



DATE: August 2023
TO: CCA Board of Directors
FROM: Mary Van Buren
RE: Summary of Partner Reports – Q2 2023

In preparation for the Canadian Construction Association's September Board meeting, our partner associations provided summary reports with key updates and insights into the current issues and opportunities in their regions. We appreciate the time and care they take to put these reports together. Below is a summary of their reports. ([link](#) to the individual reports)

While there are many outstanding initiatives, I would like to call to your attention some of the potentially lesser known ones, such as:

- SKCA's amalgamation/alignment efforts, which are leading to increased member and government relations impact
- BCRB's environmental credit program to launch later this year; and
- CANB's efforts culminating in a provincially funded Online Skilled Trades Centre of Excellence

Common Themes

A) Mixed Industry Outlook

- BCCA is seeing an overall increased risk profile for business
- BCRB: road building and maintenance plus the heavy construction contractors, are having a strong 2023, and the industry remains strong as we enter the second half of the year. The BC government has committed to continue with their long-term investment plan for infrastructure as well as investing in the rebuild of the flood ravaged highway system, with a focus on more resilient infrastructure moving forward. This re-construction work on highways 1 and 5 is happening now.
- Alberta: Following a 6% increase 2022 over 2021, building permit values declined by 8% from January 1 2023-May 2023 compared to the same period last year, while Commercial permit values continue to show strong growth. Membership has rebounded slightly, although still down 55 members vs Q2 2022
- According to Statistics Canada, Manitoba building permit values for the YTD to the end of March is about 5% higher than last year. Total residential permit values are up by 8% and non-residential construction permits are down about even to last year. Of note, single dwelling residential is down by 28% and institutional permits are up by 146% compared to last year at this time.
- SKCA: In 2021, Saskatchewan construction associations began their "Lean In" journey to improve operational efficiencies and link staff into one cohesive unit. This has resulted in increased impact, including the defeat of the fair wage policy on construction projects, removal of the additional 10% performance holdbacks on some projects, and a welcome review by the provincial government of crime on construction sites. The next steps in this journey are to continue to refine governance, legal and financial considerations.
- Winnipeg is on track in commercial; residential has grown:
 - The **City of Winnipeg** permit report for April 2023 shows an overall similar start to the year as last year, however it appears that the residential sector (specifically the apartment construction) has rebounded and is offsetting a reduction in ICI permits. Apartment permit values are 145% higher than last year YTD. The non-residential construction sector permit values are 53% lower than last

- year. Institutional permit values are up significantly (2761%) compared to last year however that is offset by a reduction in all other categories in the non-residential sector.
- In May 2023, WCA hosted 258 projects which is a recent record for number of hosted projects in that month. To date, Buildworks has hosted 1017 project which is more than the five-year average of 975.
 - BuildCast is the WCA pre-bid information service which accumulates information on confirmed and potential projects to happen in Manitoba in the next 5 years. We are currently tracking 1177 projects potentially worth between \$21.5Bn and \$30Bn. WCA members receive a weekly update on new information on projects in the pipeline.
 - Investment in Nova Scotia building construction increased 13.6% in May 2023 compared to the prior month. To date, the non-residential construction sector decreased by .9% vs January-April 2022. However, it rose y 13.8% in the city of Halifax and declined by 20.1% outside of Halifax.
 - NS RB are having a very busy year, lots of work and members are working hard to get everything completed on time.
 - After a slow start for the NBRB due to poor weather conditions, there is plenty of work with provincial federal and municipal governments.
 - CAPEI membership growth remains solid

B) Advocacy/Legislation

- To address challenges around payment, permits, or procurement, BCCA has published a new Construction File: *Supplementary Conditions and Standard Construction Documents: Guidance for General Contractors and Trade Contractors* and a “**Supplementary Conditions**” tip sheet to complement the BCCA “**Read your Contract**” tip sheet as a new resource for employers. Our top priorities are not shifting but they are becoming even more urgent as the climate for construction becomes increasingly risk-laden:
 - Prompt Payment Legislation
 - Labour Costs and Shortages
 - Public Sector Procurement Practises
 - Contract Terms
- BCRB priorities include:
 - Advocate for **increased and sustained investment** in resilient core infrastructure. This includes educating the public on the benefits of predictable and consistent infrastructure investment.
 - Provide ongoing participation with all owners on **improved procurement practices**, with the ambition to work with the relevant regulatory stakeholders on implementing a procurement process that maximizes value for the project and rewards continued innovation.
 - Identify **key data points** and use this information to develop systems that track and report on trends within our industry. Then effectively communicate these data insights and incorporate them into focused advocacy campaigns and programs.
- ACA advocacy priorities are to address risk in GoA contracts, extend prompt pay to Public Works ensure that there are no carve outs on major projects for prompt payment. ACA Chair and CCA Board Director Trevor Doucette serves on AB Infrastructure Industry Liaison Council.
- Manitoba: Provincial election October 3 '23
 - **Building Code 2020 Adoption** – The Province has announced they will put the Building Code Regulation out for a 21-day consultation starting June 5
- MHCA
 - Together with 8 partner business associations is holding a Party Leaders’ Forum on Growing the Economy. MHCA has engaged media consultants for public messaging on provincial priorities

