It was my honour and privilege to accept the position of President of MCA Toronto on Sep. 19, 2009 during the MCA Toronto Annual General Meeting held at the Deerhurst Resort in Huntsville. I have always taken pride in being involved in the activities of MCA Toronto, and have enjoyed serving on the standing committees as well as the Board of Governors.

I was very pleased to greet so many 'first-timers' to the 2009 Annual General Meeting. I believe all attendees had a very enjoyable weekend. We had 60 golfers hit the links on Friday morning.

The Case for a Large Scale Review of the Ontario WSIB

It’s time to find the real solutions to the real problems – An independent review is an essential first step

By LES LIVERSIDGE, L.A. Liversidge LLB

I have been recommending a large scale independent third party review of the Ontario workplace safety and insurance (“WSI”) system for over one year now. Before the worldwide financial melt-down, I suggested that the WSIB’s long-term funding plan to reach full funding by 2014 was toast. More than two years ago, after the board suggested it had ‘turned the financial corner’, I said the board’s funding plans were impossible unless WSIB Chair Mahoney ‘pulled a rabbit out of his hat’. Well, there’s no magician’s hat let alone a rabbit.

Since the worldwide financial crisis has been story one, the board has not been at all shy in calling attention to the impact of the global financial crisis on its finances. In a recent WSIB Quarterly Financial Statement for the period ending Jun. 30, 2009, the board noted: “WSIB’s financial results continue to be impacted by recent increases to benefits and the current global financial crisis impacting both investment returns and premium revenues. The financial crisis is unprecedented in its magnitude and complexity resulting in a significant degree of uncertainty and rapidly changing conditions.”

The market melt-down masks deep seated systemic problems

I suggested a year ago that the market melt-down will be targeted as the culprit – but warning signs were present long before.

Since 2007, I have suggested the board was playing a long shot and, for more than a year now as but one proposition, I have argued for a broad scope external review of the WSIB. The Mahoney Report presents the opportunity to get the reform ball rolling.

The Mahoney Report is the key

In the Oct. 16, 2009 issue of The Liversidge e-Letter, ‘Why the Mahoney Report must focus primarily on WSIB fiscal health’, I argued then that much of the future of the Ontario WSI scheme depends on the vibrancy of the

Continued On Page 2
Mahoney Report. But, while stakeholders have a right to expect a dynamic assessment of the current state of the Ontario WSIB, as I have said before, do not expect a cry of ‘Eureka!’ At best, one can reasonably expect that the Mahoney Report will lay out the processes and protocols to kick-off the next stage of reforms of the Ontario WSIB.

The system needs real reform

Make no mistake about it – the system needs real, deep-reaching reform. It is a flight of fancy to attribute most of today's ills to the worldwide financial crisis. A simple – accidents are down and premiums are up. From 1998 to 2008, the number of LTIs dropped a remarkable 26 per cent (from 86,310 to 63,704) while benefits, in constant dollars, increased a whopping 28 per cent (from $2.8696 billion in 1998 to $3.6780 billion in 2008) while benefits, in constant dollars, increased a whopping 28 per cent (from $2.8696 billion in 1998 to $3.6780 billion in 2008). Yet, the system is in trouble before. A late as one of the prime suspects, is the unfunded liability (UFL) is on the upswing. Now, the state of the board's investments from the melt-down, which has been held out of late as one of the prime suspects, is certainly part of the problem. But, just a part. The UFL bumped up considerably in 2006 – 2007, well before the melt-down. Well, actually, no. The real story is actually rather simple – accidents are down and benefits are up. From 1998 to 2008, the number of LTIs dropped a remarkable 26 per cent (from 86,310 to 63,704) while benefits, in constant dollars, increased a whopping 28 per cent (from $2.8696 billion in 1998 to $3.6780 billion in 2008). Yet, during this summer's 2010 Premium Rate Consultation, the board issued a fair warning to Ontario's employers that premiums may have to increase if the board's finances do not improve. The board's number one solution? REDUCE INJURIES.

But, will a reduction in injuries really have any significant impact? Are the number of injuries down considerably. Yet, during this summer's 2010 Premium Rate Consultation, the board issued a fair warning to Ontario's employers that premiums may have to increase if the board's finances do not improve. The board's number one solution? REDUCE INJURIES.

