



Skilled Labour in Alberta Heavy Industrial Construction

Trends and Challenges

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Alberta Chamber of Resources

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On the Road this Summer

- TD Newcrest Annual Oil Sands Forum
- PennWest Oil Sands Heavy Oil Technology Conference
- Thermal Insulators Association of Canada
- COAA Annual General Meeting



COAA Strategic Framework

- Safety

Leadership in safety ... no one gets hurt in heavy industrial construction

- Productivity

World-class productivity in heavy industrial construction

- **Workforce Development**

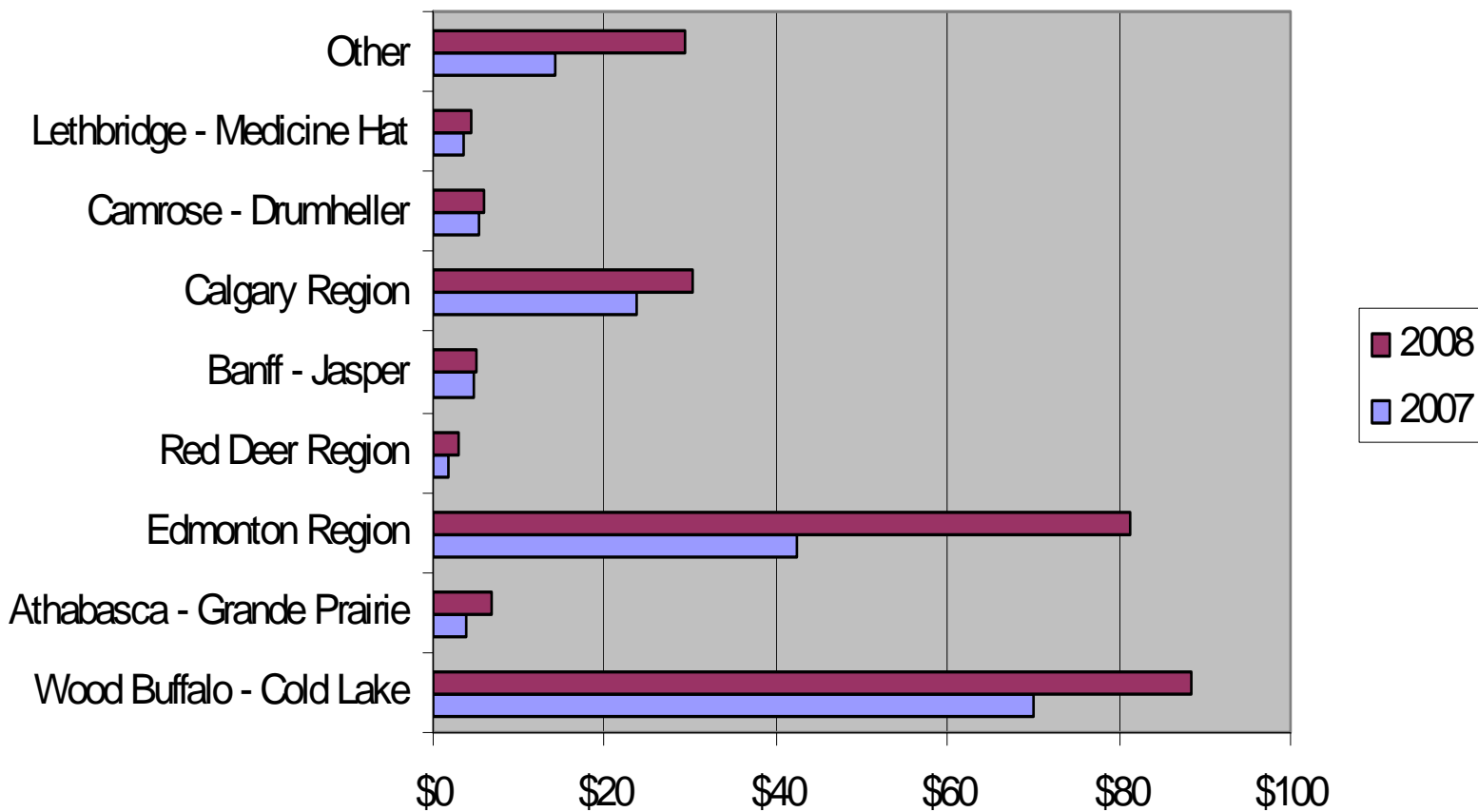
The right skills in the right place at the right time

- Project Deferrals

What will be the impact on construction labour demand?



