

CLR CONNECTOR

MEMBERSHIP NEWSLETTER

FEBRUARY 2022



CONSTRUCTION LABOUR RELATIONS ASSOCIATION OF BC

CLR CONNECTOR FEBRUARY 2022



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MESSAGE FROM CLR'S PRESIDENT

CLR Members,



Welcome to the February edition of the CLR CONNECTOR.

To kick off the new year's series of our periodical communications to our members, we are pleased to present you with some fresh industry news, analytics, upcoming CLR events and updates from our partners.

As many of you are aware, 2022 is a significant year in the labour relations cycle: a new round of bargaining is starting for CLR and the Bargaining Council. As we are navigating you

through the bargaining process, we strongly encourage our members to follow CLR's regular communications and special alerts. As you may have noticed they now come from separate accounts: we use <u>CLR-Info</u> to provide you with our regular informational updates, including our COVID-19 situation newsletter, CONNECTOR and CLR Council Corner. The newly introduced <u>CLR-Alerts</u> will be your channel to receive our top priority messages, such as bulletins, changes to employment laws, WorkSafeBC updates, government updates and public orders. In addition, we use <u>CLR-Events</u> to notify you of what we are planning in terms of educational programs, informational sessions or – if the situation permits – some exciting personal gatherings.

In this issue you will find detailed information on the new episode of CLR's Speaker Series that will specifically address one of our core service offerings – the bargaining protocol. We encourage you to participate in this virtual event, which we hope will provide valuable insights into the bargaining process and how employers can contribute and ensure their interests are communicated.

Evolving economic and public challenges that we as an industry continue to face will undoubtedly take some central spots in our ad-hoc communications and periodicals. As you review the economic outlook articles we have prepared for this edition, and learn more about future trends, some recurring topics will come as no surprise. With growing inflation rates, consistently high demand in the labour market, and supply chain issues continuing to hit the economy, the labour market trends will likely appear even more critical than before. We want to urge you once again to take seriously the <u>Labour Market Study</u> we have been consistently communicating about and encouraging you to take part in. When the new reminder comes to your inbox – please, take the time to provide your input into this critical provincial initiative. We thank those of you who have already done so and contributed your organization's data into the labour market study pool.

We sincerely appreciate your cooperation on this strategic initiative that is crucial to the future of the construction industry in B.C.

We hope you enjoy the February CONNECTOR. As always, we look forward to hearing from you. Any questions, comments or ideas are welcome!

Stay safe,

Ken McCormack. President and CEO



CLR NEWS

MEMBERSHIP SURVEY LAUNCHES IN MARCH



Around this time of the year, it has become our tradition to ask our members' opinion on how we have done and what we could do better to continue serving your interests.

Recently we launched our brand-new website, which we hope offers you an improved user experience, engaging and relevant content and reflects the CLR brand culture in a more consistent and exciting way. That said, we are excited to learn what YOU think of the CLR website, and as such we have prepared a group of questions specifically targeting your experience.

As always, we look forward to hearing your honest feedback that will help us continuously develop our services and programs to provide you with the best and most comprehensive member services.

At the end of the survey, you will be offered an opportunity to enter the draw for a chance to win a

\$ 500 AMAZON GIFT CARD

Check your email in the coming weeks for a survey link!

THE CLR SPEAKER SERIES: EPISODE 2 "BARGAINING PROTOCOL EXPLAINED"



We are excited to continue the CLR's new initiative, a series of speaker events discussing construction industry opportunities, challenges, trends and immediate concerns – a variety of topics that matter most to you as a construction employer.

Our next episode will host an important discussion explaining the Bargaining Protocol and the Bargaining Process.

CLR has the staff expertise to lead bargaining for employers, but it is a considerable advantage to employers to understand the process and where they can contribute and ensure their interests are communicated.



Come join us at this virtual event with our in-house experts:

Paul Strangway, Senior Director, Labour Relations



Tiffany Chung, Director, Labour Relations



Mark your calendar for Thursday, February 24th, 10:00-11:00 AM.

This event is exclusive to the CLR Members. Please follow the <u>link to register</u>.

LABOUR & ECONOMY

2022 FORECAST IS BRIGHT FOR CANADA'S CONSTRUCTION SECTOR



While economic recovery from the COVID-19 pandemic is underway in Canada, supply chain disruptions and labour shortages have added to challenges felt across most industries, and the construction sector is no exception.

The good news is that investments bounced back in the sector for residential and non-residential construction after a slowdown early into the pandemic.

