

Construction in Ontario

Serving the Ontario Construction Industry



Issue 1, Volume 69

October 2008

The Road Ahead

From the desk of COCA President Ian Cunningham

The events of recent weeks in the global financial markets are cause for significant concern for all Canadians. While the fundamentals of the Canadian economy are much stronger than those of the US and the regulatory regime in which our financial institutions operate more protective, it is unlikely that we will remain unaffected by the recession that will inevitably be acknowledged south of the border in the months if not weeks to come.

Canada is a trading nation with approximately 40% of our GDP trade-related. While selling externally has allowed our economy to grow and enabled Canadians to enjoy a higher standard of living, our Achilles heel is that almost 80% of our trade is with one customer, the United States and if the US falls into recession, at least some of that trade will dry up. The consensus among economic thinkers at the recent Ontario Economic Summit was that we're in for some tough sledding ahead.

The well-understood solutions to Canada's economic woes are much easier said than done. These include lower taxes, public policy and attitude that encourages new investment, more innovation, higher participation rates in masters level and doctoral level studies, better systems to integrate immigrants into the workforce in positions for which they are qualified and can be most productive, improved productivity and diversified exports both by market and by product or service.

Fortunately, our industry may be somewhat insulated from the full impact of a recession. Both the provincial and federal governments understand the stimulative effects of making infrastructure investments during an economic downturn. They

know that the recovery can be accelerated by investing strategically in projects that will support growth when the economic tide begins to turn. As examples, our provincial government is currently completing a 10 year, \$60B infrastructure program and is about to undertake consultation for the development of a new long term infrastructure investment plan.

At the federal level, we anticipate that our new federal government, no matter which stripe, will also deliver on infrastructure commitments. The platform of the Liberal Party includes \$70B in infrastructure over a 10 year period and the Conservatives have pledged to fulfill on their existing program of infrastructure investments totaling \$33B between 2007 and 2014. So the ICI construction sector may be better positioned than most other industries as growth rates contract.

To characterize our current economic circumstances as "uncertain" is the ultimate in understatement; let's be clear, we are navigating uncharted waters, pioneering new terrain. It is in challenging times like today's when your industry association can be of greatest value to you. In times such as these, your industry association can assemble and harness the tremendous intellectual horsepower of the industry and serve as the forum for innovative thinking and for the development of strategies to help us create our new future. I urge you to get active. Together we are stronger than the sum of our parts and together we have the confidence to create a stronger construction industry.



The COCA office will be closed Monday October 13th, 2008 for the Thanksgiving Holiday.

Have a safe and happy holiday!

Ontario to Create a College of Trades

The government has recently announced its intention to create a College of Trades in the spring of 2009. The purpose of the College will be to promote skilled trades and to update the current apprenticeship system.

Functioning as an arms-length body, the College will be intended to promote careers in skilled trades while also ensuring an adequate supply of skilled workers to support growth in the Ontario economy.

The College would recognize Ontario's apprenticeable trades in four broad sectors, being: construction, industrial/manufacturing, motive power and services.

Kevin Whitaker, the chair of the Ontario Labour Relations Board, has been appointed to develop the governance structure, scope and mandate of the College.

A number of issues affecting the skilled trades sector that will be examined will be the inclusion of compulsory certification, apprenticeship ratios and enforcement functions.

Whitaker is to consult widely with stakeholders in the coming months, drafting a report for the minister that will include an implementation plan.

COCA has been in communication with Mr. Whitaker and expressed an interest in participating in the upcoming consultation process in order to provide insights into the unique characteristics of the construction industry that will need to be taken in to consideration as the foundation for the College is developed.

Craig Moore: New Executive Director Ontario Association of Demolition Contractors

Craig Moore assumed the newly created role of Executive Director of the Ontario Association of Demolition Contractors (OADC) on October 1, 2008.

An industry veteran, Craig has worked in construction for over 40 years in positions ranging from gasfitter to Safety Officer. A registered safety professional, Craig is the Vice Chair of the Ontario Construction Users Council (OCUC) Safety Committee, past President of the Construction Safety Association of On-

tario (CSAO), and a member of COCA's Workplace Safety and Insurance Board Committee.

We would like to congratulate Craig on his new position and look forward to watching the OADC continue to prosper under his steady leadership.



Second Cabinet Shuffle for McGuinty

Premier Dalton McGuinty shuffled his cabinet for the second time this year September 18th.

Highlights include:

- Hon. Sandra Pupatello moved from Economic Development and Trade to newly the created Ministry of International Trade and Investment;
- Hon. Michael Bryant became Minister of Economic Development and Trade from Aboriginal Affairs while retaining his role as Government House Leader;
- Hon. Brad Duguid moved from the Ministry of Labour to Aboriginal Affairs;
- Hon. Peter Fonseca became Minister of Labour; and,
- Hon. Monique Smith became Minister of Tourism as the Ministry of Revenue was returned to the Finance portfolio.

Most significant to COCA members is the change to the Labour portfolio. Ontario's new Minister of Labour is the Hon. Peter Fonseca. He was elected to the Ontario legislature in 2003 and re-elected in 2007 in the riding of Mississauga East - Cooksville. He previously served as Minister of Tourism and Parliamentary Assistant to the Minister of Health and Health Promotion.

COCA is looking forward to meeting with Minister Fonseca at the end of the month and wishes him all the best in his new position.

Infrastructure Ontario Presentation - Investment Outlook for Ontario's AFP Projects

At the 2008 Canadata Construction Industry Forecasts Conference, Jim Dougan Executive Vice-President, Project Delivery for Infrastructure Ontario made a presentation on the Investment Outlook for Ontario's Alternative Financing and Procurement (AFP) Projects.

Infrastructure Ontario's AFP model of project delivery concerns some members of the construction industry as it significantly increases the "risk profile" for trade contractors.

The full PowerPoint presentation can be downloaded from the COCA website at <http://www.coca.on.ca/index.cfm?method=postings.details&NewsID=308>

Value of Building Permits Continue to Decline Drop in August

The value of national building permits (residential and non) fell 13.5% to \$5.6 billion in August. Though significant, on a year-to-date basis permits were down 0.7% from the same period last year.

For the second time in three months, the value of non-residential permits fell. This is in sharp contrast to the large value increases in April and May. All ICA components were down a collective 19.3% to \$2.2 billion nationally.

The Statistics Canada report is available for download from the COCA website at <http://www.coca.on.ca/index.cfm?method=postings.details&NewsID=309>

