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The Heavy News Weekly

INSIDE:

Industry meets, voices concerns to Manitoba Infrastructure

Infrastructure deputy minister welcomes industry views, co-operation

Infrastructure Deputy Minister Bramwell Strain has reiterated that the MHCA members will be asked to contribute their views and suggestions in the department's review of its operations, with an eye to innovating service delivery.

The sweeping operational and program review, set to start shortly at Manitoba Infrastructure, was announced at the MHCA's Awards Breakfast Nov. 17, 2017, by Minister Ron Schuler. At the time, Schuler said everything was on the table and invited input from the heavy construction industry.

On December 22, more than a dozen members of the MHCA Board of Directors, including some past chairs, gathered to meet with Strain to talk about a host of issues and concerns confronting both the industry and Manitoba's infrastructure needs.

The focus was on the industry's desire and intent to support Manitoba's economic growth strategy, especially through Manitoba Infrastructure's capital budget. The MHCA has long advocated for a growth strategy that would leverage the annual and a five-year program for Infrastructure, through investments that offer the best return to the economy.

Other issues at the top of the industry's mind include the Made-in-Manitoba green plan and carbon tax; the 2018 MI tender schedule; the provincial infrastructure investment deficit; and, the need to ensure that access to Manitoba's finite aggregate deposits is protected in the face of competing land use development.

"We had a really good exchange with the deputy minister, who has good grasp of the issues and the big picture that puts investment, and especially strategic infrastructure investment, at the heart of the push for economic growth and the Pallister government's pledge to make Manitoba the most improved jurisdiction," said MHCA President Chris Lorenc.

"The Deputy Minister has pledged to make these informal meetings a routine part of his year, which we are happy to hear and will be sure to follow up on."

Strain with MHCA's Lorenc and Business Council CEO Don Leitch at 2017 Gala

Canadian Construction Association

2018 construction forecast: a look ahead

Saul Chernos, December 14, On-Site Magazine

All eyes are on the year ahead, as a tumultuous 2017 winds down. Oil prices remain low, edging towards a mild recovery but not expected to come close to the highs of 2013-2014. And prospects for pipeline construction remain mixed, with TransCanada withdrawing its high-profile Energy East application in mid-autumn. At the opposite end of the spectrum, real estate prices in some of Canada's biggest cities are skyrocketing, with vacancy rates to match. And, with strong nationalist sentiments coming from the Trump administration in the US, the North American Free Trade Agreement remains mired on the chopping block. So, with 2017 headed for the history books as a wild ride on economic and political fronts, On-Site asked economists and industry watchers what we might expect for 2018.

Michael Burt, director of industrial economic trends with the Conference Board of Canada, characterized 2017 as a bottoming out and strikes a note of cautious optimism for the country's construction sector. "We saw two — and if our forecast holds for this year — probably three consecutive years of decline in spending on construction activity in Canada. But we seem to be reaching a nadir in terms of the downturn in the industry over the last couple of years. We actually see growth in the range of three per cent going forward into 2018 in terms of spending on structures and engineering projects."

Citing Statistics Canada's forecast of a nearly three per cent increase in Canada's gross domestic product next year, Burt said the construction sector and the national economy are poised to grow. He added, though, that he doesn't foresee a return to the highs of 2013-2014, after which oil prices plunged and stalled many of the economic improvements that had taken place following the recession of 2008-2009. Business spending on building and engineering reached $155 billion in 2014 but looks to be less than $100 billion this year.

"Most of the decline in the last couple of years can be tied directly or indirectly to the drop in commodity prices in mining and oil and gas. That's been the main drag on construction activity in Canada over the last couple of years," says Burt.

Still, he notes degrees of stability. "Oil prices have actually improved modestly and, when you talk about things like industrial metals, those industries are no longer a drag on construction activity. They're not adding a lot of growth, but that switch from being a major thing slowing down construction activity to being at least neutral and even slightly positive is a big step towards seeing growth in construction activity again."

Canadian Construction Association past-president Michael Atkinson said stabilizing energy prices are a positive sign but ongoing government commitment to infrastructure investment makes a huge difference. "We expect to see more of that in 2018," he says. "Some of the programs reach out seven to ten years, so that's something we believe will provide some spin-off and be a major mainstay of construction demand in the ICI sector going forward."

