

FREE GUIDE FOR ONTARIO CONTRACTORS

# The Ontario Contractor Compliance Playbook

What OHSa actually requires, what gets contractors fined,  
and your 30-day action plan to get compliant — in plain language.

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## Who this guide is for

You run a small to mid-size construction or excavation operation in Ontario. You operate one or more pieces of heavy equipment — backhoes, excavators, loaders, compactors. You probably got into this business because you are good at the work, not because you enjoy paperwork.

This guide is not written by a lawyer. It is written for working contractors who need to know, in plain language, what the Ministry of Labour actually expects — what the real risks are, and what you can do about them this month.

This guide covers five things:

1. What OHSa actually requires from you as an equipment operator
2. The 5 most common violations that result in fines and stop-work orders
3. WSIB — what you actually owe (and what you do not)
4. CRA basics — HST, expenses, and CCA depreciation for equipment owners
5. Your 30-day compliance checklist — 12 action items to get compliant now

If reading this guide makes you realize you have a compliance gap, the last page shows you how to close it in a weekend.

# 1 What OHSA actually requires from you

The *Occupational Health and Safety Act* (OHSA) and Ontario Regulation 213/91 (*Construction Projects*) govern almost every decision about safety on your job site. Most contractors have never read either one. Here is what they actually say, in plain language.

**1 O.Reg 213/91 ss. 93–99 — Pre-operation inspections**  
 Every self-propelled construction machine must be inspected by the operator before use. This is required every shift, every day. It is not optional when convenient.

**2 Inspection records**  
 The inspection must be recorded. Date, machine, operator, what was checked, what was found. Digital records are acceptable. Retention: duration of project plus one year minimum.

**3 Competent persons**  
 Operators must be competent persons as defined under OHSA. For equipment requiring a licence (crane, aerial work platform), the operator must hold the appropriate licence. Class G driver’s licence is required to move equipment on public roads.

**4 Site safety plan — projects over \$50,000**  
 Any construction project with a total value over \$50,000 requires a project-specific safety plan. Covers fall protection, emergency procedures, hazard identification, and worker responsibilities.

**5 WSIB registration**  
 If you have employees, you must be registered with WSIB as a Schedule 1 employer. If you hire subcontractors, you are responsible for verifying their WSIB clearance before they begin work on your site.

## What the pre-operation inspection must cover

System	What to check
Engine & fluids	Engine oil, coolant, hydraulic fluid, fuel level
Brakes	Service brake and parking brake — both must be tested and functional
Steering	Full range of motion, no resistance or binding
Tyres / undercarriage	Tyre pressure and condition; track tension and condition on tracked machines
Lighting & signals	Head lights, work lights, backup/reverse alarm
ROPS / FOPS	Roll-over and falling-object protection — visual inspection for cracks, weld failures, deformation
Seat belt	Present, functional, not worn or frayed
Fire extinguisher	Present, charged, accessible, correct rating for equipment type

<b>Leaks</b>	Ground inspection — fuel, oil, hydraulic fluid under the machine
<b>Attachment</b>	Bucket, blade, or other attachment — pins, retainer hardware, wear

**Important:** An operator who notices a deficiency must report it immediately. The machine must not be used until the deficiency is corrected OR a supervisor makes a documented decision that it is safe to operate. “I did not notice” is not a defence in an MOL investigation.

## 2 The 5 things that get contractors fined

The Ministry of Labour conducts site inspections with or without advance notice. When an incident occurs, inspectors attend immediately. These are the five violations they find most commonly on small contractor sites — and what they cost.

- 1 No pre-operation inspection records**

The most common. An inspector asks for your inspection log. You cannot produce one. Stop-work order and fine. This is entirely preventable with a 5-minute daily checklist.

**Up to \$25,000 per offence (individual)**  
**Up to \$500,000 (corporation)**
  
- 2 Uncertified operator on equipment requiring qualifications**

If your operator does not hold the required qualifications for the equipment class and an incident occurs, your liability exposure is severe. Check licence requirements for every machine type you operate.

