
BUDGET 2026

BC Building Trades Submission to the Select Standing Committee on Finance & Government Services



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This submission is respectfully submitted on behalf of the 25 local craft construction unions that represent more than 45,000 highly skilled unionized construction workers in B.C.

The BC Building Trades provides coordination and support to affiliated construction unions. By working together, organized construction workers achieve a powerful voice in government, in bargaining, and in their communities.

■ INTRODUCTION

The BC Building Trades welcomes the opportunity to provide this submission to the Select Standing Committee on Finance and Government Services on Budget 2026.

The BC Building Trades is an umbrella organization for 25 local unions that work in British Columbia's building, construction and maintenance industry sectors. We represent more than 45,000 highly skilled unionized construction workers in B.C.

Our province is facing significant challenges and opportunities. The construction industry sits at the intersection of both. From major project delivery, to opening access to new markets and expanding our ports, to create good paying, family-supporting union jobs that will help British Columbians face the crushing burden inflation has placed on families. The health of the construction industry and the people who work in it is vital to our province's success.

Construction has been the economic engine of B.C. for a long time. The construction industry plays a significant role in the provincial economy, employing nearly 247,000 British Columbians in 2024¹, contributing \$29.3 billion to BC's GDP in 2023² and accounting for 9.2% of our province's GDP in 2024³.

But as we head into the 2026 budget cycle, construction is facing significant challenges that have far-reaching impacts - on worker health and safety, on the province's capital plan, on government revenues, our provincial economy, and beyond.

The skilled trades shortage is here, and it is growing.

Workers in construction are disproportionately affected by the toxic drug crisis, mental health and substance misuse.

There is widespread misclassification of workers as "independent contractors" as part of a growing underground economy.

The commitments made in Budget 2026 will have a significant impact on our members, on B.C.'s communities and on our provincial economy.

¹ Statistics Canada. [Table 14-10-0023-01 Labour force characteristics by industry, annual \(x 1,000\)](#)

² Dean, J. (2024). *B.C.'s Gross Domestic Product (GDP) By Industry: 2023*. BC Stats.

https://www2.gov.bc.ca/assets/gov/data/statistics/economy/economic-other/gdp_by_industry_2023.pdf

³ Statistics Canada. [Table 36-10-0400-01 Gross domestic product \(GDP\) at basic prices, by industry, provinces and territories, percentage share](#)

To address these critical issues affecting B.C.'s construction industry, we are recommending the following to the Select Standing Committee on Finance and Government Services:

1. Increase core funding for trades training
2. Launch a Joint Compliance Team pilot project
3. Provide one-time funding for the construction of a Construction Industry Rehabilitation Plan treatment facility
4. Expand delivery of community-supporting jobs through Project Labour Agreements

Skilled tradespeople and BC Building Trades unions have rightly earned an excellent reputation for their contributions building our province, involvement in their communities and for playing a critical role in advancing this industry.

Our unions have a history that is unparalleled in this province, and we are proud to be the suppliers of the quality workforce needed to build the projects that communities and our economy rely upon from roads and bridges, to hospitals and schools, to hydro dams and energy projects.

■ RECOMMENDATION #1

Increase core funding for trades training

The current skilled trades labour shortage is well documented, and is recognized by unions, contractors, project owners and political leaders across the ideological spectrum.

BuildForce Canada, which assists the construction industry with labour market information, projects that B.C. will need to recruit 60,100 additional skilled workers between 2025 and 2034, to account for increased industry demands *and* to replace the 43,800 workers expected to retire during this time.⁴

The provincial government has a direct interest in ensuring the availability of a robust skilled trades workforce: the success of its ambitious capital plan depends on it. More broadly, our province relies on construction as an economic driver, providing good-paying jobs for construction workers and building the critical public and private infrastructure that other industries need.

To fix this workforce shortage, we must recruit new workers *and* expand training opportunities.

Recruiting new workers in the numbers required means the construction industry must expand beyond traditional demographics and sources of workers and focus on the untapped well of talented people in demographics who have not traditionally worked in construction. That means creating pathways for and intentionally recruiting women, Indigenous people, and immigrant groups to enter the trades. BC Building Trades initiatives and programs have been hugely successful in recruiting and training these demographic groups.

The BC Building Trades is the leading provider of trades training in the province with over 5,000 registered apprentices and nearly 10,000 learners in our system. Apprenticeships – from classroom-based and on the job training, to mentorship and one-on-one support - are at the core of what our affiliated unions do.

Coming together under the umbrella of the College of the BC Building Trades, our union training centres are the backbone of trades training in B.C. Our apprentices have the highest completion rates in B.C.