Atkinson is particularly buoyed that the federal Liberals have not only continued but added to the previous Conservative government's infrastructure plan.

"We promote the idea of long-term infrastructure programs and plans because they're less likely to get completely abandoned by successive governments. We hope governments see that infrastructure is so important and so key to their future economy and social wellbeing that successive governments won't jeopardize that future by cutting prudent infrastructure investments."

While Atkinson sees the Canadian construction sector holding its own and the national economy faring better than earlier projections suggested, he laments the withdrawal of Energy East. "The refineries in eastern Canada need the crude, and we put up so many hurdles that I'm surprised those guys stuck around as long as they did. We've got to do a better job of ensuring that Canada remains a nation where investment and development are encouraged, not where we're putting up a big sign saying closed for business."

"We hope governments see that infrastructure is so important and so key to their future economy and social wellbeing that successive governments won't jeopardize that future by cutting prudent infrastructure investments."

— Michael Atkinson, Canadian Construction Association

Peter Hall, chief economist with Export Development Canada, said domestic policies are crucial, yet global events and pressures influence international financing and have a strong impact on Canada's economy. "There's been significant anti-trade rancour and rumblings all over the place," Hall said. Brexit might seem half way around the planet, yet Canada is undergoing a showdown of mammoth proportions with the US over the possible renegotiation or termination of NAFTA. "It throws business into confusion," says Hall.

"Businesses haven't been investing at a normal pace throughout the entire post-recessionary period and they're bumped up against capacity constraints, so they're more inclined to invest now than they have been in the last seven years. The trouble is, when you inject uncertainty and don't know what our trade super-structure is going to look like over the next little while, you get very hesitant investors."

Hall didn't predict any significant surge in commodity prices. "We're not looking for oil prices to turn too far from the $50 threshold, and base metals will be pretty tame as well," he said. As for the Canadian Dollar, which was briefly at parity with the US Dollar a few years ago before plunging back towards .70 cents, Hall said values of roughly .78 cents in October may drift into the lower to mid .80 cents range through 2021.

How might the multitude of factors impact Canada's ICI construction sector this coming year? "The recession came after a period of over-investment, and when activity dropped there was all kinds of spare capacity in the economy," Hall said. "Our rate of under-investment over the last seven-plus years has kept us from adding to our capacity, so the increase in activity has used up what we have and we're getting close to very tight measures of capacity constraints. That's what actually kicks off new spending on buildings and equipment in the industrial and commercial space."

"Businesses haven't been investing at a normal pace throughout the entire post recessionary period and they're bumped up against capacity constraints, so they're more inclined to invest now than they have been in the last seven years."

— Peter Hall, Export Development Canada

Did you know?

- Business spending on building and engineering looks to be less than $100 billion this year compared with $155 billion in 2014
- Vancouver is looking to capture and treat 90 per cent of the city's average annual rainfall by implementing green infrastructure tools and design guidelines on public and private properties.
- The Yukon Resource Gateway Project is on track to build infrastructure and open up mineral-rich areas for economic development.Maritime prospects include the Mactaquac dam in New Brunswick and Husky Energy in Newfoundland.
- Downtown office vacancy rates in Canada's biggest cities ranged from 4 per cent in Toronto to 27 per cent in Calgary this past fall.

Saskatchewan's climate plan leaves opportunity for leadership

Nick Martin, December 28, Canada West Foundation

Saskatchewan's recently released climate change strategy leaves a lot of questions unanswered. But rather than a negative, this provides an opportunity for the province's future leadership to demonstrate smart policy-making.

Premier Brad Wall is set to retire, and the province's governing party will pick a new leader at the end of January. While Saskatchewan has been slow to deploy effective climate policies that lead to meaningful emission reductions, the new plan is a chance for the province's new leadership — whoever they may be — to build on it and implement smart policy.

As expected, Premier Wall's plan does not include an explicit, economy-wide price on carbon such as a carbon tax. Every candidate for the Saskatchewan Party leadership opposes a carbon tax as well.

While a carbon price is the most efficient and flexible mechanism to reduce emissions, opposition to the idea is understandable from a political standpoint. No one likes taxes, and an explicit carbon price puts the cost of reducing emissions up front and centre — a political challenge in Saskatchewan right now.