The “Road to Zero” is sound public policy

Let's accept that the Road to Zero is sound public policy. One LTI is one too many. It makes perfect sense to accept, as a prevailing rule, that maximum effort should be focused on reducing LTIs to zero. But, let's not lose a rational perspective. The LTI rate and the number of actual LTIs are down considerably. Yet, during this summer's 2010 Premium Rate Consultation, the board issued a fair warning to Ontario's employers that premiums may have to increase if the board's finances do not improve. The board's number one solution? REDUCE INJURIES.

But, will a reduction in injuries really have any significant impact? Are the number of injuries down considerably. Yet, during this summer's 2010 Premium Rate Consultation, the board issued a fair warning to Ontario's employers that premiums may have to increase if the board's finances do not improve. The board's number one solution? REDUCE INJURIES.
of Past President Mr. Don Capotosto.

Don has dedicated many years to MCA Toronto committees and the Board of Governors, and will be remaining on the Executive as MCA Toronto’s first Past President. The position of Past President was a motion from the floor of the general meeting held on Saturday, which was passed unanimously. Don currently is a member of the MCA Ontario Board of Governors and represents MCA Ontario at the MCA Canada Board as well. We wish Don and his wife Susan all the best in the future and extend a thank you from MCA Toronto Members and MCA Toronto Associates for his years of dedication to the industry.

On Saturday evening I had the pleasure of recognizing the achievements of MCA Toronto members with the presentation of the MCA Toronto Safety Awards. The awards are based on the current year’s man-hours reported to MCA Toronto, safety performance in relation to lost-time injuries, a safety policy and program procedure checklist, and a job-site inspection performed by the Construction Safety Association of Ontario (CSAO).

The Safety Award Program divides contractors into three categories, which include:
(1) Category I – 50,001 man-hours and over;
(2) Category II – 15,001 to 50,000 man-hours;
(3) Category III – one to 15,000 man-hours.

The 2009 award recipients were the following:
Category I – H. Griffiths Co. Ltd.
Category III – GTA Mechanical

Congratulations to the winners and keep up the good work. Thank you to all who participated in this year’s program. Additionally, I would like to thank Mr. Dan Fleming of CSAO for overseeing and organizing the Safety Award Program.

MCA Toronto was delighted to have the following industry partners and their spouses attend the AGM: Mr. Neil McCormick, business manager of the Ontario Pipe Trades Council and his guest Ms. Linda Burnett; and Mr. John Bonwick, business manager of Local 599, Barrie, Ont. and his wife Patti.

Also participating in this year’s conference were MCA partners Mr. Bob Hoare, chairman of MCA Canada and his wife Inge; Mr. Bob Armistead, president-elect of MCA America from Warwick, NJ; Mr. Terry McCaskie, president of MCA Ontario and his wife Denise; and Mr. Steve Coleman, executive vice president of MCA Ontario and his wife Danielle.

As 2009 comes to an end, we have seen a slight downturn in our industry man-hours reported. We are optimistic 2009/2010 will be a reasonable year for our three sectors of work – Institutional, Commercial and Industrial.

Our focus will remain the same as in past years with educational programs for our membership remaining a high priority. We must continue to be on the cutting edge of all aspects of our industry. ‘Doing the job once, the right way’ will always be the factor that separates us from the non-union competition. Our customers continue to put faith in our companies and workforce that their projects will be done on time and within budget.

As the year comes to a close our attention will focus on the 2010-2013 Collective Agreement negotiations scheduled to be completed May 1, 2010. The MCA Toronto Labour Advisory Committee recently attended a MCA America Collective Bargaining Seminar in Indianapolis, Ind. We have met several times in the last three years with our industry partners at UA Local 46 to discuss common concerns. We believe our continued working relationship will benefit the total membership as we work towards an agreement for May 1, 2010.
That, I suggest, is the real story. Even though accident rates are at historic lows, benefit costs are at historic highs.

A key question – Is Ontario in step with other major Canadian workers’ compensation jurisdictions?

How does Ontario stack up against other jurisdictions?

There really is no single province with which to compare Ontario, but Alberta and British Columbia combined are comparative.

Based on data provided by the Association of Workers’ Compensation Boards of Canada (AWCBC) for 2007, Ontario experienced 18 per cent fewer lost-time injuries (80,863 for Ontario; 98,801 for Alberta and B.C. combined). See Figure One.