Major Construction Projects (\$Billions)





Worker Supply Issues

- 1st Quarter construction projects at 192,000 in 2008 vs. 182,000 in 2007
- Over 17,000 new apprentices registered in 2007, total of about 60,000 today
- Substantial trades retirement, particularly in 2012 – 2016 period





What's Being Done?

- Company-specific initiatives
- Apprenticeship and training
- Workers from other industries/sectors
- Productivity and efficiency improvements
- Underrepresented groups – women, Aboriginal
- Absenteeism and Turnover research
- Improved supervisory training



What's Being Done?

- Trans-border movement within in Canada
- Immigration and Temporary Foreign Workers
- Some suppliers of foreign labour recognized as trusted sources of information to reduce bottlenecks?



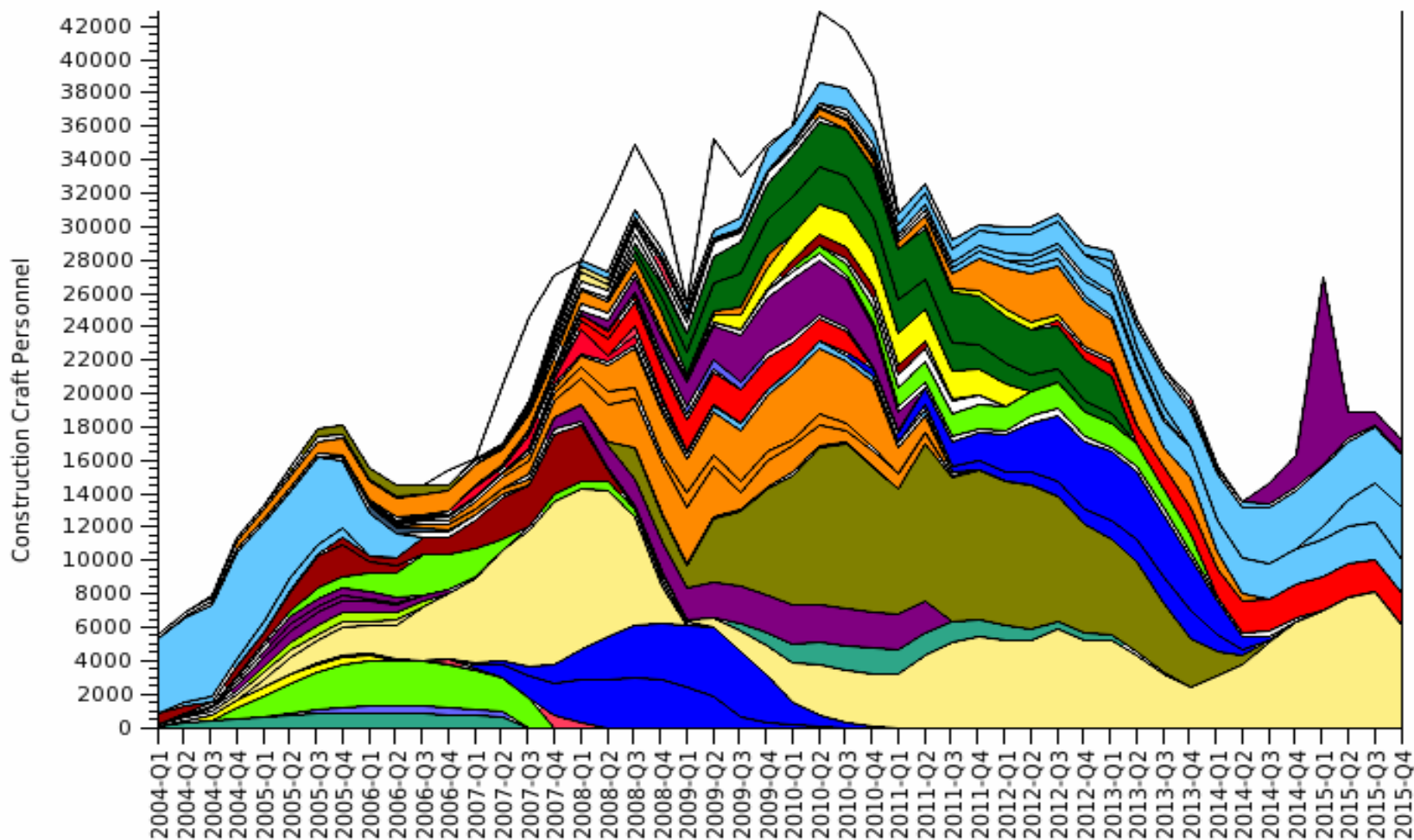


Upcoming Challenges

- Eastern Canada industrial projects
- 2010 Winter Olympics and other Western Canada projects
- Carbon capture and sequestration projects
- United States energy projects
- Other mega-projects world-wide
- Shutdowns, maintenance, operations also sources of skilled labour demand
- Industry uncertainty