But let's be clear — avoiding a price on carbon does not avoid the cost of reducing emissions.

For example, Saskatchewan has made significant investments in carbon capture and storage at its Boundary Dam facility to reduce emissions from the coal-fired power plant. From a technical standpoint, Boundary Dam has been a success for the province. It is one of only a couple of commercially operating carbon capture facilities in North America, and it has sequestered more than 1.75 million tonnes of carbon.

Yet these investments are very expensive. The initiative has cost more than $1.5 billion, and a report from Canada's Parliamentary Budget Office pegged the implicit emission reduction cost at roughly $60 per tonne – much higher than the carbon price the federal government wants to impose.

To be mindful in its desire to be responsible to taxpayers, Saskatchewan's future leadership should ensure that its climate policies employ the lowest-cost options available.

As the price of other electricity sources like natural gas, wind turbines, and solar panels have come down, the cost-effectiveness of capturing coal emissions becomes less attractive. Policies should guide the province to the most cost-effective option, whichever one that may be.

If the province is dead set on avoiding a carbon tax and is successful in dodging the federal mandate, then Saskatchewan's alternative policies should be flexible and effective ones that avoid having the government pick winners and losers.

Saskatchewan's plan already includes an excellent example. It suggests establishing emission performance regulations for large industrial emitters. Facilities that do not meet the standard can buy offsets or pay into a provincial technology fund, among other options. Although it avoids the word "tax," the policy sounds suspiciously like Alberta's carbon levy mechanism on industrial facilities. Either way, it is a smart policy that will incentivize flexible and cost-effective emission reductions much like a price on carbon.

The large emitter regulation excludes the electricity and oil and gas industries, which will have separate regulations — but Saskatchewan would be smart to make these equally as flexible.

As for vehicle drivers, there is no mention to move to more fuel-efficient or alternative fuels. Yes, many drivers face occasional long distance drives, but there are also plenty of kilometres driven in town. Carbon prices work extremely well in encouraging drivers to make decisions that are best for them and can be designed thoughtfully to accommodate rural and remote drivers.

The Saskatchewan government is committed to emission reductions, but it has eliminated the mechanism favoured by economists as efficient and effective, relying on more expensive regulations, offsets and subsidies to achieve these goals. These can all be effective, but costly too. Make no mistake — users, customers, and taxpayers will pay one way or another.

In this plan, Saskatchewan's future leadership has an opportunity to put together flexible and cost-effective emission reduction policies that contribute to Canada's climate goals and keep the costs low. Let's hope they seize it.

Nick Martin is a policy analyst at the Canada West Foundation. This article was published in the Regina Leader-Post.

75 MHCA™ presents

ANNUAL CURLING CLASSIC

THURSDAY, JANUARY 25, 2018

The Heather Curling Club
120 Youville Street,
Winnipeg, MB R2H 2S1

REGISTRATION

For a full day of curling, networking, and good eats:
$250+GST per team or $62.50+GST per individual

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I would like to enter a team of four (4) curlers: _____

I would like to enter as a single player: _____

I only plan to attend the luncheon ($40+GST): _____

SPONSORSHIP

For $275+GST, your company can sponsor one of the following event areas - please mark one:

- ☐ Ice Sheet (8 spots available)
- ☐ Hog Line Contest
- ☐ Morning Coffee & Muffins station

Your sponsorship will include:

- Corporate signage at the end of the sheet of ice for the whole day
- Sponsorship announcement and recognition at lunch time
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Signature: _____

Fill out this form in full and fax to the MHCA office at 204-943-2279.
For more information, contact Christine Miller at christine@mhca.mb.ca or 204-947-1379.
As per MHCA Board policy, only registrations cancelled at least six (6) business days prior to the commencement of this event will be refunded.

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A newsletter for contractors and safety supervisors in the heavy construction industry

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SAFETY

E- NEWSLETTER

Exploring business ethics in the heavy construction industry

WORKSAFELY™ Back to You with Don Hurst

With 2018 here, many companies are focusing attention on training their employees. The Manitoba Heavy Construction Association offers an ethics course, developed by BuildForce Canada, specific to our industry. This ethics course is a mandatory component of the Canadian Construction Association's (CCA) Gold Seal certification program.

