



**CANADIAN FOUNDRY ASSOCIATION
ASSOCIATION DES FONDERIES CANADIENNES**

COMMENTS ON SEVEN DRAFT POLICIES

WSIB RATE FRAMEWORK POLICY CONSULTATION

JANUARY 15, 2018

Introductory Comments

The Canadian Foundry Association (CFA) appreciates the opportunity to provide comments on the draft policies that support the implementation of the approved Rate Framework and amended Regulation (O.Reg. 175/98) under the *Workplace Safety and Insurance Act, 1997*.

By way of background, the CFA is the national voice for the foundry industry in Canada. Incorporated in 1975, it is a proactive, issues driven association that draws on the industry's collective resources to solve common problems.

The metal casting industry is the original recycling industry and an environmentally responsible industry. Raw material is typically recycled metal which conserves natural resources and energy.

Foundries are vital to Ontario's economy since metal castings are a strategic component of the manufacturing base. They are the first step in the value-added manufacturing chain and are utilized in the manufacture of most durable goods.

Casting markets are extremely competitive on a global basis and, as a result, the cost structure and competitive position of Ontario foundries are significantly affected by legislation and regulation and the related cost.

The industry in Ontario is comprised of all sizes of foundries and includes operations located in approximately 75 foundry facilities and 80 supplier facilities throughout the province. Markets and industries that have a critical reliance on the foundry industry include: automotive; construction; agricultural; forestry; mining; pulp and paper and other heavy industrial machinery and equipment; aircraft and aerospace; plumbing; soil and pipe and municipal road castings; defence; railway; petroleum and petrochemical; electrical distribution; and a variety of specialty markets.

The Ontario foundry industry directly employs approximately 7,800 people and indirectly 11,200 people represented by suppliers, machine shops, assembly plants, scrap dealers and services including trucking, maintenance, engineering, environmental services, and others.

With more than 60% of our membership in Ontario, the CFA is interested and pleased to offer input into the seven (7) draft policies that will support the implementation of the Rate Framework.

The policies and amended Regulation will have a direct impact on the foundry industry in Ontario and will also have an effect on business plans and forecasting expenditures. With this in mind, the CFA is pleased to offer a summary of members' comments to the following draft policies:

Consultation Response

1. Coverage Status

CFA Response: Not Applicable.

2. Classification Structure

CFA Response: The Canadian Foundry Association supports the new classification structure, but would also support a process for reviewing the classification when business activities change or when classification does not represent the employers' business activities.

3. Eligibility for Single or Multiple Premium Rates

CFA Response: The Canadian Foundry Association supports the proposed draft policy.

4. Associated Employers

CFA Response: The Canadian Foundry Association has a number of questions and concerns with this draft policy. The policy as proposed will cause issues and concerns with some organizations operating under a corporate umbrella structure. Often, these corporate structures will ensure that 'best practices' are implemented across the entire corporate structure to minimize and reduce risk with the goal to ensure worker safety. The criteria proposed to "Associated Employers Policy" leaves many questions:

- 1) Use of common health and safety policies / practices:** multiple employers may share common policies and practices yet continue to operate as independent employers. The simple use of standardized best practices should never be used against employers to penalize or force a policy of association.
- 2) Sharing of employees:** must be phrased as continual sharing of employees across physical location and outline time requirements or be linked to other criteria. The simple sharing of employees is too broad.
- 3) Sharing of revenues and profits:** no comments
- 4) Sharing of technology:** multiple employers may share a common enterprise software system and technology and also operate as independent employers. Sharing common technology is a normal practice as groups of employers can negotiate better annual rates through the bulk buying power they possess. Normal industry practice to manage and control costs are implemented to make Ontario workplaces more globally competitive. This practice should not be used against good employers by attempting to link 'poor performers' to others.
- 5) Joint bidding or tendering for contracts:** no comments
- 6) Common collective bargaining process:** no comments
- 7) Common labour policies:** multiple employers may share common policies and practices yet continue to operate as independent employers. The simple use of standardized best practices should never be used against employers to penalize or force a policy of association.

The policy for 'Associated Employers' outlines the criteria for determining whether a cooperative relationship exists between two employers, however the policy fails to clearly outline any criteria that would delineate such a relationship. Employers must clearly

understand the intention of this policy and the rules associated with a “non- cooperative relationship”. WSIB should consider current employers “approval” of such “association”.

5. *Temporary Employment Agencies*

CFA Response: The Canadian Foundry Association supports the proposed draft policy.

6. *Employer Level Premium Rate Setting*

CFA Response: The Canadian Foundry Association would suggest additional clarification and detail on the implementation of this policy. Employers forecast business expenditures up to five (5) years into the future. This policy provides insufficient detail for employers to assist or understand the impact of potential rate increases. The Canadian Foundry Association would suggest the development of a ‘simplified calculator’ to assist employers with predicting the impact of rate adjustments based on current and predicted performance.

7. *Employer Premium Adjustments*

CFA Response: The Canadian Foundry Association continues to support ‘experience rating programs’. The proposed draft policy, and in particular, the “Seven-Year Rule” is too broad. The CFA would support a more narrow approach, such as “Five-Year Rule”.

Also, the CFA continues to support the “*Second Injury and Enhancement Fund*” and would like to ensure that this policy is maintained.

The Canadian Foundry Association respectfully submits these comments to the WSIB and the association will look forward to the WSIB’s response.

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