**Up to \$25,000 per offence**
  
- 3 Deficient equipment in active service**

Operating equipment with a known deficiency — documented or observed — without a written supervisor decision is an automatic violation. “It has been like that for a while” is not a defence.

**Stop-work order + fine**
  
- 4 No site safety plan for a project over \$50,000**

A surprising number of small contractors skip this because they “just do groundwork.” If the total project value exceeds \$50,000, a written site safety plan is mandatory regardless of the type of work.

**Up to \$25,000 per offence**
  
- 5 Unverified subcontractor WSIB status**

If a subcontractor gets injured on your site and was not WSIB-covered, you can be held liable for their claim. Always check clearance at wsib.ca before they start. Verbal confirmation is not sufficient.

**Back premiums + 25% penalty**

The single most impactful thing most small contractors can do to reduce their MOL risk is to implement a documented daily inspection process. It does not need to be complicated. It needs to be consistent and on paper — or better, digital with a timestamp.

### 3 WSIB — what you actually owe

WSIB (Workplace Safety and Insurance Board) is Ontario’s workers’ compensation system. Confusion about who must register, and when, is one of the most expensive compliance mistakes small contractors make.

Your situation	What you need to do
<b>You have employees (even 1 part-time)</b>	Register as Schedule 1 employer. Pay premiums on all wages and salaries.
<b>You are a sole proprietor with no employees</b>	You can opt in voluntarily — not required. But many GCs will not let you on site without a clearance certificate.
<b>You hire subcontractors for any project</b>	Verify WSIB clearance for every subcontractor before they start. If they are uncovered and get hurt on your site, you may be liable.
<b>You are incorporated (owner-operator)</b>	Executive officers are exempt but can opt in. Most GCs now require it regardless. Check your GC contracts.

#### Premium rates (approximate, Ontario construction 2025–2026)

- **General construction — grading, excavation, foundation work:** approx. \$8.00–\$12.00 per \$100 of payroll
- **Landscaping and grounds maintenance:** approx. \$5.00–\$7.00 per \$100 of payroll
- **Concrete formwork and finishing:** approx. \$7.00–\$10.00 per \$100 of payroll

#### Checking a subcontractor’s clearance status

- Go to [wsib.ca](http://wsib.ca) and use the online clearance check tool.
- Enter the contractor’s business name or account number.
- Print or screenshot the result — keep it on file per project.
- Clearance certificates are project-specific. Check at the start of each new job.

**Independent operator — the most common grey zone**

Many owner-operators believe they do not need WSIB because they work alone. Technically, an independent operator with no employees is not required to register. In practice, most general contractors in Ontario now require a WSIB clearance certificate from every person on their site regardless of employment status. Without it, you lose work.

Voluntary coverage also protects you. If you are injured on a site and you are not covered by WSIB, you have no workers’ compensation entitlement. Your only recourse is a civil lawsuit, which takes years. Voluntary premiums for a single operator are modest compared to that risk.

## 4 CRA basics for equipment owners

This is not a tax guide. It is a summary of the three CRA obligations that equipment contractors most commonly get wrong — and the one deduction most commonly left on the table.

### HST — do you need to register?

You are required to register for HST once your revenues from taxable supplies exceed **\$30,000** in any single calendar quarter, or across four consecutive quarters. Most active equipment contractors cross this threshold quickly.

- Add 13% HST to all invoices (5% GST + 8% provincial portion).
- Your HST number must appear on every invoice over \$30.
- File HST returns quarterly or annually depending on your revenue level.
- Claim Input Tax Credits (ITCs) on HST you paid on business inputs.
- Net remittance = HST collected minus ITCs. Remit the difference to CRA.

### Input Tax Credits — money most contractors leave on the table

Every time you pay HST on a business expense, you can claim it back as an ITC. This is money CRA owes you, and many small contractors do not claim it systematically because they do not track their expenses well enough.

Expense	ITC available
Diesel and fuel for equipment	Yes — 100% of HST paid
Parts, filters, fluids, maintenance	Yes — 100% of HST paid
Equipment purchase or major repair	Yes — 100% of HST paid
Tools and safety equipment	Yes — 100% business use
Meals and entertainment	50% of HST only
Employee wages and payroll	No — wages are not subject to HST

### CCA — the deduction most contractors underuse

CCA (Capital Cost Allowance) is the tax deduction you can claim each year for the declining value of depreciable equipment. It is calculated as a percentage of the asset’s undepreciated value — applied every year you own the equipment.

