

What the construction industry needs for a prosperous new year

BY PHILIP HOCHSTEIN, VANCOUVER SUN DECEMBER 26, 2011



NOVEMBER 27, 2007, BUSINESS, Philip Hochstein, president of the Independent Contractors and Businesses Association of BC. (PHOTO: handout) [PNG Merlin Archive]

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B.C.'s construction industry has a simple New Year's wish — a healthy economy.

Our industry is on the job site digging holes, pouring concrete and banging nails only when people look to the future with confidence. That situation is good for our industry — and it's good for our

economy. Construction as a whole represents almost 10 per cent of B.C.'s GNP.

Right now the signs are positive. Every year the Independent Contractor and Businesses Association of B.C. takes the pulse of the industry by asking our 1,100 members how they feel about business for the coming year.

Overall, the story is cautious optimism.

We see 39 per cent of companies expecting their volume of work to increase in 2012, while 48 per cent expect it to stay the same. All but one of the 13 sectors surveyed have more than 75 per cent of respondents expecting their volume of work to stay the same or grow.

Trucking and excavation lead the optimism with more than half of the companies (56 per cent) saying 2012 will be busier. These sectors are the construction's canary in the coal mine because they're the first ones working on any project. When things look good to them, it's a sign of what's coming in the industry.

So what does the construction industry have in its hopes for the New Year?

Simply, a reason to remain confident.

It may be hard to believe, but the coming year will be an election year. May 2013 is not that far away — and the die will be cast for that date in numerous ways through 2012. Promises will be made. Agendas will be set. And platforms will be under construction.

Political action is often portrayed as spending money, starting new programs, and launching new initiatives. There's a risk that B.C.'s political parties may get into an escalating contest of how to spend tax dollars — or money that these days is borrowed from the bank and from the children and grandchildren who will have to pay the bank back.

There is also increased talk by some about higher taxes. The promise is always taxing the rich and fat cat corporations, but the reality is everyone will pay more.

In construction, we worry about increased taxes because they drive up the cost of everything we build. It means higher prices for homes. It means slower sales. It drives down affordability.

Never-ending spending increases like the ones sought by B.C. teachers lead to nowhere but Greece — spending with no thought given to how to pay leads straight to economic crisis. How much economic growth are they expecting in Greece? How many jobs are being created? How many buildings are being built in Greece?

And the most important question — if we've seen the warning, why do we want to ratchet up spending in B. C.? Greece is a warning, not a road map.

It's also a lesson lost on the spendaholics in almost every one of B.C.'s municipal halls who continue to spend at three times the rate of inflation and growth, and hand over pay and benefits more than 30

per cent higher than earned by taxpayers footing the bill.

So in the hopes of a prosperous New Year for all British Columbians, here's a reminder for everyone seeking office — and holding office today.

Success isn't measured by the volume of goodies handed out. As an economic safe haven in a global economic storm, our wish for the New Year for B.C. is solid, boring management of the economy within everyone's means.

Give us that simple tool — and construction will help build a better B.C. for the future.

Philip Hochstein is executive director of the Independent Contractors and Businesses Association of B.C.

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