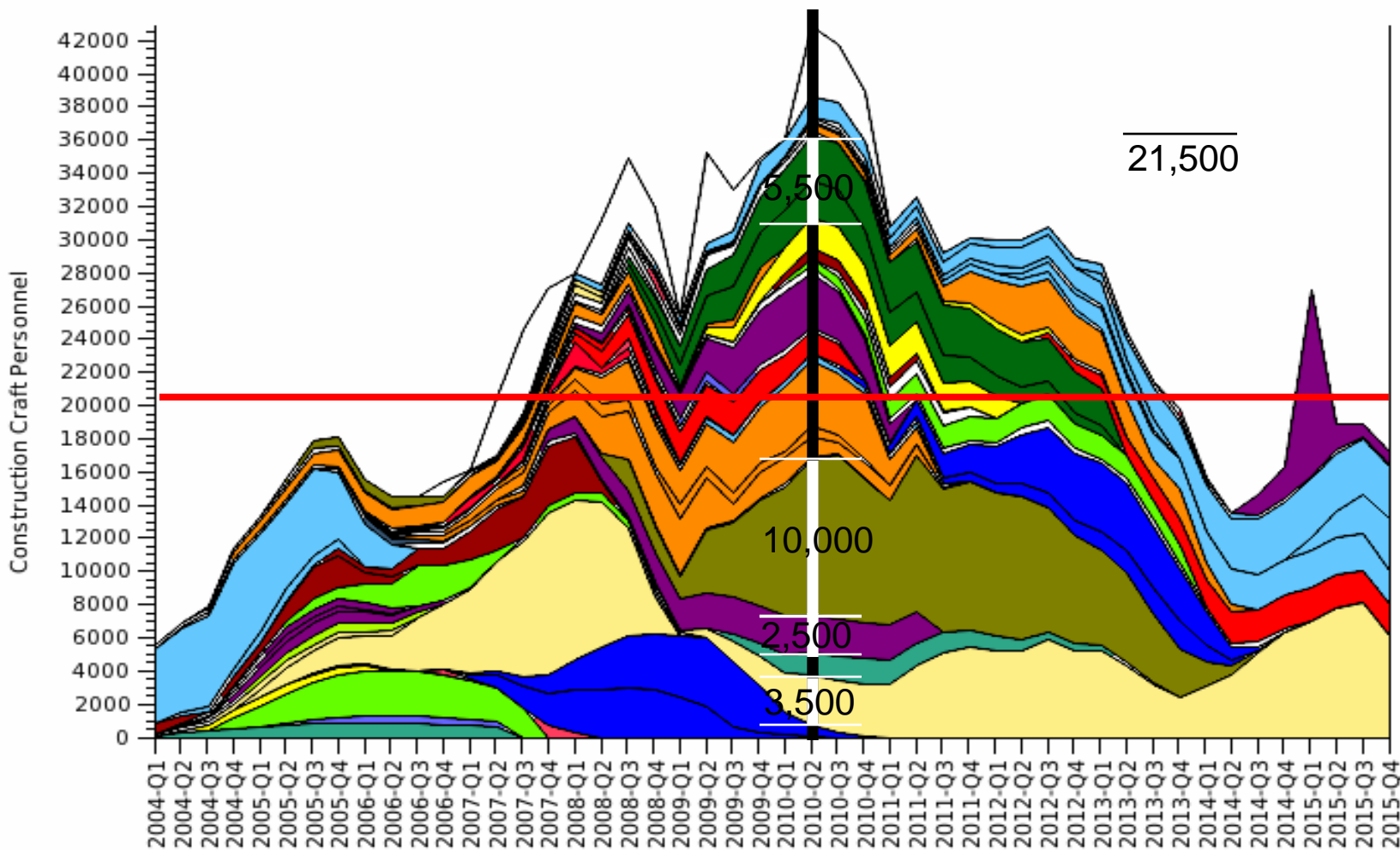


Industrial Construction Projects
>100 MM Cdn (2004Q1 - 2015Q4)