- Significant progress on the Canadian Trade Infrastructure Plan has been made, in partnership with CCA and other organizations resulting in endorsement from Premiers at their July meeting. Next step is a website and advocacy campaign.
- Winnipeg:
 - City Council has approved multi-year financial plan that includes dedicated taxes to local and regional street renewal to 2027; will also include funding bridges, tree canopy renewal, active transportation facilities
 - City has hired independent consultant to recommend next steps for department to set out process for specification changes, including review of use of recycled concrete aggregates as a roadbuilding material
- Ontario:
 - Former city councilor and MP Olivia Chow has become the next mayor of Toronto. She steps into the top spot as the City of Toronto grapples with a massive budget shortfall, an affordability crisis and public safety concerns. Among her headline commitments is a pledge to get the city back into social housing development and an annual \$100 million investment in a program to purchase affordable homes and transfer them to non-profits and land trusts.
 - The Ontario government has announced a plan to dissolve Peel Region and make Mississauga, Brampton and Caledon independent municipalities. The OGCA met with the Region to ascertain how this announcement was going to affect ongoing and future work in Peel.
- OGCA is working on the WSIB rate groups and how they are adversely affected by Transition Rates, since those contractors paying more, are actually better contractors that are making up the differential transition between excess increases and decreases for the entire category. Transition rates add and escalate above the average performance for the sector. At the time of writing, the WSIB and CEC have not yet met to address this matter.
- OSWCA is working with a group of construction associations to encourage the province of Ontario to adopt the Conflict Avoidance procedure, presently being used on UK transit projects, into the Construction Act as part of its five-year review of the Act. Many municipal contracts are moving in favour of RFQs/Ps. OSWCA has addressed a number of problematic tenders over the years. A memo with what to watch out for will be circulated.
- Atlantic Road Builders had a productive meeting and will meet again in the fall. One issue they are collaborating on is hours of service and electronic log devices, and specifically, the wording which could affect our members in infrequent daily short hauls.
- NSRB: we have brought back industry and government in person roundtables. One key issue is the fuel price increase by 14 cents a litre for regular and 17 cents for diesel. We expect this to have a negative impact on the economy over time. Our efforts to have the Province make a fulsome review of our Workers Compensation Program are paying off, with an announcement expected shortly.
- PEIRB: The environmental protection order on shoreline development prohibits new development in the buffer zone and associated erosion control activities in the watercourse and/or wetland boundary. Some development is still allowed with a permit, including:
 - critical infrastructure repair and protection,
 - repair to existing erosion control structures damaged by Hurricane Fiona,
 - provincial or federal erosion control structures required for the protection of public infrastructure,
 - projects which receive a provincial environmental impact assessment approval,
 They are requesting the Minister of Environment lift these restrictions, as many Islanders who did not have shoreline protection previous to Fiona - would like to protect their land.

C) The adoption of prompt payment legislation remains a priority and we are seeing progress

- In May, the B.C. AG Ministry staff were given approval to convene a working group to consult on the creation of Prompt Payment Legislation. Welcome news however still very slow moving and lagging far behind other jurisdictions
- **Manitoba: Bill 38 The Builders’ Liens Act (Prompt Payment) Act** – Bill 38 has received Third Reading and Royal Assent. Next steps will be the development of the required regulations and the adjudication body.
- NB is pleased to announce that BILL 42- construction prompt payment and adjudication act received Royal Assent on June 16th. CANB’s goals are to be adjudicator and secondly that all construction contracts be included within the legislation

D) The shortage of skilled labour and innovative programs using technology to attract students

