



British
Columbia
Construction
Association

BCCA Presentation to the Select Standing Committee Re: 2020 Budget Consultations June 13th 2019 – Courtenay BC

Good Morning,

My name is Chris Atchison, and I am the President of the British Columbia Construction Association.

BCCA is a provincial not-for-profit society - founded in 1969. We are the Provincial voice for thousands of employers in the Industrial, Commercial and Institutional Construction sector representing approximately 240,000 skilled tradesmen and women in British Columbia. We advocate and lead on issues that matter most to our industry.

BCCA represents both unionized and open-shop contractors. We are proudly non-partisan and we seek fairness and balance from our elected government.

The construction sector contributes to 8.6% of the provincial GDP and we greatly value the work we've done in partnership with the Province to build and maintain British Columbia's infrastructure; its workforce; and its communities.

BCCA initiated the Deputy Ministers Industry Infrastructure Forum where we play an integral role as co-chair. In addition, we provide a variety of workforce development programs highlighted by our Skilled Trades Employment Program, and our new Builders Code initiative which focuses on diversity & Inclusion in the workplace to help build "a construction industry that works for everyone", these all go hand-in-hand in strengthening our industry and province via our leadership.

Over the past year, BC's Construction Industry has faced many disruptions- creating uncertainty, stifling healthy competition, and testing the confidence of our sector. Here are some recent examples:

1. **The Union-Only Component of the Community Benefits Agreement, The BC Labour Code Review, The Environmental Assessment Overhaul, and Bill C-69** – All had little or no industry consultation before rolling out.
2. **Public Sector Procurement Practices** – the adherence to best practices remains lacking, creating avoidable risks to taxpayers and owners, and the building community.

With that said, I am here today with the request that together, we provide shared leadership for this sector in two specific and productive ways -

1. Prioritization of the Capital Asset Management Framework (CAMF) at all levels of government:

Through the Deputy Ministers Industry Infrastructure Forum, senior representatives from the construction industry and capital ministries are working together to improve public procurement processes.

The Capital Asset Management Framework (or CAMF) is a crucial and ongoing project of this partnership. This is a comprehensive document intended to aid public agencies in utilizing the best capital management practices.

Adherence to the CAMF is essential to the fair, open, and transparent procurement process that is an obligation and responsibility of government to taxpayers.

We strongly emphasize a need for the following recommendations to be met:

Recommendations:

1. **Oversight** – A call for an effective way to audit capital asset management performance across the public sector
2. **Capacity Building** - Mandatory procurement & construction training and ongoing professional development for all public servants responsible for procuring construction services over \$1 Million
3. **Sustainability** - that the BC government adopt the Capital Asset Management Framework as public procurement policy, not just a suggested guideline

The federal government and Canada's western provinces have already successfully implemented similar CAMF policies and the value is demonstrated in their budgets and project outcomes.

2. Prompt Payment Legislation:

All representatives of BC's construction industry are aligned in agreement on the following statements regarding prompt payment:

1. There is a significant prompt payment issue in BC's construction sector which places undue risk burden on contractors and negatively impacts cash flow throughout our industry and the provincial economy;
2. Payment security and promptness is a fundamental requirement of successful business operations;



Lack of prompt payment is one of the most significant issues in the Construction Sector. Ontario, Saskatchewan, Nova Scotia and the Federal Government have all passed Bills on this.

It's important to note that there are currently \$114BN worth of construction projects underway in BC and another \$261BN coming. We're booming and facing a labour shortage at a time of unprecedented low unemployment rates across BC. The estimated risk-premiums associated with Prompt Payment in BC's Construction Sector is \$4BN.

When contractors don't get paid on time, it places a financial burden on small businesses and blocks cash flow in the economy.

Solving the Prompt Payment challenge will release millions into the economy and improve cash flow for everyday British Columbians across our province. It will help small contractors (the backbone of our industry) to pay their staff and their bills and manage their business without taking on extra debt and financial expenses.

To get the right legislation it is imperative that all stakeholders are at the table and that BC watches the developments in other jurisdictions very closely.

We must work in partnership with a full-coalition government to determine the optimum solution for BC while seeking to harmonize with the prompt payment initiatives nationally.

In closing, Prompt Payment Legislation as well as embracing the CAMF as Policy on public construction projects will demonstrate leadership, instill confidence and return some certainty to an industry that is at the heart of BC's economy.

On behalf of the BC Construction Association, Thank you again for your time and consideration today.

Sincerely,



Chris Atchison

President of BCCA

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BC CONSTRUCTION STAT PACK

SPRING 2019

#1

Construction's Rank as an Employer in BC's Goods Sector

\$261B

Value of Proposed Construction Projects in British Columbia

\$114B

Value of Current Construction Projects in British Columbia

8.7%

BC Construction Industry Contribution to BC's GDP

WORKFORCE TRENDS

5-YEAR TREND

25,432



Number of construction companies in BC (92% have less than 20 employees)



14%

242,500



Number of employees in BC's construction sector



21%

180,300



Number of construction trades workers in BC's labour force



NEW

\$61,202



Average yearly wage of BC construction employees (\$14.8B cumulative yearly wage)



8%

7,900



Number of construction jobs in BC that will be unfilled due to labour shortages by 2028



70%

1 IN 45



BC high school grads enter construction trades programs within 1 year of graduation



21%

95%



Percentage of the construction trades workforce in BC that is male



NEW

BC CONSTRUCTION ASSOCIATION PROVINCE-WIDE EMPLOYER SERVICES:



For more insight, visit us at www.bccassn.com/stats

BCCA Programs & Services



BCCA Integrating Newcomers

Funded by Immigration, Refugees and Citizenship Canada, BCCA-IN facilitates the economic and social integration of immigrants approved for entry into Canada. BCCA-IN can support individuals before they arrive in Canada by helping to assess skills, find information about working and living in Canada and connect with employment services and supports.

Funded by:



Immigration, Refugees and Citizenship Canada

Financé par :

Immigration, Réfugiés et Citoyenneté Canada



BCCA Employee Benefit Trust

BCCA Employee Benefits is a provider of flexible and cost-efficient employee benefits to the construction industry in British Columbia. We know healthy, productive employees ensure a smooth running business.

As a not-for-profit, surpluses go back into the program and we are governed by a board of trustees representing the construction industry. We offer tailored benefit solutions to companies of all sizes and budgets.

SKILLED TRADES EMPLOYMENT PROGRAM



Skilled Trades Employment Program (STEP)

The Skilled Trades Employment Program (STEP) launched in 2006. From the start, STEP has focused on finding motivated, trained, and ready to work candidates for construction employers with jobs to fill. STEP has evolved into an essential and sophisticated HR matching service for BC's construction employers and it remains a vital part of skilled workforce planning.



Funding provided by the Government of Canada through the Canada-British Columbia Workforce Development Agreement.



Builders Code

Builders Code

The Builders Code is a standard code of conduct for workers on construction sites in BC. It defines an "Acceptable Worksite" as the starting point for reducing risk and ensuring a safe and productive environment for all workers.

The Builders Code is an initiative of the Construction Workforce Equity Project.



Funding provided through the Canada-British Columbia Labour Market Development Agreement.

For more information, visit www.bccassn.com