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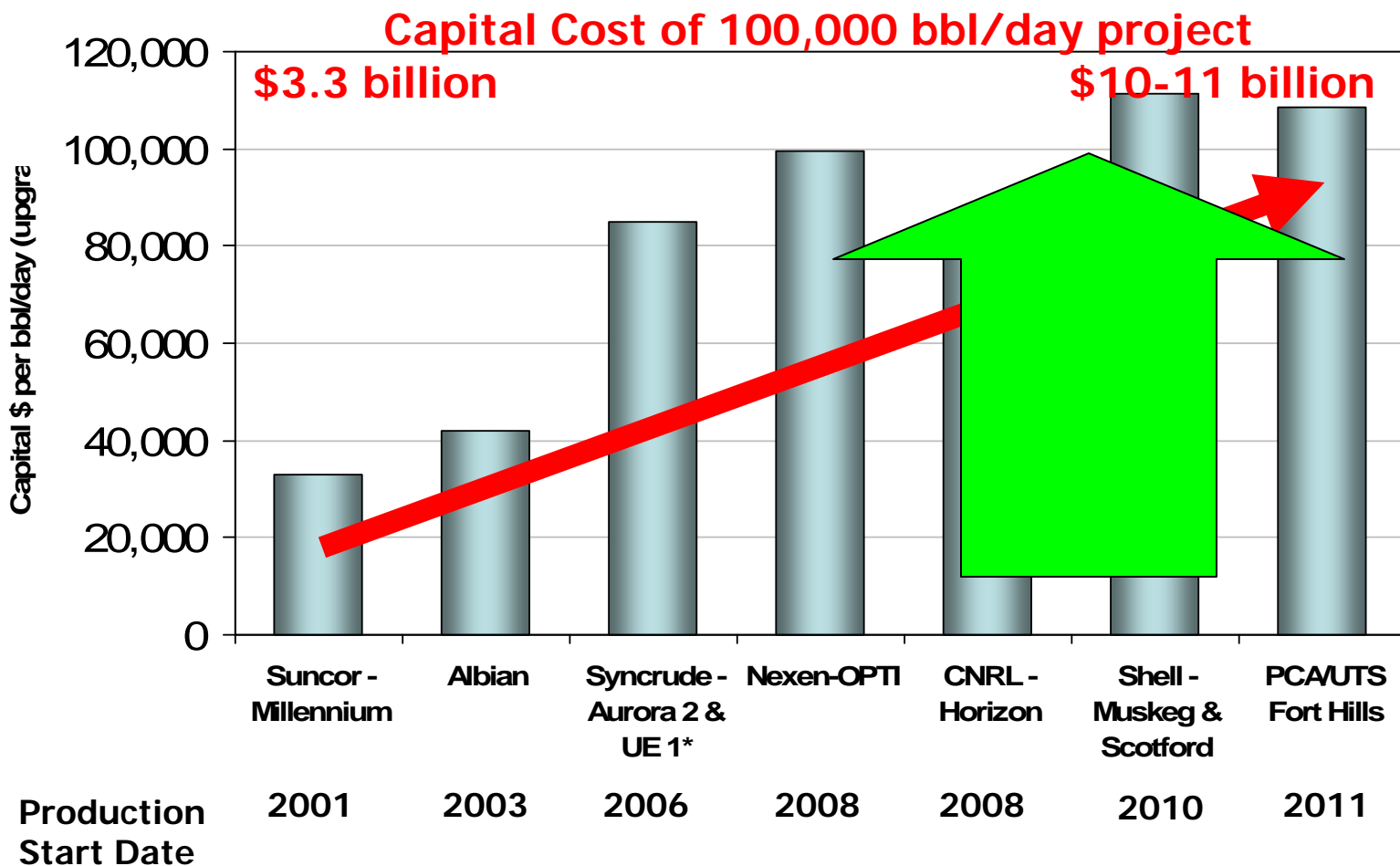


