

The BC CONSTRUCTION MONITOR

CONTENTS

Construction Industry Priorities
Party Positions Contrast Sharply
Building Trades Favouritism

ELECTION 2020

An Election No One Wants, and a Leadership Void



Chris Gardner
ICBA President

A second wave of COVID-19 infections is upon us, and in many parts of Canada harsh shutdown measures are being re-imposed. Fear and uncertainty are at a level not seen since the spring.

A provincial election now? Why? It's a question that John Horgan has been unable to answer to anyone's satisfaction. Early next year, conceivably, a vaccine or vaccines may be available. So it's reckless that people are being asked to vote just as infections are spiking, and when they

are worried about their jobs, and anxious about their kids' safety as they settle back into school.

Given the sacrifices we and our families have all made in our personal and working lives, it's hard not to feel a great deal of frustration and even anger at the timing of this election. As we go to print, full election platforms are still being released. But when we assess what needs to be done against the track records and stated positions of the three main parties, it's hard not to conclude that the construction industry needs a change in Victoria.

The BC Liberals' pledge for a one-year PST pause, and a longer-term rate reduction, offers immediate and

meaningful relief to consumers and small businesses. For a home purchase, it will eliminate a significant cost that is layered in many times over, and will make a difference to 2021 housing starts and affordability.

The pledge to allow competition and choice in auto insurance is also highly welcome.

The NDP has singled out construction for particularly unfair treatment with policies that freeze-out open shop contractors, who employ 85 per cent of construction workers, from major government projects.

In this edition of the *Monitor*, we provide some perspective on why a different approach is badly needed in Victoria.

Strong Objection to Opportunistic Election Call

58% Call it Unnecessary and Cynical

28% of NDP Supporters

Angus Reid, Oct. 1-3

On the day of the election call:

- B.C. had the most active COVID-19 cases per capita in Canada
- New cases were spiking
- Social contact restrictions had been re-imposed

"He is leaving British Columbians without a functioning government at a time when people needed leadership most."

– BC Liberal Leader Andrew Wilkinson

"What John Horgan appears to want is absolute power, absolute obedience and no accountability for the decisions he and his government make."

– BC Green Leader Sonia Furstenau

New COVID-19 Cases in B.C. on Sept. 16: 183

Maximum New Cases in Any One Day May-July: 52

BC COVID-19 Dashboard



Construction Industry Priorities: The Path to Recovery

ICBA is continuously in touch with its construction contractors and other members, giving us a clear sightline on their opportunities and needs. We've identified government actions under six themes that will be key to filling construction order books, and to ensuring our sector can make the biggest contribution possible to B.C.'s post-COVID-19 recovery. Find our full election call-to-action and other resources at: icba.ca/election.



Safe Communities & Workplaces

Maintain the protocols that have allowed construction to keep operating safely, while assisting with personal protective equipment procurement as needed.

ONE: Number of 'Allowed' COVID-19 WorkSafeBC claims in Construction Industry (to Sept. 30)



Tax & Regulatory Burden

Get independent recommendations on the modernization of B.C.'s tax system, while thoroughly reviewing other regulations – with a focus on cutting those that get in the way of a fast economic recovery.

50% Higher: B.C.'s Business Income Tax Rate Compared to Alberta's



Responsible Resource Development

Speed up project reviews and permitting; ensure Indigenous partnerships in projects; seize natural gas opportunities; and invest in the long-term health of our forest resources.

5,500 JOBS: Peak Construction Employment Expected on TMX Expansion Project (Government of Canada)



Housing Affordability

Reduce municipally driven housing-construction costs and delays; build non-market housing on government-owned land; better incent the private sector to build affordable and rental units; and plan for anticipated growth in major urban centres.

26% of the Cost of a New Vancouver Apartment is Accounted for by Taxes and Fees (Urban Development Institute, May 2018)



Infrastructure

Get better value for tax dollars by ending building trades union-only restrictions on public projects; tender the projects that will deliver the most jobs now; and focus on growth-supporting transportation infrastructure (with federal support), along with broadband and wireless.

Project Value that Maximizes Widely Dispersed Jobs and Spinoff Benefits: \$5-\$50M












Skills Development & Training

Make apprenticeship available where and when needed throughout B.C.; broaden credential recognition and offer multiple training pathways; use online and other training methods; and engage with the whole construction industry on workforce diversification.

