up-to-date social infrastructure to support a way of life is attractive to investors from around the world and that fosters a highly productive workforce. We encourage the government to develop a long term infrastructure plan that identifies the shortcomings and gaps in our public infrastructure and that addresses those deficiencies in a planned and strategic manner. The government must make significant investments in the renewal and expansion of our public infrastructure.

### **5. Community Benefits**

Increasingly government are using their procurement of construction services to achieve certain social policy goals. This blending of construction procurement with social policy objectives is referred to as social procurement or "community benefits". In Ontario contracts for public infrastructure projects sometimes include community benefits clauses that oblige contractors to engage a specific number of apprentices or to hire a certain number of workers from underserved



populations. In other jurisdictions contractors have been asked to contribute an unspecified public good at no cost, e.g. a park, a fence, an arena. Community benefits clauses must be explicitly defined and must be voluntary and aspirational; hard quotas must not be considered.

## **6. Skilled Trades**

The government has committed to disbanding the Ontario College of Trades and replacing it with a more modern and efficient skilled trades and apprenticeship system. The development of a modern and efficient skilled trades and apprenticeship system must be a high priority of the government to ensure that Ontario has the workforce to meet the demands of today and tomorrow. We urge the government to work with stakeholders in the development of a new skilled trades and apprenticeship system that addresses the needs of the labour market, apprentices, journeypersons and the employers that employ them. The new system must attract significantly greater number of apprentice applicants. Applicants should be required to qualify for apprenticeship programs.. Apprenticeship program completion rates must be higher. Apprentices, journeypersons and their employers must be provided with the supports they need to play active roles in apprenticeship training.

These are our submissions respectfully submitted.

Sincerely

A handwritten signature in blue ink that reads "Ian Cunningham". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ian Cunningham  
President