According to the <u>Canadian Construction Outlook: Q4 2021</u> report from global property consultancy company Jones Land LaSalle (JLL), the value of new building permits hit a peak of over \$11 billion in the second quarter of 2021. The report states that the surge was a result of increased investment in the residential sector (all types of housing, due to low interest rates and increased demand for space); the industrial sector (which had 36 million square feet of space under construction); and investment in new office buildings (largely projects started up in Toronto, Montreal, Vancouver and Ottawa, prior to the pandemic).

According to an update in <u>GlobalData's Q3 2021 report, Construction in Canada – Key Trends and Opportunities to 2025</u>, Canada's construction sector is expected to grow by 6.5% this year.

In 2022, there will be plenty of work available for the construction sector but some of the challenges from 2021 will carryover. One of those biggest challenges will be disruptions within building materials supply chains.



Throughout the pandemic, disruptions within the supply chain have led to building material shortages during a spike in global demand for materials such as lumber, steel, aluminum, copper and various plastics for construction building materials.

According to the JLL report, shipping containers coming across the Pacific Ocean have been taking an average of 73 days to get to their final destinations, opposed to 20 to 30 days prepandemic. In addition to delays, shipping costs have been, in many cases, 300to 400% higher than what they were before the pandemic.

JLL expects building material shortages and shipping costs should stabilize in 2022, resulting in more normal price variations.

The continued challenge of labour shortages within the construction industry will be another major hurdle in tackling the many residential and non-residential projects that are available and underway throughout 2022.

As stated in the <u>Deloitte's 2022 Engineering and Construction Industry Outlook report</u>, one of the factors compounding labour issues is a lack of qualified candidates, as the industry undergoes a technological shift and demand for data engineers, data scientists, coders and developers increase.

"The penetration of digital technologies requires workforce optimization both in terms of skills needed to perform the job and the knowledge of digital technologies such as digital twins, smart project management, and connected construction," the Deloitte report says.

<u>The HUB construction outlook</u> cited BuildForce Canada data that said, "by 2030, the average Canadian construction worker will be 42 years old, and young people aren't lining up to work in construction."

"Over the next decade, firms need to recruit nearly 310,000 construction workers to replace those retiring and to meet demand; one report estimates the industry could be short 81,000 workers by 2030," the outlook stated citing Canada Immigration News.

B.C. Major Projects 2022

Amongst major construction projects in B.C., the following four represent some key investments in the industry:



Fraser Health Authority has issued the request for qualifications for a new \$1.66-billion hospital and cancer centre in Surrey, B.C. The facility will feature 168 in-patient beds, a surgical/perioperative suite with five operating rooms, four procedure rooms, an emergency department with 55 treatment spaces, and virtual care options in all clinical service areas.

Construction continues on BC Hydro's massive \$16-billion Site C Clean Energy Project. The project's expected completion date is currently scheduled for 2025.







B.C.'s Ministry of Transportation and Infrastructure announced that the replacement for the George Massey Tunnel on Highway 99 will consist of an eight-lane immersed tube tunnel at a cost of

approximately \$4.15 billion. The province is in the process of getting the environment assessments underway. The project is expected to be completed in 2030.

Work on the \$837-million Trans-Canada Highway project between Kamloops, B.C. and the Alberta border continues through 2022 with nine projects across the 430-kilometre section of the highway.



Read more:

2022 Forecast: Endless opportunity - On-Site Magazine

Canadian Construction Outlook: Q4 2021

GlobalData's Q3 2021 report, Construction in Canada - Key Trends and Opportunities to 2025

Deloitte's 2022 Engineering and Construction Industry Outlook report

The HUB construction outlook

LABOUR FORCE SURVEY



December's <u>Labour Force Survey</u> results issued by Statistics Canada show a +55,000 increase in total jobs. That is a year-over-year gain of +4.8%.

Manufacturing's net jobs figure in December was +10,000. Construction did better at +27,000. In November, Canadian housing stats climbed above 300,000 units seasonally adjusted and annualized (SAAR).

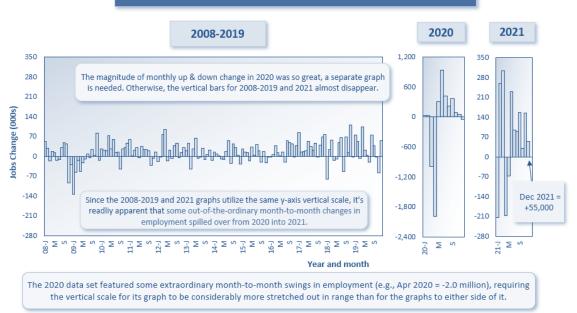
Canada's overall +55,000 gain in total employment was a result of full-time jobs rising by +122,000, and part-time jobs retreating by -67,000.