82%: Construction Apprentices Employed in Open Shop Sector

Party Positions Offer a Sharp Contrast to Voters

			
 <p>Creating Jobs, Attracting Investment</p>	<p>Hiked taxes by >\$6B, making it more expensive to hire employees, own a home and drive to work. Added regulatory complexity to crucial processes such as environmental reviews.</p> <p>✗</p>	<p>Strong record of tax and red tape reduction. Proposed PST pause will create savings for individuals and small businesses. Has called for moratorium on new regs and policies that would add costs for B.C. businesses.</p> <p>✓</p>	<p>Consistently voted for NDP budgets and tax hikes, while proposing even more economically harmful measures such as a home-equity tax. Called for continued carbon tax increases during pandemic.</p> <p>✗</p>
 <p>Energy & Resource Development</p>	<p>Generally opposed to the responsible development of our energy resources – missing opportunities to super-charge our pandemic recovery. Continues to field candidates actively opposed to resource development.</p> <p>✗</p>	<p>Strong commitment to advancing resource development opportunities and to reviewing red tape and regulatory barriers in all natural resource sectors.</p> <p>✓</p>	<p>Consistently hostile to major projects and resource development, including Site C Clean Energy Project – on which much of B.C.'s carbon-reduction hopes rest – and coal-displacing LNG. Wants no further economic support for conventional energy industry.</p> <p>✗</p>
 <p>Public Procurement <i>See also back page</i></p>	<p>Public spending on major infrastructure projects is being funneled to the party's trade union allies, at great cost to taxpayers.</p> <p>✗</p>	<p>Has consistently used and supported open and equitable tendering on public projects, and will cancel current NDP policy.</p> <p>✓</p>	<p>No discernable policy.</p> <p>?</p>
 <p>Massey Tunnel Replacement</p>	<p>Canceled, delayed and dithered, wasting \$100M in the process. Project has been delayed by 10 years, and cost and environmental impact are unknown.</p> <p>✗</p>	<p>Initiated a 10-lane replacement bridge which was poised for under-budget completion in 2022. Would immediately re-start this project if elected.</p> <p>✓</p>	<p>Supported NDP in sending the bridge into limbo. Leader called the replacement crossing – with its relief for the tens of thousands of motorists who use it daily – a “stunt”.</p> <p>✗</p>
 <p>Labour Relations</p>	<p>Pursued questionable review of labour relations policy, and will eliminate the worker's right to a secret ballot if NDP get a majority.</p> <p>✗</p>	<p>Supports a balanced Labour Code. Held the line against “card check certification” and ensured workers get to make this important choice through a secret ballot.</p> <p>✓</p>	<p>Supported the BC Liberals in preventing elimination of the secret ballot.</p> <p>✓</p>
 <p>Trades Training</p>	<p>Have failed to invest sufficiently to address shortage of training spaces, while committing to restrict entry into trades training through “compulsory trades” designations.</p> <p>✗</p>	<p>Advanced training investments and modernization – consistent with both the desire of trainees for flexibility, and with the diminished role the building trades have in training.</p> <p>✓</p>	<p>No discernable policy.</p> <p>?</p>

Building Trades Favouritism: An Affront to Fairness

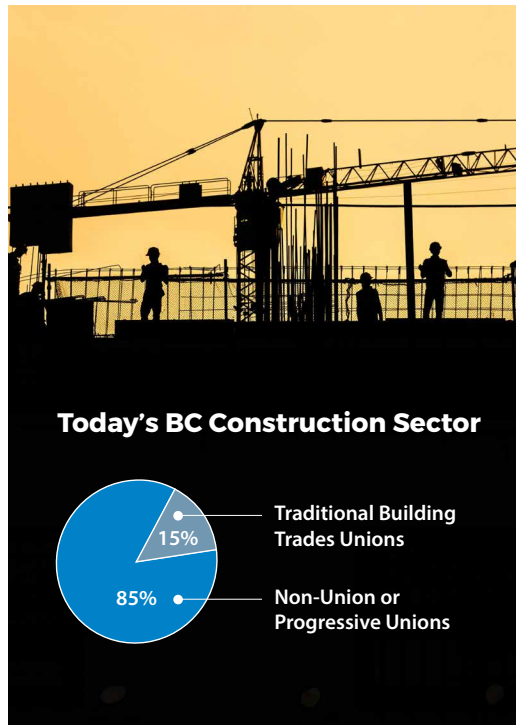
One of most offensive of the Horgan government's policy failures is its insistence on a return to 1990s-style building trades union-only procurement for many major construction projects. ICBA is part of a broad coalition that is challenging this discriminatory and rights-violating policy in court.

To work on specified major public projects an open shop construction contractor faces costs, complexity and confusion:

- Employees must quit their jobs, leave behind their benefits, and be hired by a new government agency
- They must join one of the Building Trades Unions for as long as they work on the project
- Open shop contractors must request their employees to work on the project through the government agency – they may not get them
- Open shop contractors are bound by a complex master agreement between the Building Trades and the NDP government

Despite the fact that:

- 85% of B.C. construction workers have chosen not to be represented by the Building Trades Unions
- They and their employers have had no role in negotiating the relevant master agreement



Shivendu Shukla on Unsplash



The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.

ICBA is proudly supported by our Builders' Circle Partners:



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Victoria Times-Colonist editorial, July 27, 2018



Mike Smyth commentary in The Province, August 16, 2018

Projects to Which This Applies	Resulting Cost Escalation
<p>Pattullo Bridge Replacement</p> <p>Broadway Subway</p> <p>Various Highway Upgrades</p> <p>To be applied "wherever possible" if NDP re-elected</p> <p>76.8% of British Columbians say this is not in their interests (Mainstreet Research, April 2018)</p>	<p>Fewer contractors bid, and work becomes slower and more complex – less value for money</p> <p>Labour costs ↑nearly 40% on 1990s Island Highway Project, despite reduced project scope</p> <p>Known cost escalation to-date on current projects: \$384 million</p> <p>Cost to taxpayers to set up new Crown agency: \$20 million</p>