

Building a Better BC

Social and Economic Impact of the Community Benefits Agreement

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Community Savings
credit union

Executive Summary

The British Columbia construction industry is a crucial component of the provincial economy, accounting for 9% of the GDP and employing nearly a quarter of a million workers. However, BC's construction workforce currently faces many challenges.

Nearly 20% of construction workers are aged 55 or over, and just 12% are under the age of 25. Women represent only 14% of the total workforce and 6% of onsite employment, while Indigenous Peoples represent just 8% of total employment. Coupled with this, apprenticeship completion rates in BC are among the lowest in Canada – only 40-45% of apprentices finish their programs.

Without action, BC's construction sector is headed towards a crippling industry skills shortage.

To address these challenges, the BC Government introduced the Community Benefits Agreement (CBA) Program in 2018. The CBA Program's objectives include:

- Increasing the employment opportunities for women, Indigenous Peoples, young people, and local area residents.
- Increasing apprenticeship opportunities, with a target 25% participation rate on CBA projects.
- Providing a more achievable path to "red seal" trade certification for apprentices.
- Achieving a more stable labour and equitable labour relations environment.
- Improving the workplace environment, making the industry more attractive to new entrants.
- Developing a diverse and skilled construction workforce, to meet BC's long-term future needs.

The CBA Program is being implemented through a new Crown Corporation, BC Infrastructure Benefits (BCIB). BCIB's mandate is to employ and provide the onsite workforce for CBA-designated Provincial projects, under terms that are designed to further the CBA Program objectives.





Several major Provincial construction projects are in various stages of planning and implementation. These projects have created an opportunity for the Province to “lead by example” in building BC’s next-generation construction workforce – employing a more diverse workforce on these projects, and also supporting these workers’ ongoing education and career development.

Report Objective and Scope

The objective of this report is to assess the long-term social and economic benefits of the CBA Program for British Columbia’s construction industry, relative to its costs. The study scope includes:

- Detailed profile of the BC construction industry and its workforce.
- Current state of the BC construction workforce industry with respect to:
 - Workforce Participation and Equity – for women, Indigenous Peoples, younger workers, and other equity groups.
 - Apprenticeship Education and Training – including registered apprenticeship enrollment and completion rates, with particular focus on women and Indigenous Peoples.
- Initial CBA Program activities and results, including the impacts of COVID.
- Analysis of CBA’s social and economic benefits, relative to its expected costs.
- Recommendations for monitoring progress on a program-specific and industry-wide basis.

CBA Benefits and Costs

While it is too soon to assess the CBA Program's long-term success, priority hires (women, Indigenous, youth, local residents, etc.) accounted for 46% of employment on BCIB's first CBA-designated project in 2019. The 2020 construction season, while impacted by COVID, saw further increases in employment opportunities for priority groups on CBA-designated projects, with participation of women and Indigenous peoples significantly higher than industry averages.

With regard to costs, the Province initially estimated that the CBA program would likely increase tendered bid prices by 4-7%. After allowing for other provincial costs and revenues, the net cost of the CBA Program to the Province at maturity is expected to be in the range of \$50 million to \$80 million annually. CBA is assessed as an important and necessary investment for the Province in building BC's next-generation construction workforce.

While the CBA Program is a significant investment, traditional employment practices in the construction industry are deeply entrenched, and changing them will require the coordinated and sustained efforts of many stakeholders – including BCIB, industry contractors, trade unions, apprenticeship program providers, industry training authorities, and others.

By underutilising the talents we have within the BC workforce, these traditional employment practices provide a significant drag on efficiency and prosperity in our province. By harnessing these skills our study demonstrates that we will be able to build a British Columbia for the century ahead, attracting foreign as well as domestic investment and making 'good jobs' the norm for the next generation.



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