December notwithstanding, Canadian part-time jobs are now +6.0% y/y, beating the performance of full-time jobs, +4.5% y/y.

Quebec is the province with the lowest seasonally adjusted unemployment (SAU) rate, 4.6%. Not far behind are Manitoba, 5.2%; British Columbia, 5.3%; and Saskatchewan, 5.4%. The SAU rates for Ontario and Alberta are 6.0% and 7.3% respectively.







Source: Payroll Survey, Statistics Canada / Chart: ConstructConnect - CanaData

Learn more:

https://canada.constructconnect.com/canadata/forecaster/economic/2022/01/u-s-and-canadadecember-jobs-reports-dodged-omicron-shock-waves

Business Council of British Columbia | OPINION: B.C.'s worsening... (bcbc.com)

PUBLIC ENGAGEMENT ON SKILLED TRADES CERTIFICATION IN BRITISH COLUMBIA

By 2031 B.C. can expect approximately 85,000 new job openings for workers in trades occupations. In addition, B.C.'s Labour Market Outlook forecasts that nearly 80% of the more than 1,000,400 job openings over the next decade will require workers to have some level of postsecondary training, including apprenticeships. We are already seeing increasing levels of skills needed in the trades, with rapid technology changes, automation and new occupations being driven by emerging sectors, such as, the clean economy.



As government, in partnership with the Industry Training Authority (ITA), begins implementing Skilled Trades Certification, trades workers, employers, industry, training providers, Indigenous communities and other partners were broadly engaged to better understand potential challenges and opportunities presented by Skilled Trades Certification.



Through a series of one-on-one meetings, virtual roundtable discussions and an online survey, a number of consistent themes emerged about how government can enhance our existing trades training system and make sure Skilled Trades Certification is effectively implemented:

Exploring more flexible learning options, such as, digital and remote instruction, as well as evening and weekend classes so that apprentices can continue to work and stay close to their families and communities while learning.

Making sure there are enough training seats available to keep up with increased demand, and waitlists are kept to a minimum.

Providing opportunities for early exposure to the trades so that more young people choose a career in the trades to replace retiring workers.

Ensuring a range of supports are in place to help currently uncertified workers successfully challenge exams – especially for older workers and those who have a first language other than English.

Enhancing outreach and education on available supports, so that workers and employers can easily get help with certification when and where they need it.

Continuing to make trades education welcoming, inclusive and culturally relevant.

To access the full report, visit: <u>WHAT WE HEARD: Public Engagement on Skilled Trades Certification</u> in British Columbia. January 2022.

MENTAL HEALTH & SUBSTANCE USE

A KIT IN EVERY HAND

By Vicky Waldron, Executive Director, Construction Industry Rehabilitation Plan (CIRP)



A growing body of evidence indicates those in the B.C. construction industry are being disproportionately affected by the opioid epidemic. In response, Construction Industry Rehabilitation Plan (CIRP) has partnered with IUOE 115, LiUNA 1611, Finishing Trades Institute of BC, BC Building Trades, and CLR to launch the "A Kit in Every Hand" (AKIEH) initiative. As a registered Take Home Naloxone site, CIRP is able to provide take home

naloxone kits at no cost to employers. In addition to saving lives by enabling everyone in the B.C. construction industry to respond to overdoses, this project aims to:

- promote safe practices for substance users;
- reduce the stigma associated with harm reduction strategies;
- provide education and training on the use of naloxone kits;



- educate on the scope and impact of the opioid crisis; and
- increase awareness of community resources available to those who are looking to help themselves and/or others.

Through the AKIEH initiative, CIRP and their partners hope to provide training opportunities for the 35,000 members of the BC construction industry and promote community safety and support through education and resourcing. The stigma faced by those who are struggling with substance misuse and addiction often prevents them from seeking help that is available to them and leads to unnecessary loss of life. The naloxone kit training being provided to members of the B.C. construction industry not only enables them to save lives, but it helps them to understand that addiction is an illness that no one is immune to, and only as a community can we keep people safe, and preserve the lives of our loved ones, friends, and colleagues.

For information on the provincial Naloxone program, please follow the links:

BCCDC: Harm Reduction Services

BCCDC: Harm Reduction Services

BCCDC: Administration of Naloxone

BC Gov: Where can I get a Naloxone Kit?