⁴ BuildForce Canada. (2025). *British Columbia Construction & Maintenance Looking Forward: Highlights 2025-2034*. BuildForce Canada <https://www.buildforce.ca/wp-content/uploads/2025/03/2025-BC-Constr-Maint-Looking-Forward.pdf>. p. 26.

Collectively, our schools are the top sponsors of women apprentices and of Indigenous apprentices in B.C. And as a result, when unionized subcontractors are on a job, those projects see higher rates of employment for Indigenous tradespeople and tradeswomen.

SkilledTradesBC provides approximately \$89 million annually to trades trainers for apprenticeship training. This funding is shared between public and private institutions on a per-seat funding basis for all apprenticeship training seats in the province. B.C.'s per-seat funding levels are the lowest in Canada and the total provincial funding for trades training providers has remained virtually stagnant – while actual costs to deliver training have risen – for nearly 20 years.

This underfunding of trades training in British Columbia is the most significant barrier to meeting our province's future skilled trades workforce needs.

The unionized construction industry contributes \$0.30 to \$1.00 to training for every construction hour worked under our collective agreements. Our joint training boards operate more than a dozen trades training schools and invest over \$31 million in operational funding annually to provide trades training. It is not an understatement to say that B.C.'s unionized construction sector is keeping trades training afloat by taking on an increasing share of costs.

This status quo is no longer sustainable.

Training providers cannot meet current demand, let alone expand to help meet projected workforce needs by 2034 with current levels of provincial funding. Without increased provincial investment in our trades training schools, we cannot counteract the labour shortage in general, nor provide the pathways to entering the trades to new and underrepresented demographic groups who deserve them.

Premier Eby's 2024 platform recognized the need to better support trades training, with a commitment to invest \$150 million over three years in SkilledTradesBC to increase trades training.

One budget cycle has come and gone without steps to realize that commitment.

The BC Building Trades calls on the B.C. government to support trades training in B.C., and to address B.C.'s skilled trades shortage by increasing funding for trades training by \$50 million for each of the next three years in Budget 2026.

■ RECOMMENDATION #2

Launch a Joint Compliance Team pilot project

The underground economy is rampant in construction, and the misclassification of workers as “independent contractors” is an increasingly prevalent aspect of the problem in non-residential construction, especially in “piecework” trades, such as tile setting and drywalling.

The effects of worker misclassification are felt not only by industry players but also by government directly.

Misclassified workers find themselves without the benefits, such as earned vacation pay, paid sick days or EI when out of work, that they are entitled to under provincial and federal law.

Good-faith contractors, who properly classify their workers as employees and meet their related legal obligations as employers, are undercut and lose out to bad-faith contractors who can underbid on work due to the 20% savings on labour costs they unfairly realise by misclassifying their employees.

And governments lose out on critical revenues from required employer contributions like WorkSafeBC premiums, the employer health tax, income tax and other payroll deductions.

Further compounding the problem of lost revenues is the fact that workers misclassified as “independent contractors” are not issued T4s and are therefore less likely to declare their full income and remit their full income tax obligations, either inadvertently or otherwise.

While the laws and regulations are clear, the problem persists and is able to grow due to a lack of investigation and enforcement.

In 2000/2001, the B.C. government launched a Joint Compliance Team pilot project bringing together the-then B.C. Ministry of Skills Development and Labour, Human Resources Development Canada (HRDC) and the Canada Customs and Revenue Agency to address the underground economy in the residential construction sector.

The B.C. government's share of this pilot program's costs at the time was about \$290,000, which covered 4 full-time equivalent staff, travel costs, building occupancy costs and office and communications expenses.⁵ For this relatively small price tag, the team conducted 400 job site visits and payroll record inspections. Among its findings⁶: 52% of employees spoken to were not receiving one or more of their Employment Standards entitlements and 36% of subcontractors had no WCB coverage. At the time, it was estimated that the B.C. government could regain \$44.5 million annually in tax law revenue and \$40.2 million annually in WCB (now WorkSafeBC) revenue by remedying instances of non-compliance.⁷

Adjusted for inflation, today the B.C. government could regain upwards of \$70 million in unpaid taxes alone, plus tens of millions in unpaid WorkSafeBC contributions. Costs for a pilot would be just a fraction of the recouped revenues, making the program revenue-positive for government.

A pilot program to investigate worksites and enforce existing laws is a win-win-win proposal. Workers will receive the benefits and protections they are legally entitled to. Good employers will be able to compete for contracts on a level playing field. Government will see a significant increase in WorkSafeBC's funds and in tax revenues that fund essential provincial government programs British Columbians rely on.