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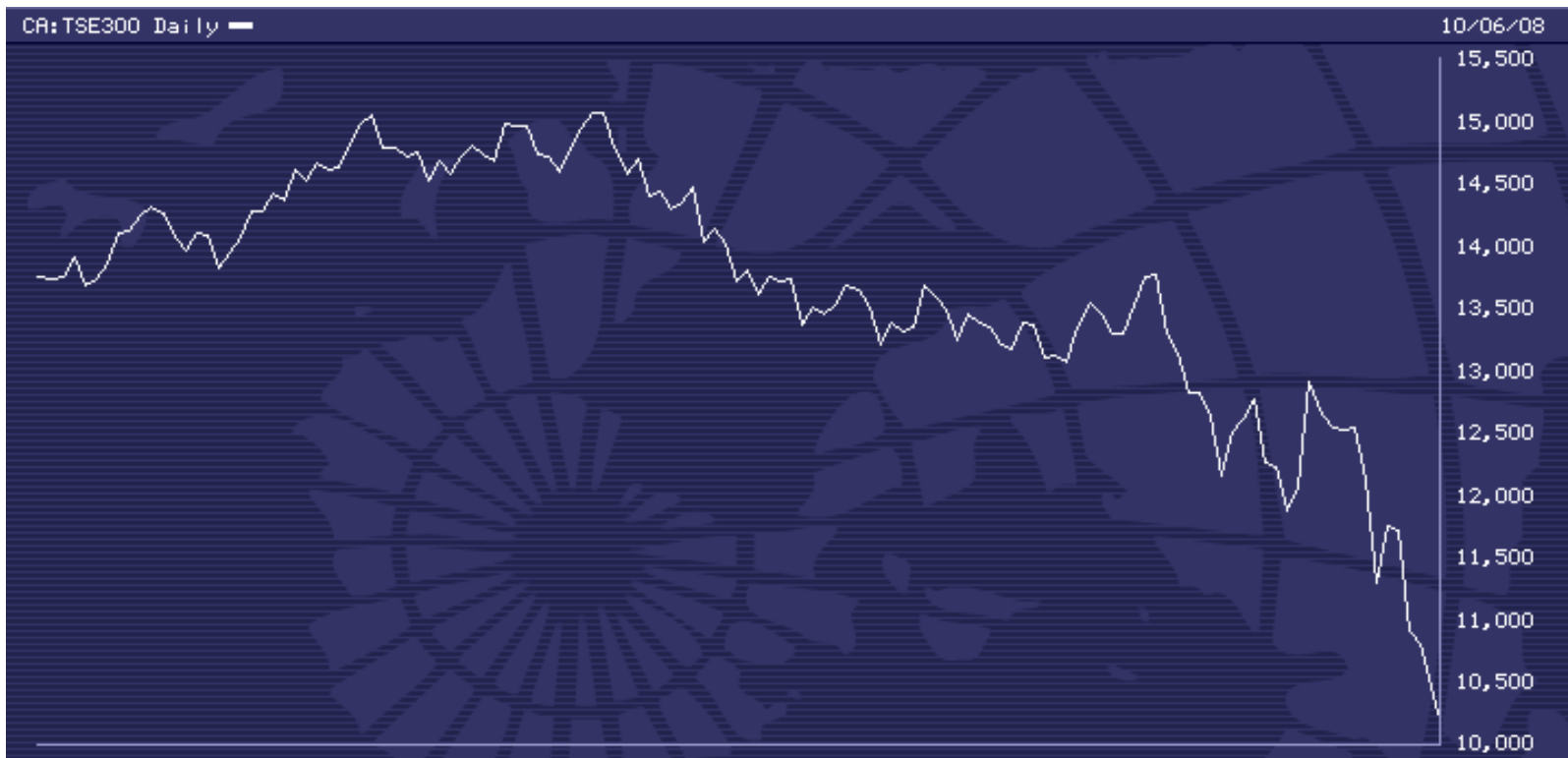
Oil Sands Capital Cost Increases





