

Feb/2004

# Don't let unions play games with our Olympics

by Philip Hochstein, Chair  
2010 Construction Leaders Taskforce



We're Building the Dream

With six years to go before the opening ceremonies, B.C.'s building trades unions have predictably begun to raise the spectre of Olympic "construction chaos" in an effort to promote a labour agreement on all Olympic construction sites. The 2010 Construction Leaders Taskforce - the senior executives from B.C.'s leading union and non-union construction firms - believes this effort should be seen for what it is: a self-interested, outdated approach to labour relations that has repeatedly failed to deliver on lofty promises.

*The reality is that B.C.'s construction industry is far different from the one that built Expo 86. Today, the building trades unions comprise only about 20 per cent of the industry.*

The reality is that B.C.'s construction industry is far different from the one that built Expo 86. Today, the building trades unions comprise only about 20 per cent of the industry. Open-shop contractors, ranging from non-union to those certified to a number of alternate (non building trade) unions, now dominate the construction marketplace. In fact, it would be difficult to find a "building trades union only"

site on the Lower Mainland today. Given the scope of Olympic construction work to come, it simply defies logic to impose project agreements that would prevent or discourage the majority of firms in B.C. from submitting competitive bids.

While project labour agreements can be dressed up to sound appealing, taxpayers should beware. At their core, these agreements can be nothing more than labour force monopolies, whereby suppliers (unions) are granted exclusive agreements to provide services (labour) to customers (governments or taxpayers). Other forms of project agreements attempt to impose work rules or social engineering conditions that ultimately drive up costs and reduce productivity.

Major industrial projects built under project labour agreements, from the energy sector in Alberta to offshore development on the East coast, have repeatedly incurred cost overruns, labour disruptions and delays - the very

## 2010 Construction Leaders Taskforce

#211 - 3823 Henning Drive, Burnaby, BC, V5C 6P3 • Phone: 604.298.7795 • Fax: 604.298.2246 • Email: leaders@constructionleaders.ca



problems that these labour agreements were created to resolve. Closer to home, British Columbians will recall that the costs for the Island Highway, were inflated by over \$70 million as a result of the NDP's ill-conceived and unnecessary building trades union only project agreement.

Advocates of an Olympic labour agreement are heralding Sydney as a successful Olympics built under a project agreement, but conveniently fail to mention Calgary, Los Angeles or Salt Lake City, arguably the most successful recent Olympics, that were completed without project agreements and under a policy of open, fair and transparent tendering.

The B.C. construction industry is aware of the very real and significant Olympic construction challenges ahead. But there is no one magic bullet that can guarantee success. The best that can be done is to employ proven solutions based on opening up - not restricting - the competitive market process, tendering intelligently and training and recruiting skilled workers.

*Early and well-sequenced tendering of contracts, setting realistic schedules, limiting contract risk through precise building plans and establishing incentives for meeting project targets will allow B.C.'s construction industry to meet the Olympic challenge.*

Early and well-sequenced tendering of contracts, setting realistic schedules, limiting contract risk through precise plans and drawings and establishing incentives for meeting project targets are just a few of the approaches that should be adopted to encourage the greatest number of qualified bidders to submit competitive bids for Olympic projects.

Increasing the supply of skilled labour can only be achieved in two ways: training our own and bringing in workers from other jurisdictions. The new B.C. Industry Training

Authority has been established with a mandate to modernize and grow the province's apprenticeship system and results to date are promising. Enrollment in apprenticeships is growing and has already reached the highest level in years. And the volume of construction work ahead will certainly bring some of our B.C.-trained trades workers back home from the oil fields and booming economies elsewhere in Canada. Immigration ranking systems that have over time become biased toward "professionals" over highly skilled trades workers also need to be reformed.

The construction industry is excited about the opportunity presented by the 2010 construction program and we are confident that we will shine on the world stage, but only if games planners and tendering authorities embrace the kind of open competition embodied in the true Olympic spirit.

***Philip Hochstein is the Chair of the 2010 Construction Leaders Taskforce, comprising senior executives from 19 of B.C.'s largest construction companies, established to provide advice to government and games planners on issues such as labour supply, tendering and construction costs.***