



INTERNATIONAL BROTHERHOOD OF BOILERMAKERS

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Joseph Maloney, International Vice-President

Dear Industry Partner:

With the drop in the price of oil, there has been much discussion in the industry about how to get more done with less.

Our union has always worked with our contractors and owners to make operations safer and more efficient, and we have some ideas we wish to share with you along these lines.

Enclosed, please find a discussion paper with our recommendations in two areas related to health and safety. We believe that if implemented, they would save millions of dollars for our contractors and owners.

We have done extensive research on these issues and we are confident that, if implemented, our recommendations will make a real difference to the cost structure of the industry.

When you have a chance to read them, we would ask you to consider our proposals and get back to us with your thoughts. We look forward to speaking with you.

Sincerely,

Joseph Maloney
International Vice-President,
Canada

Arnie Stadnick
Business Manager/Secretary-Treasurer,
Boilermakers Local 146



Cost efficiencies in the Alberta oil-producing industry

International Brotherhood of Boilermakers February, 2015

The dramatic fall in the price of oil has brought issues of cost containment to the forefront of industry concerns.

Even though it appears that the price drop could be temporary or smaller than anticipated, the revenue implications for companies operating in Alberta's oil industry could be significant.

As a union, the International Brotherhood of Boilermakers believes in working together with the companies and fair contractors with which we have a business relationship. On the jobsites and in the boardrooms, our excellent relationships with our employers have allowed us to work cooperatively to solve problems and resolve issues.

It is in that spirit of co-operation that we offer the following comments and suggestions that would result in significant cost savings for the industry.



PRE-ACCESS DRUG AND ALCOHOL TESTING

Suggested Policy Action

Remove obsolete pre-access drug and alcohol testing requirements to streamline procedures and make effective use of limited resources.

Background

Boilermakers, contractors and owners recognize the importance of providing a workplace free of unnecessary occupational risks.

Pre-access testing (the most common type of test) consistently reports the lowest positive rate (< 3%) across Canada versus other drug and alcohol testing strategies.

Generally, workplace drug and alcohol policies include four types of testing:

- pre-access when required by site owner/client
- 'for cause' — in instances of incident/post incident;
- for reasonable grounds
- return to work following a rehabilitation program

Common Workplace Testing Outcomes

In terms of on-the-job risk mitigation due to drug and alcohol abuse, 'reasonable grounds' offer the highest cost/benefit ratio in terms of intervention and successfully identifying positive tests.

Training of supervisors and workers offers the best intervention strategy to mitigate unacceptable drug and alcohol risks through 'reasonable cause' testing.

It is important to note that the pre-access testing outcomes have remained relatively unchanged over the past five years — consistently less than 3% positive — and below drug and alcohol abuse levels in the Canadian general public.

The current trend, based on over 750,000 tests, is that the total drug-and-alcohol positive rate, as well as post-incident positive rate, continue on a downward trend. As a deterrent, pre-access testing has flatlined, while a disproportionate amount of resources are spent on pre-access site testing versus more effective testing options.

Benefits of removing pre-access testing include:

- industry savings for the Alberta Boilermaker trade could exceed \$1 million annually in direct testing costs.
- faster dispatch and response to client needs
- reduced administrative, cost and logistical burden
- improved drug and alcohol program performance with focus on effective testing (e.g. reasonable cause)

In terms of effective resource allocation and risk-management, a re-evaluation of drug and alcohol policies requiring pre-access site testing is recommended.

Fig. 1: CANADIAN DRUG TESTING 5-YEAR TREND¹

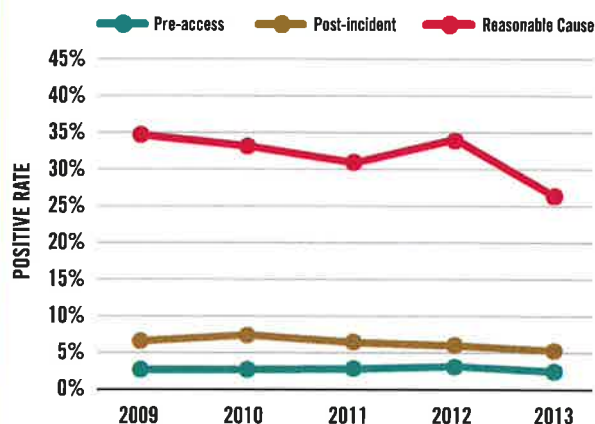
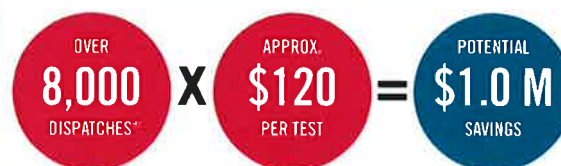


Fig. 2: ESTIMATED ANNUAL COST SAVINGS: ALBERTA BOILERMAKERS²



* Average dispatches over past 3 years; reduced by 20% to estimate RSAP and members not requiring pre-access testing.

Notes

¹ CannAmm WorkSafe Forum, 2013.

² Cost assumptions: each L146 construction/maintenance dispatch tested once for pre-access each year. Limitations: members under RSAP and those with a valid pre-access drug and alcohol test (typically within 90 days) would not need to undergo pre-access testing — corrected with 20% reduction in dispatch calculation. Lab analysis costs can vary — used conservative \$120/test.



