



COCA Construction in Ontario

Volume 1, Issue 57

October 2007

Construction Lien Act Appeal Upheld

The new government to be elected on October 10th will be asked to take action to fix the Construction Lien Act. The Ontario Supreme Court has denied an appeal on the Kennedy Electric Limited case, concerning the scope of the Act.

By a 3-0 unanimous decision, they upheld the original verdict that the protection of the Construction Lien Act does not apply to this case. It involves the design and installation of an assembly line in a truck assembly plant.

The court determined that the work was not lienable under the Act, as the "project assembly line was not sufficiently permanent to be an improvement" as required under the Act. This raises the concern that many contracts are operating under the incorrect assumption that

the work is lienable.

COCA will meet with officials in the Attorney General's office with the message that the government must clarify the coverage of the Act. COCA's proposal is that the Act must be amended to ensure that it fulfills its original goals. These amendments include:

- define the scope of the Act so that it includes the instillation of major equipment
- require a holdback on each project
- a provision for automatic dispersal of holdback upon expiry of Lien rights
- contain provisions for all parties' lien rights to continue through to substantial performance of the main contract unless there has been an early refusal of holdback.

Spectre of Labour Shortage Haunts Ontario's Future Prosperity

A new Conference Board of Canada report warns the Ontario economy is running on borrowed time as the threat of a skilled labour shortage looms in the not so distant future. Prepared for Ontario's Workforce Shortage Coalition, the report projects the province could be facing a shortage of as many as 360,000 workers by 2025 with 85,000 or almost 25% being needed for the provincial construction industry. The Construction Sector Council has projected that the industry should be able to recruit sufficient numbers of skilled workers to fulfill its needs through to 2015. However, this report projects that after such time

the construction industry will experience increasing difficulty recruiting adequate numbers of skilled workers. The crux of the issue lies in a mix of contributing factors - the beginning of the baby boomer retirement trend and a slowing birth rate, coupled with an increasing demand for workers will exert exponentially increasing pressure on the Ontario economy over time.

All sectors of the provincial economy are at risk, from retail to health care and manufacturing. The tourism industry is already feeling the effects, unable to find the skilled labour it requires. However, even more significant is

the projected impact on the construction industry. Retirements alone will see a need for 50,000 replacement workers. On top of this, an additional 35,000 skilled workers are going to be needed just for the industry to meet the province's construction demands between 2007 and 2015.

In an attempt to mitigate the impending crisis the coalition, including COCA, is calling upon the provincial government to strike a Premier's Council on Skills charged with formulating a comprehensive provincial skills strategy. This strategy would move beyond initial measures already taken by the federal and provincial ...

See Labour Shortage, Page 2

- 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

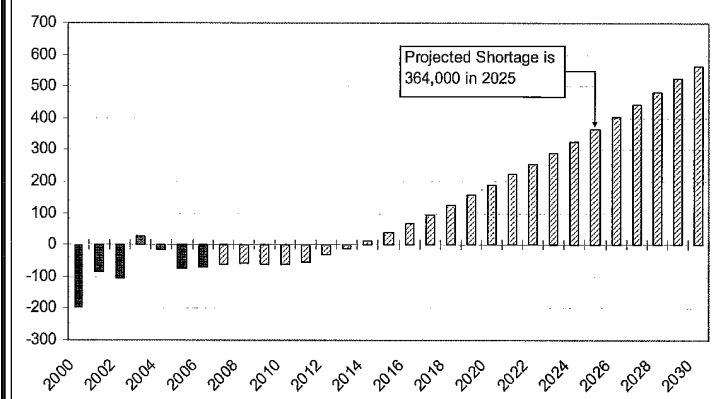
Labour Shortage a Rising Threat to Ontario

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...governments. In order to meet this crisis head-on the conference board report calls for more effective engagement, training and education of those people most often left on the fringes of Ontario society; namely aboriginals, the disabled, immigrants, the under-educated, women and older workers. COCA believes meaningful apprenticeship programs and a specific apprenticeship tax credit established for the construction industry are key elements necessary to successfully support these education and training programs. For more information on the Conference

Chart 1

Ontario's labour shortfall is expected to grow (in thousands of jobs) (shaded bars represent forecast)



(Sources: The Conference Board of Canada; Statistics Canada).