BC Gov: Overdose Prevention & Responses in BC

INNOVATION, TECHNOLOGY, TRENDS

CONSTRUCTION TRENDS TO WATCH IN 2022



The massive shift from working in offices to working in homes has been happening for some time as technology has advanced, and the pattern was significantly accelerated by the COVID-19 pandemic.

Generally, this force – sometimes called remote work or hybrid work – is shifting work patterns for people with "desk jobs."

What's surprising is that this trend has deeply affected the real-world industry of construction too, as digital tools emerge in a new era of offsite collaboration.

Before COVID-19, remote work was very rare in construction. But this new way of working quickly proved to be essential when the pandemic forced construction professionals to adapt their processes.

Newer technologies can digitize the site and bring it to anyone, no matter where they are physically located. Hybrid work, enabled by technology will empower construction companies to bring the jobsite to stakeholders who aren't physically present, even as the pandemic recedes.

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One of the benefits of hybrid construction is that it provides project teams transparency into site status and streamlines communications (since people who aren't physically present can stay up to date visually and be empowered to make decisions).

What does this look like in practice? Visual imaging tools can serve as a single source of truth for site status, while cloud-based project management software can enable asynchronous and synchronous collaboration. Over the past couple of years, the rapid adoption of technology solutions and the ability to access this single, central place with all key information ensured stakeholders could successfully work remotely. For example, workers onsite have the ability to

store 360-degree site photos and other project information in a single location, reducing the need to travel. Project managers can easily review the status of key project elements to see whether they are done correctly, reducing the need for expensive and time-consuming onsite visits. These efficiencies, driven by digital collaboration tools powered by artificial intelligence and machine learning, power the analytics that allow companies to obtain a holistic view of their projects and extract critical data from them.



This digital collaboration also has implications for more fruitful talent acquisition, as expanding hiring beyond the geographic area of the construction site attracts a more talented and versatile workforce. Traditionally, the construction industry has been limited to a local talent market since crew members only had one option for collaboration: onsite. By shifting to hybrid construction, companies have tremendous potential to attract and retain new talent and new ideas. Remote work also helps companies put their best workers on more jobs since they save time on travel and can weigh in on decisions without being physically present.

Although hybrid work was uncommon in construction just a few years ago, the rapid and successful adoption of technology has paved the way for a new way of working. Construction firms are coming to appreciate and rely on the ease of use offered by these new technology solutions, which means they will continue to be in high demand for the foreseeable future.

TOP CONSTRUCTION RISK CHALLENGES IN 2022

Critical among challenges facing the construction industry, are shortages of everything, starting with materials and labour. They will largely impact the sector and underly the prevailing trends that will shape up for 2022.



SUPPLY CHAIN CHALLENGES PERSIST

Between the pandemic-driven shutdowns and impact of severe weather conditions in 2021, builders have been seriously affected by a shortage of materials needed to take on a surplus of projects. They should be ready for the same in 2022.

Cash flow cycles will continue to be interrupted, affecting costs, timing and project budgets. Delays due to materials shortages are leaving companies under further pressure to extend expiring builders' risk policies.



To mitigate the risks, supplier relationships, especially with local and regional resources, must be supported through regular engagement and use of backups. If possible, materials reserves should be built, while reliance on foreign-made supplies and just-in-time sourcing should be reconsidered.

THE LABOR SHORTAGE REMAINS A LONG-TERM PAIN

Over the long term, the continual shortage of construction workers may cause more stress than shortages of materials. The aging of the workforce makes the issue even more urgent.

Making construction more relevant to tech-savvy younger generations is also key given the way technology increasingly influences the industry. The growing deployment of technology with drones, robotics, Al solutions requires bringing in millennials and Gen Z who are comfortable using technology. Some companies are responding with cross-training programs, where older workers with manual skills and tech-savvy apprentices trade their knowledge.

THE PROFOUND AND CONTINUING IMPACT OF TECHNOLOGY (AND ITS RISKS)

Technology is having a transformative effect on every aspect of the construction business, a growing trend that will only continue in 2022 and beyond.

Drone use is skyrocketing, and more contractors are using automated construction robots and self-driving vehicles. Smart project management tools make scheduling and budgeting more efficient. Robots and wearable sensors improve efficiency and safety.

Keeping up may pose a challenge to some given financial burden of the pandemic. Moreover, guarding against technology's risks becomes increasingly critical, as cyber-attacks continue to grow and cost the industry.

Based on materials from https://www.constructionexec.com/

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