- BCCA is developing a new campaign targeting BC construction employers affiliated with us either through our Programs (BidCentral, STEP, Builders Code, Building Builders, BCCA-IN, LNG Canada Trades Training Fund and Connect) or our RCA membership network (VRCA, VICA, SICA, NRCA). The campaign will provide these employer groups exclusive and FREE access to the over 5,000 applicants gathered through the Builders Life Campaign, which was originally created to support the BCCA Apprenticeship Services Program, in our ongoing efforts to solve the skilled workforce shortage in British Columbia’s construction sector.
- BCCA is partnering with the VRCA to co-host the first ‘Career Connector’ on August 15th which will bring job seekers from the Builders Life Talent Pool together with employers from the VRCA membership. The program has also paid out over \$8M in apprenticeship grants. They are also in talks with SICA, VICA, and NRCA to host multiple regional events.
- BC civil sector is experiencing labour challenges like the rest of Canada, several major projects such as the Site C dam and the Trans Mountain Pipeline are getting closer to completion, which will see a large pool of labour moving to other projects.
- BCRB is launching a Province wide, [Talent Attraction Program](#), starting in Q1 2024. centered on innovative simulator technology, housed in a mobile trailer. Our intent is to bring increased attention to the career opportunities in our industry. **Align capacity with industry demands** and workforce development:
 - Invest in industry initiatives and **media campaigns** to promote the industry and attract diverse talent.
 - Provide additional **Indigenous engagement** education to our member companies.
 - Expand the BCRB&HCA **Scholarship Program** to attract more young people to the industry.
- OSWCA is discussing partnership opportunities with BuildWitt, a US-based social media organization whose mission is to help heavy civil contractors attract, train and keep the next generation of workers.
- WCA, with industry partners, met with and obtained a commitment from the Provincial Government to establish a Working group to identify training and education needed to elevate people from unemployment to construction careers.
- Thanks to CANB’s efforts, the Department of Early Education and Childhood Development has agreed to establish an online Skilled Trades Centre of Excellence. It will begin in September 2023 and CANB will be one of the founding partners.
- CANB has partnered with multiple organizations to present a project called “Building Innovative Pathways to support Immigration into the Construction Workforce in New Brunswick. Using the “100 day challenge” model, they are going to actively develop and test innovation solutions through UNB’s Pond Deshpande Centre.
- NBRB: The trailer will be going to Perth Andover & Grand Falls in the fall, Saint John in the winter of 2024 and Moncton for fall 2024. The trailer is being used to full capacity and they are pleased with the results.

- Early in the pandemic CANS joined the Construction Safety Coalition. One of the main focuses has been to reduce workplace injuries from falls, with time loss claims growing by 50% from 2021 to 2022. An awareness campaign was launched, targeting employers and workers, with a goal of educating both parties about their responsibility in making sure people are working safe at heights. For more information, visit: <https://tieoffs.ca>
- CAPEI: Virtual reality units in every high school in PEI continue into 2023 and Junior Highs for 2023/2024. TradesCan continues to grow provincially and nationally
- The PEI Road Builders purchased (with funding partners) the **Vortex Edge Max**, a piece of equipment that simulates 6 pieces of heavy machinery (excavator, dozer, wheel loader, backhoe, grader, ADT - articulated dump truck). Our goal is to expose high school students to our industry as a viable career option. Be it a pathway to higher education or to immediately work in the industry. With this simulator, the Association will be entering into our second-year partnership with the Department of Education and the *Essential Skills Achievement Pathway (ESAP)* Pilot Project. This program will be in 2 high schools this year, and if successful, 10 high schools next year. The ESAP is a skills-based pathway to graduation. The Association is also pursuing a partnership with another educational institution in hopes of developing a Heavy Equipment operators' program with funding partners. They hope this program will evolve and become a stepping stone for the *Essential Skills Achievement Pathway*.

E) Housing is emerging as an issue

- Premier Eby continues a focus on building housing in BC without meaningful collaboration with the construction industry
- CD Howe Institute conducted research on affordability of housing in Ontario. One area is the expense of water and wastewater costs, with an eye toward recommending that the province mandate that municipalities move to a utility pricing mode (full cost pricing/recovery) for their water & wastewater infrastructure. OWCA is joining CD Howe and will sit on their advisory Board for this study.
- CAPEI has expanded its Training Centre to build Net Zero ready tiny homes in partnership with their provincial Government, which will help with the housing shortage and create entry level skills training

F) Social Procurement concerns continue although less prominent than previous quarters

- According to the OSWCA, there has been a recent spike in municipal adoption of social procurement requirement into their capital contracts, particularly in the form of targeted hiring and sub-contracting obligations. The City of Toronto has finalized their procurement specs and the City of Ottawa is working towards establishing a program. Several other municipalities have put programs in place, largely to meet requirements for federal funding of municipal infrastructure projects.

G) Greening of the industry is becoming a core focus area

- BCRB: This fall, they are launching a GHG measurement and reduction platform for their members to use. They have engaged world-leading consultants to explore the potential of the association working with members to generate verified carbon credits which can be traded in exchange for monetary compensation, allowing the purchase of new equipment and innovative processes, to go above business-as-usual practices.
- CAPEI is a member of the Provinces Net Zero Advisory council