Board of Canada Report, *Ontario's Looming Labour Shortage Challenges* and the Ontario's Workforce Shortage Coalition Report, *The Challenge Ahead: Averting a Skills Crisis in Ontario* are available on the Colleges Ontario website at www.collegesontario.org.

We are pleased to introduce David Zurawel, COCA's new Vice President of Policy and Government Relations.

A government and public affairs professional with more than five years experience, David brings an outstanding record of service both inside and outside of government specializing in stakeholder and issue management, policy development and advocacy. He also has ten years of federal and provincial campaign experience.

As Executive Assistant to David Zimmer, MPP, David supported his member and the Attorney General's office on government and political initiatives. His duties included stakeholder relations, legislation and communications. Working in public affairs for a national public affairs agency, David assisted with the development and execution of government relations and communications programs for a variety of clients.

David will support the COCA policy committees and will co-ordinate on expanding outreach to the Ontario Government.



You may get in touch with David by phone at 416-968-7200 ext 223 or via email at dzurawel@coca.on.ca.

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Party Platforms at a Glance

COCA has developed a platform comparison detailing the three main party's positions on a number of construction related issues central to our membership. When the lead-up to the election was still in it's infancy, COCA circulated a letter to each of Dalton McGuinty, John Tory and Howard Hampton, seeking their position on the issues of; Waste Capacity; Water System Sustainability; Commitment

to Infrastructure; Supporting a Strong Construction Industry; Construction Lien Act; Recruitment and Training of a Skilled Workforce; Mandatory WSIB Coverage; and, the Underground Economy. The contents of the document located through the attached link are the product of the responses to these letters and information obtained from the respective party's policy platforms. The document can be seen at : <http://209.200.67.168//Data/News/COCA%20election%20summary.pdf>

Municipal Water Systems Still not Front of Mind with Ontarians

Ontario's aging municipal drinking water systems are getting short shrift according to a new study on the Status of Full Cost Recovery, released by the Ontario Sewer & Watermain Construction Association (OSWCA).

The report comes on the heels of Premier McGuinty's recent claims that his government has implemented all 121 recommendations detailed in Mr. Justice Dennis O'Connor's *Report on the Walkerton Inquiry*. Commissioned by the OSWCA in response to the Liberal government's failure to proclaim Bill 175, the *Sustainable Water and Sewage Systems Act*, the report is a litmus test to illustrate the actual current state of water systems infrastructure through a cross section of provincial communities. This is in comparison to what ought to be in place according to Justice O'Connor's recommended reforms to protect drinking water systems and to ensure financial requirements of their sustainability.

The failure to proclaim Bill 175 has left itself without any enforceable regulations or guidelines to compel municipalities to adopt full-cost pricing for water-related services, or for the creation of dedicated financial reserves for capital projects. The majority of municipal jurisdictions continue to set water rates at levels below those necessary to ensure the systems are self-sustaining. This is the heart of the problem. There is no consistency among municipalities in their approach to water and wastewater rate setting, nor the provision of funds for future replacement of the these systems. This practice, born out of the necessity for politicians to placate ratepayers over the short-term, has led to conditions in

some areas where neglected underground systems are leaking water at a rate as high as 30%. The report estimates that this leakage is costing ratepayers more than \$160 million annually. Ironically, this is a case of good money chasing after bad as revenue taken in higher user fees could be used to establish reserves for desperately needed capital replacement work.

From its research, OSWCA has been able to calculate that Ontario municipalities could generate more than \$500 million annually for capital water and wastewater infrastructure projects if the average cost of residential water and sewer services were increased by an average of approximately \$0.40 per day. To view the report go to: www.oswca.org

Plastic Pipe Recycling Strategy

Simplas Inc., partnered with the Vinyl Council of Canada and Integrated Municipal Services is now receiving plastic pipe material free of charge as part of a new recycling pilot project. The Ministry of Environment is asking the construction industry to achieve a 60% waster diversion rate. This innovative new project will help your business ensure its 3Rs regulatory compliance while at the same time ensuring this 100% recyclable, non-renewable resource doesn't end up at the dump. For more information, contact Stuart Clark at Simplas Inc, 5395 Maingate Drive Door #15, Mississauga ON L4W 1G6. Tel: (416) 571-6206. E-mail: stuart@simplas.ca.