

BC ROAD BUILDERS & HEAVY CONSTRUCTION ASSOCIATION **2009 YEAR-END REPORT**

A) BC'S CURRENT OUTLOOK FOR CONSTRUCTION INDUSTRY

The economy is on everyone's mind these days, as both the world and North America crawl out of the deep recession that began last fall and continued through the first half of 2009.

The good news is that British Columbia's economy is on course for a much better performance in 2010, with residential investment, business investment and consumer spending all projected to increase at a healthy clip following a very weak 2009. However, the pace of recovery is expected to be muted compared to previous cycles, although the first quarter of 2010 should see a sizable boost in activity as BC hosts the Winter Olympics.

The Business Council's latest economic forecast is summarized in the accompanying table.

BC Economic Forecast
(annual % change unless noted)

	2008	2009f	2010f	2011f
Real GDP	0.0	-3.0	2.8	3.1
Employment	2.1	-2.5	0.7	2.0
Retail sales	0.3	-5.7	5.4	6.0
Housing starts (units)	34,300	15,200	20,500	26,000

Source: Business Council of British Columbia.

B) BC ROAD BUILDERS AND HEAVY CONSTRUCTION ASSOCIATION **2009 ACCOMPLISHMENTS**

GOVERNMENT RELATIONSHIPS

Ministry of Transportation and Infrastructure (MOTI)

- 1) Built on strong relationship with MOTI Minister and Executive; met with new Transportation and Infrastructure Minister Shirley Bond to discuss association priorities.
- 2) Built stronger and more cooperative working relationships with MOTI staff for both construction and maintenance sectors by having regular meetings and involving regional directors.

- 3) Worked with MOTI to get enhanced early tendering and partnered on a very successful winter driving preparedness campaign.
- 4) MOTI and GHG Committees are developing GHG emissions reduction strategies for each sector (i.e. completed best practices guide) and produced survey. Each strategy will support continued economic growth in the sectors and our industry.

Provincial

- 1) Provincial Budget – submitted position paper highlighting BCRB priorities for the year. MOTI budget was one of only two that weren't reduced even with a looming ½ billion dollar deficit.
- 2) Developed and distributed special pamphlets and cheque stuffers that highlighted the importance of continued investment in infrastructure prior to the May election (which were well-received by members).
- 3) Worked very hard to develop the special *Transportation in BC* magazine (researching articles, providing pictures, coordinating layout); great communication tool that was delivered on time and got our important messages out prior to the provincial election.
- 4) Supported several events and Independent Contractors and Businesses Association's election advertising campaign and saw the return of the infrastructure supporting Liberal government.
- 5) Supported the upcoming 2010 Winter Olympic and Paralympic Games by co-sponsoring anti-doping conference in Kamloops and supporting the HBC Gift Card Program.
- 6) Built relationships with MLAs through two separate luncheons – sent out copies of *Transportation in BC* magazine.

Partners

- 1) Construction Safety Network: continued facilitating amalgamation negotiations.
- 2) Demonstrated support for BC One Call via marketing in the Blue Book and via mailouts and by sharing our support to government officials.

ASSOCIATION

- 1) 40th Annual BC Road Builders/Ivan Hanchard Charity Golf Tournament raised a record breaking \$30K; \$25K was donated to BC Children's Hospital making our grand total of giving over \$200K! \$5K was donated to our Betty Spalton Fund to offer scholarships to students pursuing educations that will lead to careers in road building and heavy construction; two scholarships were awarded this year.
- 2) Annual Fall Conference – this event had over 400 delegates and all elements were a great success including: S&S hosted Casino Night, golf tournaments, Kal Tire Reverse Draw, Fall Dinner, sector meetings, and the tradeshow.

- 3) 2009 AGM Convention – we had over 400 guests for our annual Christmas Dinner; over 30 companies sponsored events and we had many special guests including Premier Campbell, Transportation and Infrastructure Minister Bond, several MLAs and association partners (including Michael Atkinson and Brad Greene) in attendance.