More significantly, Ontario has an injury frequency rate per 100 workers a full 50 per cent less than B.C. and 23 per cent lower than Alberta. See Figure Two.

Employer premium rates. After all, the Ontario WSIB has been heralding injury reduction as the strategic solution to Ontario’s long-term funding issues. So, since Alberta and B.C. have much higher LTI rates, certainly their respective employer premium rates. After all, the Ontario WSIB has been heralding injury reduction as the strategic solution to Ontario’s long-term funding issues. So, since Alberta and B.C. have much higher LTI rates, certainly their respective

Employer premium rates. After all, the Ontario WSIB has been heralding injury reduction as the strategic solution to Ontario’s long-term funding issues. So, since Alberta and B.C. have much higher LTI rates, certainly their respective

Employer premium rates. After all, the Ontario WSIB has been heralding injury reduction as the strategic solution to Ontario’s long-term funding issues. So, since Alberta and B.C. have much higher LTI rates, certainly their respective

Employer premium rates. After all, the Ontario WSIB has been heralding injury reduction as the strategic solution to Ontario’s long-term funding issues. So, since Alberta and B.C. have much higher LTI rates, certainly their respective
Half-way into 2009 Ontario building permit values are down in all three ICI components compared to the same period last year. Industrial, commercial and institutional building intentions tumbled just under $5 billion over the first six months of 2009, down nine per cent compared to 2008. However, despite coming off a peak value reached last year, the value of non-residential building intentions managed to sustain positive quarter-over-quarter growth since a stark 38 per cent plunge in the final quarter of 2008.

Given the persistent weakness in manufacturing it is not surprising that industrial building intentions are down sharply over the first half of the year, off 30 per cent compared to the first six months of 2008. Moreover, the $659 million in industrial permits recorded over the first half of this year marks the lowest mid-year value recorded this decade. Due to a fall in consumer demand south of the border, production at many Ontario plants is idle, depressing industrial and manufacturing capacity utilization rate in Canada to below 70 per cent in the first quarter, down from over 85 per cent in 2006, and 75 per cent in just the last quarter of 2008. Industrial sector construction activity will not likely exceed 2006 levels of 1.4 million sq. feet of supply is about to enter Toronto’s office market. Increased supply coupled with a lower demand due to staffing cutbacks and postponed growth plans by tenant companies will certainly push up vacancy rates, lower rents and discourage plans for major new office construction. However, as new modern office space comes onto the market, the older stock of office spaces may require new investments in technical and aesthetic upgrades to attract tenants in an increasingly competitive market.

Building intentions in the institutional sector were flat over the first six months of 2009, down 6.8 per cent from last year’s pace, perhaps an indication that the infrastructure stimulus seed planted this spring has yet to sprout any noticeable increase in building activity. However, both the Government and Education building segments are ahead of last year’s pace, up 48 per cent and 15 per cent respectively. The most noticeable drag on building intentions in the sector was a 25 per cent decrease in the hospital and medical building segments. However, this follows a long period of heavy investment in healthcare projects across the province. As most infrastructure stimulus projects only receive confirmation of funding in late May, we can expect building activity to ramp up in the sector over the latter half of the year and into 2010, however, much of the stimulus will show up as engineering construction rather than institutional.

GTA non-residential building intentions totalled just over $2.3 billion over the first half of the year, a 14 per cent decrease relative to the same period 12 months ago. The
benefits. The surplus, of course, adds to Alberta’s long-term funding strength.

Similarly, B.C. collects just over a billion dollars ($1.08 billion) in revenues and pays out $958 million in benefits. Together, both jurisdictions take in more in revenues than they pay out in benefits. In other words, revenues are sufficient to pay year-to-year operating costs which, over time, contributes to a much stronger funding base. See Figure Four.

In Ontario, on the other hand, expenditures lead revenues by a considerable margin, thus contributing to a worsening of Ontario’s Unfunded Liability (UFL). Yet, recall that Ontario employer premiums are considerably higher than Alberta’s and B.C.’s and the number of LTIs and the rate of LTI per 100 workers, is considerably less. So, it must be that B.C. and Alberta pay lower benefits. Will, actually, no. Ontario pays on lower benefit rates than both B.C. and Alberta. Alberta and B.C. both base benefits on 90 per cent of net earnings, whereas Ontario pays out on 85 per cent of net average earnings.