S&P TSE Composite Index

April – October 2008





ACR Member Perspectives

- 81% - no or limited effects from financial turmoil
- 38% optimistic about performance in their sector over next 5 years – 38% expect reasonable performance
- 47% - reasonable growth in Alberta economy
- Lower employment – 74% next year, 66% over next two years
- Major challenges: low commodity prices, high costs, labour shortages, climate change policies
- 24% - pessimistic about future



There Is No “Magic Bullet”

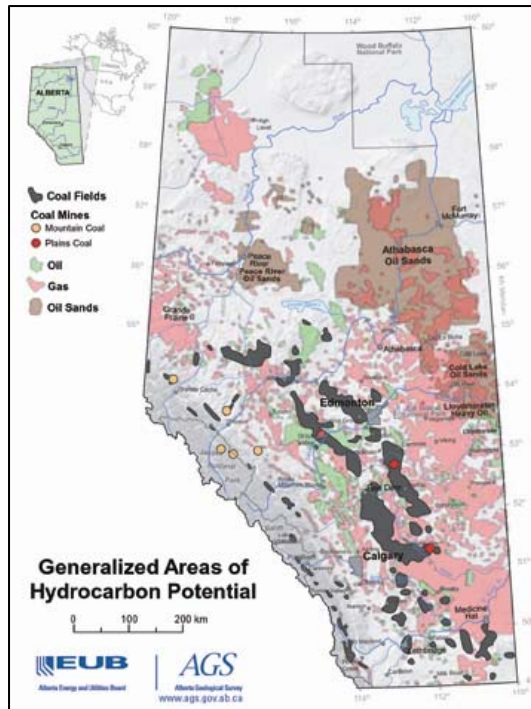
- Market forces will affect supply and demand
- Companies will have to adjust labour strategies to deal with downturn
- The demand curve has begun to shift down and to the right faster than expected – where will it stop?



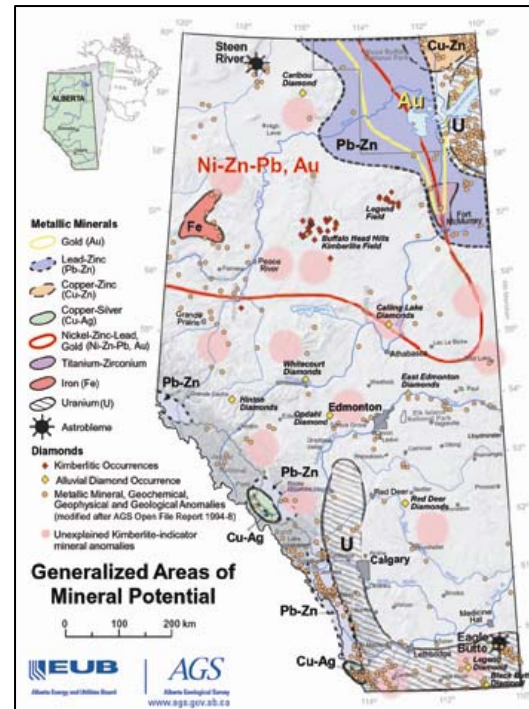


Alberta's Natural Resource Potential

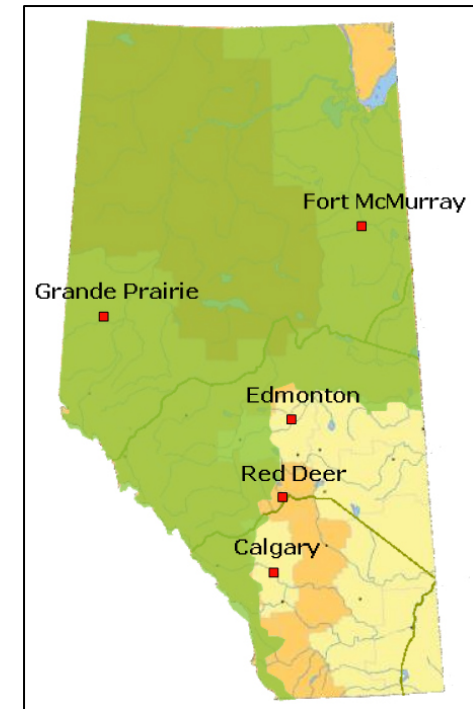
Energy



Minerals



Forestry



- Oil, natural gas, coal, minerals, aggregates and forestry



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