TRAINING AND RECRUITMENT

- 1) Association has reached all of its training and recruitment goals with the creation of the Foundation, HEO, Asphalt Paving/Laydown Technician and Utility Installer/Graderperson Apprenticeship Programs.
- 2) Successfully created and piloted HEO ACE-IT apprenticeship program for delivery by the Abbotsford School District and member companies (in house).
- 3) The programs have been passed on to the Industry Training Authority and Transportation Career Development Association as planned.

C) BC ROAD BUILDERS ISSUES FOR 2010

1. PERMITS & APPROVALS

Provincial / Federal Cooperation (MoE & DFO)

- Process has been getting worse; not better
- Requiring both provincial and federal environmental studies is a waste of time and money
- Long delays are costing taxpayers a lot of money

Front Counter Program for Construction Permits and Approvals

- Help government develop an Ombudsman's Office to work with heavy construction companies to expedite project permitting

2. VOLUME OF WORK

- Need to sustain road and bridge inventory
- Need to sustain economic growth in BC
- Good roads cost less especially in the long run
- Good roads create less GHG emissions
- BC's competitiveness and economic growth depends on efficient transportation
- After stimulus funding runs out, any economic gains made will be put at risk

3. BC ONE CALL

- A one-call program won't work unless everyone is on board
- Legislation is needed to ensure everyone participates in the program

- We would like to help government develop One Call legislation

4. SUPPORT FOR TRADES AND SKILLS TRAINING

- Support the ITA and ITOs (transCDA)
- Promote the fact that construction career programs are just as important as other post secondary program
- Require new universities to promote skills development training programs that are offered; not just academic programs

5. HST IMPLEMENTATION

- 5 year denial of credits on renewal of small work truck fleet (V8s to V6s) will stall progress being made towards reaching industry GHG emission reduction goals

6. DISTRACTED DRIVER LEGISLATION

- Highway construction and maintenance drivers need an exemption from the general prohibition on the use of hand-held electronic communication devices for the safety of the public and the drivers

7. METRO VANCOUVER DIESEL EMISSIONS REDUCTION PLAN

- The Province should be overseeing air quality issues and not allow Metro Vancouver to set standards that will transfer emissions from the Lower Mainland to the Upper Fraser Valley
- The promotion of 6 large garbage disposal / energy generators in Metro Vancouver will add to upper Fraser Valley pollution and seems counter-productive after all the effort that went in to stopping Sumas Energy 2.

8. P3s

- Must be incremental to MoTI's sustaining funding levels
- Bundling takes work (opportunities) away from small and medium size companies and local contractors

9. TRANSLINK – MAJOR ROADS NETWORK

- New roads and bridges will not alleviate traffic problems if feeder routes are not effective
- Translink should take back responsibility for major roads network
- Must require open transparent tendering where provincial funds are used

10. ENERGY

- Provincial government should invest heavily in research to convert cellulose into bio-fuel.

- Green private power must be developed for export not just provincial sustainability
- Site C needs to be built sooner than later

The following formal strategies and priority issues have been established for this year:

Strategy #1 – To support and help develop air quality improvements via greenhouse gas (GHG) emissions reduction strategies and other environmental programs.

Strategy #2 – To continue building stronger and more cooperative working relationships with Ministry of Transportation and provincial government staff.

Strategy #3 – To support and promote sustained investment in transportation throughout British Columbia.

Strategy #4 – To build strong relationships with BC Hydro and other significant owners.

Priority Issue #1 – Coordinated and streamlined permitting

Priority Issue #2 – Stimulus completion deadline

Priority Issue #3 – BC Road Builders history project

Priority Issue #4 – First Nations relations

Priority Issue #5 – To promote open tendering practice

Submitted by:

*Jack Davidson, President
BC Road Builders and Heavy Construction Association*