CONSTRUCTION HEALTH AND FITNESS TESTING

Suggested Policy Action

Adopt progressive health and wellness strategies, such as Boilermakers Total Health, to minimize workplace and personal risk factors, promote a healthy workforce and eliminate the cost of ineffective 'fit to work' programs.

Background

Throughout the 20th century, there have been significant changes to Boilermaker working environments, technologies, work practices and our understanding of health and safety. Boilermakers, contractors and owners recognize the importance of safe and healthy work environments. Great strides have been made in safety. Health-related issues are emerging as the next opportunity for intervention.

- Reported occupational diseases have overtaken safety as a major driver of occupational fatalities in Canada.³
- Boilermakers suffer from excess respiratory cancer and increased mortality from non-malignant respiratory disease.⁴
- Unchecked ergonomic risk factors contribute to musculoskeletal injuries/disease, a major driver of short-term and long-term disabilities.
- The top three deadliest threats facing all workers in North America are smoking, lack of physical activity and obesity.⁵

Challenges

Typically, the impacts of a serious safety violation or accident are felt immediately by the member, the employer and the workplace. Safety has traditionally been the dominant focus of workplace occupational health and safety programs for a variety of reasons including:

- Workplace and personal health issues can be difficult to identify, understand and manage.
- There is often a delayed onset of symptoms and issues from a variety of health risk factors – including latency effect of years before onset (e.g. asbestosis, lung cancer, musculoskeletal disease).
- Health risk factors are predominantly dealt with in a reactive approach
- Negative health impacts accumulate through a member's working career – often involving multiple employers and worksites.

Boilermakers Total Health

The Boilermakers union is concerned about the health and wellbeing of all members. Accordingly, the union has developed an integrated, sustained approach to members' health, in cooperation with some of our largest industry partners and independent health professionals. Called Boilermakers Total Health (BtH), the goal of the program is to improve the long-term health, wellbeing and quality of life of Boilermakers both on and off the job.

BtH has two components:



1. **HealthBenchmark**: designed to set meaningful standards for functional abilities and medical assessment for pre-apprentices entering the trade.
2. **HealthArc**: a comprehensive health and wellness program designed to promote member health 24/7, on and off the job.





'Fit to work'

As a part of an overall workplace health strategy, medical surveillance can be a useful tool to monitor and mitigate risks to members. Medical screening (e.g. wear respirators), audiometric testing, lung function testing, and biological monitoring for whole-body exposure to hazardous materials have all been used by employers to ensure appropriate workplace hazard controls are in place. Unfortunately, some employers are considering poorly conceived 'fit to work' physical testing programs as a condition of employment under the pretense of workplace health. These types of 'screen and deny' physical testing programs suffer from a wide range of systematic disadvantages including, but not limited to:

- 'Fit to work' is not universally defined. Various programs involve different, often generic, degrees of technical assessments and interpretations.
- 'Fit to Work' style programs are ineffective in predicting those at future risk of injury and more likely to falsely identify workers as being at risk.⁶
- Available evidence for pre-hire health examinations to prevent injury/disease is considered to be of 'very low quality'.⁷
- No program elements on health protection (e.g. ergonomics)
- No program elements on health promotion (e.g. wellness)
- No program elements on prevention, education and training.

Fig. 3: EXAMPLE ANNUAL DIRECT COSTS TO INDUSTRY: ALBERTA BOILERMAKERS⁸



In addition to their many flaws, 'fit to work' programs are a significant, direct financial cost to industry. Using L146 (Alberta) as an example, costs can quickly soar into the millions of dollars annually (Figure 3).

The most cost-effective strategy is prevention. Most often, cost savings are demonstrated through positive impacts and outcomes on workers. However, tangible benefits for programs similar to BtH have been realized by employers through reduced absenteeism, improved productivity and fewer disability claims.⁹



As a result of its focused approach on workplace and personal health, BtH has been approved as the first non-US affiliate of the National Institute of Occupational Safety and Health (NIOSH) Total Worker Health program. This collaboration will further enable BtH to integrate member health protection and promotion through research-to-practice, training, education and other outreach initiatives.

Summary

The objective of BtH is to promote an environment where Boilermakers are healthier – from benchmarking their health as they enter the trade, through a career-long focus on health protection and promotion on and off the job. This can be accomplished by reinforcing and developing policies, programs, services and supports that will influence the culture of the organization and industry at-large.

In terms of effective resource allocation and risk management, industry is encouraged to adopt or support sustained and integrated approaches to health protection and health promotion similar to Boilermakers Total Health.

Notes

3 Association of Workers' Compensation Boards of Canada. 2015.

4 Finkelstein & Verma. Mortality Among Ontario Members of the IBB Local 128. 2003.

5 NIOSH. Total Worker Health. 2014.

6 IHSA. 2013.

7 Schonstein *et al.* Pre-employment examinations for preventing occupational injury and disease in workers. Cochrane Library. 2011.

8 Cost assumptions: each L146 construction/maintenance dispatched in 2014 tested once for pre-access fit to work. Testing costs can vary – used conservative \$250/test.

9 Phase I Sun Life-Ivey Canadian Wellness ROI Study. 2013.



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10059 – 118 Street, Suite 204,
Edmonton, AB T5K 0B9 | tel: 780-483-0823

Joseph Maloney,
International Vice-President Canada

115 Prince William Street, Suite 101,
Saint John, NB E2L 2B4 | tel: 506-634-8203

Jason McInnis,
Canadian Director, Health & Safety