Equipment type	CCA Class / Rate
Backhoes, excavators, scrapers, bulldozers and other earth-moving construction equipment	<b>Class 38 — 30% per year</b>
General machinery and equipment	Class 8 — 20% per year
Small tools under \$500	Class 12 — 100% in year of purchase

**Example:** A backhoe purchased for \$95,000 in 2024 (Class 38, 30%). In year one you can claim \$14,250 as a deduction (half-year rule applies). At a 26.5% combined Ontario corporate tax rate, that is approximately \$3,776 in tax savings — in year one alone.

**Half-year rule:** In the first year you own an asset, you can only claim 50% of the normal CRA rate. Equipment purchased after November 2018 may qualify for the Accelerated Investment Incentive (effectively 1.5x the normal rate in year one). Ask your accountant.

**Quarterly HST deadlines**

Period	Due date
Q1 — January to March	April 30
Q2 — April to June	July 31
Q3 — July to September	October 31
Q4 — October to December	January 31 (following year)

## 5 Your 30-day compliance checklist

These 12 action items will close the most common compliance gaps for an Ontario equipment contractor. Work through them in order. Most can be completed in a single weekend.

1

### Implement a daily pre-operation inspection process

Choose a format — paper form, app, or checklist card. 14 items, operator signature, timestamped. Start using it on every shift starting today.

2

### Create an inspection record retention system

Folder, binder, or digital export. Project duration + 1 year minimum. Make sure records are accessible from site.

3

### Verify operator qualifications for every machine

List every piece of equipment you operate. Confirm each operator holds required licences. Document and file.

4

### Register for WSIB (or verify your coverage status)

If you have employees: confirm registration and that premiums are current. If independent: decide on voluntary opt-in and get a clearance certificate.

5

### Get WSIB clearance certificates for all active subcontractors

Log in to wsib.ca for each one. Print and file per project. Set a calendar reminder to re-check at the start of each new job.

6

### Register for HST if you are near or over the \$30,000 threshold

Check your last 12 months of invoices. If you are approaching \$30,000, register proactively rather than retroactively.

7

### Set up a system to track HST collected and ITCs

Spreadsheet, accounting software, or the NAC OS app. Every invoice out, every receipt in. This is the data your accountant needs at tax time.

8

### Identify the CCA class for every piece of equipment you own

Class 38 is most common for heavy earth-moving equipment (30%). Get purchase price and year for each machine. Give this to your accountant.

9

### Write a basic site safety plan template

One to two pages. Hazard identification, emergency procedures, fall protection policy, worker responsibilities. Customize per project.

10

### Create a certification and expiry tracking system

List every certification held by every operator. Note expiry dates. Set reminders 60 days before expiry.

**11****Set up a subcontractor file**

For every subcontractor: WSIB clearance, HST number, signed subcontractor agreement, proof of liability insurance.

**12****Review your insurance coverage**

Confirm you have commercial general liability (minimum \$2M), equipment coverage, and commercial vehicle coverage. Annual review minimum.

Completing this checklist puts you ahead of roughly 60% of small contractors in Ontario. Most violations that result in fines are preventable with basic documentation systems. The time investment is one good weekend. The cost of not doing it can be much higher.

Now that you know what you need —

## Stop building it from scratch.

The OCOS Compliance Foundation gives you every template, checklist, SOP, and document framework in this guide — pre-built, ready to deploy, in a Notion workspace your whole team can access.

- ✓ 14-item OHSA inspection template (O.Reg 213/91 compliant)
- ✓ Site safety plan template — customizable per project
- ✓ Subcontractor onboarding package (WSIB, agreement, insurance checklist)
- ✓ Operator certification tracker with expiry alerts
- ✓ COR documentation framework
- ✓ MOL inspection-ready binder structure
- ✓ Incident and near-miss log system
- ✓ Ontario compliance calendar — every deadline, every year

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