

## **STATISTICS IN THE CONSTRUCTION INDUSTRY:**

The “new reality” in our industry (and others) is fewer workers and more work.

Most of you probably are aware that Saskatchewan is in the early stages of new building on industrial and engineering (road building) projects, in addition to many public projects, schools and private projects.

17% of the construction workforce will retire between 2006 and 2014, that is 3630 workers. Supply of the labour force is and will become a constraint on economic growth in the province. Currently we have record low levels of unemployment in the construction industry. There was generally a 10% growth in jobs, however, the labour force could not keep pace. Recruiting and training will be the challenge for construction companies.

What was previously considered a tight market will now be the norm. Workers will face less unemployment, and employers will have to find new human resource policies to fit the new circumstances.

Our industry is comprised of 37% general contractors, or prime contractors and 63% trade contractors.

The number of self-employed is approximately 30-35% of the above. A large percentage of owners of construction companies started as apprentices and worked their way up through journeyman, foreman, and superintendent jobs then took the next step to business ownership.

The above statistics do not take into consideration manufacturing firms in the construction industry, for example steel fabricating shops, cabinet shops, etc.

63% of firms in the construction industry are considered to be small firms with under 20 employees, the balance are large firms of 21 to 99 employees.

The workforce is relatively stable with 48% of employees working for a company for five or more years, 31% working for a company for 10 years or more. Mobility in the industry is well known, however, the mobile workforce is usually at the entry level and consists of only about 21% of the total workforce.

Unionization remains stable at approximately 20% in Western Canada

Trades and Occupations in high demand

- Carpenters
- Heavy equipment operators
- Plumbers
- Roofers and shingler
- Steamfitters, pipefitters and sprinkler system installers

- Welders

Due to anticipated industrial projects in the near future there will be high demand for

- Boilermakers,
- Millwrights
- Electricians
- Gasfitters
- Ironworkers and related
- Steam fitters and pipefitters

At the same time many new roads will be built and repaired and the following trades will be required:

- Heavy equipment operators
- Heavy equipment mechanics
- Truck drivers

Modest gains are projected for the following trades:

- Bricklayers\carpenters\floor covering installers\tilesetters
- Painters
- Plasterers and related

Key Indicators of the provinces economic performance are:

- Economic growth averages 2.5% in the medium terms. Slows to 1.7% thereafter. Increased difficulty in finding works as retirements rise
- Export growth will be driven by a strong recovery in the mining sector and the start of operations of a number of new manufacturing facilities. Stronger investment in agriculture, mining, manufacturing and transportation and warehousing sectors.
- Population growth will remain weak in the medium term due to out-migration, however, as time goes on there will be in-migration to meet increased employment requirements of the domestic economy.
- A tight labour market in conjunction with strong productivity growth cause average hourly earnings to rise on the average above inflation at 3.6% per year.

## **Major Projects**

While it is difficult to predict residential and commercial projects the following is a generalization:

The agriculture sector is expected to see new investments in cattle feedlots, hog barns and other facilities for livestock

Due to improvement in commodity prices, there is increased exploration for minerals and drilling of oil and gas wells in Saskatchewan. Several potash mine expansions are preceding as well as the establishment of a new uranium mine at Cigar Lake, and don't forget about the diamond mine.

In the manufacturing sector there will be facilities constructed for ethanol productions, food processing, steel pipe manufacturing, heavy oil upgrading and value added forestry products.

Investments in the transportation and warehousing sector include establishment of carbon dioxide monitoring and storage facilities and natural- gas storage caverns.

And all of this does not even consider the growth in the residential sector.

## **HUMAN RESOURCE CHALLENGES THAT FACE THE CONSTRUCTION INDUSTRY**

- Replacement of the lost skilled trades people due to retire
- Recruit sufficient numbers to meet the demands for skilled labour
- Improve the image of the construction industry as a viable career option – Rob will speak to this issue
- Manage the labour supply in a volatile industry
- Expand apprenticeship training
- Meet the increased demand for strong basic skills, i.e. math, communications, work ethic – this is where the schools can help
- Manage the de-skilling and reskilling of the labour force due to the introduction of new technology – entry level apprentices will have up-to-date training

The preceding information is from the Construction Sector Council publication: Construction Looking Forward predicting labour requirements from 2006 to 2014, and the Saskatchewan Trends Monitor by Doug Elliott.

## **THE APPRENTICESHIP SYSTEM**

In 2005 in Saskatchewan there were

3,859 construction trade apprentices, 1,135 were new indentures.

There were 525 completions in June 2005. The average number of completions in 1995 to 2004 were 385.

## **WHAT IS APPRENTICESHIP?**

Apprenticeship involves a formal agreement between an individual who wants to learn a skill and an employer who needs a skilled worker. It is basically a system of training and certification in a trade. Apprentices attend school for approximately 4 weeks each level, and work in their trade the balance of the year to get hours of experience at that level.

Certification standards in one province or territory are not always recognized in the other provinces or territory. The Interprovincial Standards “Red Seal Program” means that the certification is recognized interprovincially and was initiated to aid labour mobility across Canada.

Compulsory trade means that workers must be an apprentice or journey person to work in that trade. Compulsory trades in Saskatchewan are:

- Electrician
- Plumber
- Refrigeration Mechanic
- Sheet Metal Worker

All other construction trades are non-compulsory.

See their website: [www.saskapprenticeship.ca](http://www.saskapprenticeship.ca)

## **ROAD BUILDERS SECTOR OF THE CONSTRUCTION INDUSTRY**

Gone are the days of the stereotyped construction job that is low paying and has no future.

Careers in today's construction industry are well paid and virtually limitless when it comes to opportunities and possibilities.

Not all students will emerge from high school to attend university. Our industry offers young people the options of working in a challenging, satisfying industry right out of high school.

Some of the benefits of working in the road building and Heavy Construction Sector of the construction industry are:

- The work is challenging and skilled, the results are tangible enabling people to take pride in the results - a road is built in one season
- Advanced technology is rapidly entering this sector of the construction industry, as well as others. Mechanics use laptop computers to diagnose problems and many machines use laser guidance or global positioning systems
- There is on the job training, and in fact, is more common in this sector of the industry.
- There is opportunity to work in both inside and outside environments

Examples of inside work would be:

- Cooks
- Mechanics (both inside and outside)
- Welders (both inside and outside)
- Office personnel

Examples of outside work would be:

- Equipment operators
- Truck drivers
- Surveyors
- Labourers
- Flag people

Healthy and safe work environments are a priority.

There is excellent opportunity for rapid advancement

Excellent earning potential with entry level positions earning \$24,000 to 36,000 ,  
Intermediate level \$30,000 to \$50,000 and Advanced Level \$40,000 to \$100,000.

This is another exciting sector of our industry.