WORKSAFELY™ is providing courses to members through both online and in-class learning modules. The in-class portion is taught by respected leaders in the heavy construction industry and involves taking people through a variety of case studies, allowing people to explore in-depth what ethics in heavy construction really means.

Our industry has made significant progress in improving safety in the past year and we want to build on this, introducing discussions around ethics. An important part of leadership training is training on more ethical approaches to business practices.

For more information on the Construction Industry Ethics program or to register your supervisors for the February 7, 2018 class, please contact Kristen Ranson at 204-947-1379.

KNOW YOUR WORKSAFELY™ TEAM

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To contact your WORKSAFELY™ advisor assigned to your area, please see mhca.mb.ca/worksafely/know-your-advisor

Training Schedule

Construction Safety Excellence™

TO REGISTER, PLEASE CONTACT:
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kristen@mhca.mb.ca

WINNIPEG - MHCA Office
3-1680 Ellice Ave.

January 2018

15-16	**COR™ Leadership in Safety Excellence**
17	**COR™ Principles of Health & Safety Management**
18-19	**COR™ Auditor**
23	Supervisor as a Team Leader 1/2 day AM
23	Resolving Conflict in the Workplace 1/2 day PM
26	Auditor Refresher 1/2 day AM
26	Excavating & Trenching 1/2 day PM
30	Inspections 1/2 day AM
31	Investigations

February 2018

5	Safety Committee/Representative 1/2 day AM
5	Transportation of Dangerous Goods 1/2 day PM
6	Flagperson 1/2 day AM
7	★ Construction Industry Ethics (*Mandatory for Gold Seal)
12-13	**COR™ Leadership in Safety Excellence**
14	**COR™ Principles of Health & Safety Management**
15-16	**COR™ Auditor**
20-21	Traffic Control Coordinator
27	Train the Trainer – Facilitation Skills

March 2018

5	★ Verbal Communication 1/2 day AM
5	★ Written Communication 1/2 day PM
6	Preventing Musculoskeletal Injuries 1/2 day AM
6	Auditor Refresher 1/2 day PM
12-13	**COR™ Leadership in Safety Excellence**
14	**COR™ Principles of Health & Safety Management**
15-16	**COR™ Auditor**
19	Flagperson 1/2 day AM

BRANDON - St. John Ambulance
Shoppers Mall, 1570 18th St.

January 2018

There is currently no training scheduled for January

February 2018

There is currently no training scheduled for February

March 2018

There is currently no training scheduled for March

★ Leadership Certificate Program/Gold Seal

WORKSAFELY MHCA

SAFETY TALK

Carbon monoxide

Engine exhaust is the major source of carbon monoxide (CO) in the heavy construction industry. Gasoline, diesel and propane engines all release CO. Welding machines, furnaces and heaters can also produce CO.

What's the danger?

- CO is a colorless, odorless and tasteless gas
- CO interferes with your body's ability to use oxygen
- Exposure can very quickly lead to loss of consciousness, trouble breathing, heart failure and death

How to protect yourself

- Maintain furnace and heaters to meet manufacturer specifications
- Operate engines outdoors whenever possible

When engines must be operated indoors, take these precautions:

- Make sure the area is well ventilated – keep doors and windows open and use fans for fresh air if needed
- Limit running times – don't let engines idle
- Monitor CO levels with a CO detector regularly to ensure ventilation is adequate
- Use electronically powered equipment where possible
- Respiratory protection must be worn when other controls are inadequate

Demonstrate

- Point out CO sources on site
- Demonstrate how to use a CO detector
- Demonstrate how to ventilate indoor areas

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: _____ Supervisor: _____

Performed by: _____ Location: _____

Concerns: _____

Corrective Actions: _____

Employee Name: _____

Employee Signature: _____

75 in 2018

The MHCA is 75 in 2018 and we're telling our story. The heavy construction industry has helped build this province, its economy and foundational infrastructure: roads, highways, bridges, and water/sewer. As part of the commemoration, which will include celebratory features throughout 2018, we are asking for your memories, your photos or any archived materials that can help tell this tale in displays at our marquee events.

Do you have something to share? Please email Catherine Mitchell at catherine@mhca.mb.ca

Thank you,

Greg Orbanski
Chair, MHCA

Chris Lorenc
President, MHCA