Where are the real differences between the performance of Ontario versus Alberta and B.C.?

Let’s be clear: Ontario is neither Alberta nor B.C. The industrial make-up is different, the population is different and the economies are different. But, so far, most of the comparisons I have made in this article cover a time when things were not too bad in Ontario. Some years were very good. Even though the economies may be different, the basic workers’ compensation principles are the same. All three jurisdictions are tasked to ensure injured workers are swiftly and fairly compensated.

Increasing time on claim is the key

As I mentioned earlier in this article, it is in the area of benefits that Ontario jumps ahead, even though the wage replacement level is lower and Ontario has fewer LTIs to start with. So, what is the driver? The bottom line: In Ontario injured workers are staying on claim longer.

Figure Five shows what is going on. In Ontario, workers on long-term claim stay on claim much longer. In B.C., two years post-injury, only 1.00 per cent of injured workers are still receiving wage loss benefits; in Alberta, 0.40 per cent. Ontario: 4.09 per cent.

It is the sixth year post-injury that tells the story. In B.C., only 0.7 per cent of injured workers receive wage loss benefits. But, in Ontario, 3.1 per cent of all workers who lost time from work due to an on-the-job injury are still receiving benefits. And, in Ontario, every worker receiving benefits six years post-injury will have those benefits “locked-in” until age 65. The board has no legal ability to review and reduce those benefits regardless of future employment earnings (unless the workers failed to disclose a material change in circumstances before the end of the sixth year). (Workplace Safety and Insurance Act, s.44).

From 2001 to 2007, in Ontario, the percentage of claims still receiving benefits at six years post-injury jumped from 2.15 per cent of all LTIs to 3.05 per cent, an upward swing of 42 per cent, whereas in B.C. the percentage of cases still receiving benefits six years post-injury dropped 20 per cent, from 0.64 to 0.67 per cent. While B.C. and Alberta are not totally comparable benefit wise, the real story is in Ontario’s change in performance. More workers remain on claim. Why?

Is it that Alberta and B.C. are simply spending more on claims administration?

Again, no. In fact, Ontario spends considerably more per LTI with very different results. Ontario’s administration cost per LTI (See Figure Seven) is more than double that of B.C. ($7,399 vs. $3,621) and 78 per cent more than Alberta’s ($4,149). For Canada overall, for 2007, not including the territories (which understandably have very few claims and thus, a higher administration cost per claim), Ontario leads in admin costs per LTI. The lowest is Saskatchewan at $2,548 [AWCBC, Indicator Ratios for 2007].

Is the WSIB of Ontario understaffed?

Is it possibly the case that the Ontario WSIB is short-staffed and simply unable to devote the attention LTIs need compared to the other jurisdictions? We do know, for example, that the board, in fact, does outsource a lot of the work associated with Labour Market Re-entry (LMR), and that this program itself has been fuel for controversy. I have long been a critic of the WSIB’s LMR program. But, while no doubt LMR is far less effective than it should be, let’s not forget that even though the board is conducting a third party review of LMR right now (with the results likely coming out soon), the program attracted the board’s full confidence in 2006. But, as one can readily see in organization

The Case for a Large Scale Review of the Ontario WSIB

Continued From Page 5

Ontario Building Permits down this year in ICI sector

steepest drop was recorded in the industrial sector which was down 45 per cent. Following two years of intensive building activity in the hospital sector the value of institutional permits taken out in the first half of this year decreased by 17 per cent compared to the same period in 2008. Commercial intentions fared somewhat better, with 17 per cent compared to the same institution permits taken out in the hospital sector the value of institutional permits taken out in the first half of this year decreased by 17 per cent compared to the same period in 2008. Commercial intentions fared somewhat better, with 17 per cent compared to the same period in 2008. Commercial intentions fared somewhat better, with 17 per cent compared to the same period in 2008. Commercial intentions fared somewhat better, with 17 per cent compared to the same period in 2008. Commercial intentions fared somewhat better, with 17 per cent compared to the same
Medical gas systems, including oxygen, nitrous oxide, medical air, carbon dioxide, nitrogen and vacuum service, can typically be found in hospitals, medical clinics and dental offices. The current Canadian standard for addressing requirements for these systems is CSA Standard Z7396.1-06 Medical Gas Pipeline Systems Part One: Pipelines for Medical Gases and Vacuum (formerly CAN/CSA-Z305.1 Nonflammable Medical Gas Piping Systems).1

The standard provides requirements for installation, performance, documentation, testing and commissioning of medical piping systems. This includes items such as design of systems to ensure continuous supply of gas or vacuum, material and component selection, cleanliness and contaminant testing, monitoring and alarm systems, markings and equipment documentation, and final pressure testing.

Medical gas piping systems over 15 psi (excluding vacuum systems) fall within the scope of Ontario Regulation 220/01 for Boilers and Pressure Vessels; therefore, these systems require design registration with TSSA and installation inspection by a TSSA Authorized Inspector (AI).2 The piping system must also be installed by a contractor with a valid Certificate of Authorization from TSSA.3

CSA Standard Z7396.1-06 is used during the design registration and inspection of medical gas systems. TSSA's focus however is limited to pressure boundary integrity requirements and does not include items such as monitoring and alarms or determination of cleanliness and contaminant testing.

Piping design submissions for registration shall reference CSA Z7396.1 and demonstrate compliance with this standard. For example, pressure relief valves down-stream of line pressure regulators, per CSA Standard, are limited to the following:

- Medical air, nitrous oxide and oxygen, a maximum of 520 kPa (75 psi);
- Nitrogen, a maximum of 1360 kPa (200 psi); and
- Carbon dioxide and other gases at 50 per cent above nominal pipeline pressure but not exceeding 1360 kPa (200 psi).

With respect to material, except for flexible connections, pipelines for medical gases shall be constructed of seamless type K or L copper tubing, ASTM B819, hard temper.4 The pipelines shall be marked as intended for medical gas use. All components and tubing that would be in contact with medical gas, need to be supplied clean and free of oil, grease and particulate material and maintained in that condition during installation.

With the exception of connections for sensing equipment, medical gas pipelines shall be a minimum diameter of 12.5 mm (1/2 in.). Also to note, vacuum lines shall be a minimum diameter of 19.5 mm (3/4 in.).

Pipe joints shall be silver brazed using AWS Standards 5.8, Classification BeuP-3 or otherwise threaded. Brazing Procedure Specifications (BPS) shall be registered with TSSA. Procedure Qualification Records and BPS, which were previously qualified using ASTM B88 pipe material, are acceptable for use with ASTM B819; however, a newly-developed BPS must be prepared for ASTM B819.

The Piping Installation and Test Data Report is to be prepared for a TSSA AI’s signature at the installation site. Final pressure tests are witnessed by a TSSA AI and are conducted at one-and-one-half times the working pressure of 150 psi, whichever is higher, using oil-free dry air or oil-free dry nitrogen, and so noted on the test report.

Piping contractors undertaking medical gas installations shall have a copy of the CSA Z7396.1-06 and have the standard referenced in their program. Their TSSA Certificate of Authorization will identify medical gas installations as the scope of their certificate.

Footnotes
1 This standard does not apply to veterinary and animal research facilities or medical gas pipeline systems supplying hyperbaric chambers – see CSA Z275.1.
2 Unless specified, refers to gauge pressure.
3 Certificate holders are listed on TSSA’s website at www.tssa.org.
4 Underground installations can be soft temper.
5 Copies can be printed from the TSSA website at www.tssa.org/regulated/boilers/boilersForms.asp.
Inspect, inspect, inspect!

Would you feel safe on a plane that hadn’t had a mechanical check? Or in an elevator that wasn’t regularly serviced? Probably not.

We check equipment such as planes and elevators regularly because we know that, over time, wear and tear can put our lives at risk. You need to have the same attitude towards your personal protection equipment (PPE).

Hard hats, work boots, respirators, safety glasses, and lifelines can all lose their effectiveness over time. That’s why you need to inspect your PPE before each use. If you put the same hard hat may have broke without using. You should never assume its job. Regular inspection is the only way to be certain you and your workers are protected.

For example, a strap in your hard hat may have broke without you noticing. If you put the same hard hat back on the next day and something hits your head, you won’t be fully protected. The only way you’ll know that a strap is broken is if you inspect the hard hat before you use it again.

You also need to remember that things can happen to your PPE while you aren’t using it. Someone may use your lifeline while you’re at another site. Another crew may come in after hours and accidentally damage the anchor point you have been using. You should never assume PPE is in the same condition in which you left it.

Remind your workers to check their PPE before each use to make sure it’s capable of doing its job. Regular inspection is the only way to be certain you and your workers are protected.

Technical Specifications

In existing buildings, heating plants are typically designed for high temperature loads. This means that the heating output for each zone depends on a high supply temperature and a small temperature drop between supply and return water – typically 10 to 12 degrees Celsius. In comparison, high-efficiency boilers operate at peak efficiency when the return water temperature is between 32 degrees Celsius and 60 degrees Celsius (90 degrees Fahrenheit and 140 degrees Fahrenheit). If these conditions cannot be met, a mid-efficiency boiler may be more practical.

When selecting a high-efficiency boiler, many factors need to be considered in the design of the overall heating system:

1. Condensing boilers require a low return water temperature to operate at their highest efficiency.
2. Systems should be designed with lower flow rates. This means that piping, pumps and valves should be smaller than those used in mid-efficiency boilers.
3. Heating coils and radiators should be sized for a higher rate of heat transfer at lower supply water temperatures.
4. Condensing boilers can function with smaller venting pipes, although more expensive stainless steel is required for larger boilers. Smaller systems can use PVC pipe, which can be directly vented to sidewalls.

High-efficiency boilers are especially well-suited to applications such as snow melting and in-floor radiant heating, because they typically have a large temperature drop and low return water temperatures. In general, heating systems must be able to perform adequately at return water temperatures below 57 degrees Celsius (135 degrees Fahrenheit) in order to obtain operating efficiencies above 90 per cent. If you are retrofitting a boiler, the system should be thoroughly evaluated. Most existing systems have been designed for a higher return water temperature (82 degrees Celsius / 180 degrees Fahrenheit) and may need to be modified to work at lower return water temperatures. Here are some features to look for in a condensing boiler:

- high-grade stainless steel construction to withstand the low pH of the continuously condensing flue gases;

With the recent emphasis on energy efficiency and reduced emissions, high-efficiency heating plants have become a practical option for both new and retrofit installations, because of the savings they can achieve over their life cycle. Typically, older boilers have seasonal efficiencies below 75 per cent and new, mid-efficiency boilers, like the ones shown in Figure One, can achieve seasonal efficiencies as high as 96 per cent, resulting in large annual reductions in gas consumption, although initial costs can be high.

The key difference between high- and mid-efficiency boilers is their ability to condense water from combustion products in order to extract as much heat as possible. However, under this type of corrosive operating condition, condensing boilers must be built with more expensive materials, which can almost double their cost.

Technical Specifications

In existing buildings, heating plants are typically designed for high temperature loads. This means that the heating output for each zone depends on a high supply temperature and a small temperature drop between supply and return water – typically 10 to 12 degrees Celsius. In comparison, high-efficiency boilers operate at peak efficiency when the return water temperature is between 32 degrees Celsius and 60 degrees Celsius (90 degrees Fahrenheit and 140 degrees Fahrenheit). If these conditions cannot be met, a mid-efficiency boiler may be more practical.

When selecting a high-efficiency boiler, many factors need to be considered in the design of the overall heating system:

1. Condensing boilers require a low return water
The Case for a Large Scale Review of the Ontario WSIB

statistics, the board is hardly under-staffed.

The number of WSIB employees per 1000 LTIs is at an all-time high of 70. From 1998 (47 WSIB employees per 1000 LTIs) to 2008, the ratio of employees to LTI jumped 50 per cent (49.94 per cent). A comparison to 20 years ago is even more dramatic. The number of WSIB employees per 1000 LTIs was 23 in 1988. Over the past 20 years, it increased three-fold. Interestingly, the number of employees per 1000 LTIs started its recent ascent in 2003, just when the average cost per LTI was also on the upswing. There is no resource deficit.

Now, I want to be clear. I found the solutions. So far, the systems’ stewards have not found the solutions.

In the Winter 2010 issue of MCAT Pipeline magazine, we will discuss the key steps towards reform.