The federal government has recently undertaken necessary steps for data-sharing by the Canada Revenue Agency and Employment and Social Development Canada (ESDC) to facilitate inspections and enforcement, a critical component of re-establishing a Joint Compliance Team.

The BC Building Trades calls on the B.C. government to include provincial funding to re-establish, resource and implement a Joint Compliance Team pilot program to tackle the underground economy in the construction sector in Budget 2026.

⁵ Employment Standards Branch. (2001). *Employment Standards Branch Operations: The Underground Economy Initiative in BC Residential Construction*. B.C. Ministry of Skills Development and Labour. p. 2.

⁶ *Ibid.* p. 5.

⁷ *Ibid.* p. 2.

■ RECOMMENDATION #3

Provide one-time funding for the construction of a Construction Industry Rehabilitation Plan (CIRP) treatment facility

Workers in construction are disproportionately affected by the toxic drug crisis, mental health and substance misuse. One in five people who die from toxic drugs in B.C. is connected to the construction industry.

The unique structure of the construction industry – high mobility as workers move from project to project and employer to employer over the course of a career, camp work, and high levels of jobsite safety requirements - make tackling substance use, mental health and addiction an equally unique challenge in the industry.

In recognition of the need and of the unique challenge of providing treatment appropriate for the industry, the Construction Industry Rehabilitation Plan (CIRP) was founded nearly 45 years ago in partnership between the BC Building Trades and the BC Construction Labour Relations Association.

Since its founding, CIRP has been providing substance use and mental health services which today include individual counselling, family services, an opioid-free pain service, and day programs. CIRP also provides bed-based addiction treatment services for construction workers by renting beds from other providers. No other organization or provider matches CIRP's industry-specific expertise and experience.

The need for these services is increasing year-over-year. In 2024, CIRP took 15,000 calls, had an intake of 810 cases and delivered counselling sessions to 5,434 clients. Only three years before, CIRP took 6,430 calls, had an intake of 542 cases and delivered counselling sessions to 4,500 clients.

The human impact of this crisis on its own is reason enough to take action. To add another dimension however, a 2023 report analysed the economic impact of substance use and related mental health issues on the construction industry. This report found that on an annual basis 712,500⁸ person-days of work were missed because of substance use and related mental health issues.

⁸ Mitton, C., Dionne, F. (2023). *Estimation of the Economic Impact of Substance Use and the Related Mental Health Issues on the BC Construction Industry*. Construction Industry Rehabilitation Plan. <https://static1.squarespace.com/static/5e56f6fff3dea50925f11b65/t/643f2e9611f765780b68f7ec/1681862299976/2023+CIRP+SURVEY+Economic+Analysis+of+impact+of+SU+and+MH+to+Industry+and+Gov+FINAL+Report.pdf>. p. 6.

In order to ensure that construction workers can continue to receive the best care possible that meets their unique needs, CIRP is working to expand its services to directly own and operate the first-ever construction-specific bed-based treatment facility. This facility would include beds for CIRP's clients, as well as additional beds for non-union construction workers through partnerships with the appropriate health authority.

CIRP is uniquely positioned and experienced to operate British Columbia's first-ever construction addictions treatment and wellness centre. With the support of the Ministry of Health and the Government of British Columbia, CIRP is currently undertaking work to produce an updated business case for this facility. The business case is expected to be finalized by July 31, 2025.

The BC Building Trades calls on the B.C. government to provide CIRP with one-time funding for land and construction costs, estimated to be approximately \$73-75 million,⁹ in Budget 2026.

⁹ Refined numbers to be available in the updated business case this summer.

■ RECOMMENDATION #4

Expand delivery of community-supporting jobs through PLAs

Since 2017, the B.C. government has undertaken an ambitious capital plan. In communities across the province, skilled tradespeople have been hard at work, building public infrastructure like schools and hospitals that were long overdue.

British Columbians, like people across the country, are facing an affordability crisis after years of inflation and rising costs, and now with an unpredictable international trading partner next door.

Capital projects not only build much-needed public infrastructure, but they also provide government with the opportunity to directly create good-paying, family-supporting jobs that can address affordability issues, *if* these projects are built using Project Labour Agreements (PLAs).

The benefits of PLAs are many. They reduce project risks by securing labour costs and ensure a steady supply of skilled labour. They ensure good wages that workers can reinvest in local economies, and provide good benefits, worker protections and high safety standards.

PLAs are also an additional tool to help solve the skilled trades shortage. They include apprenticeship and local hiring provisions, and promote equity hiring.

British Columbians know that union jobs are good jobs, and the support for unions has never been higher.

The BC Building Trades calls on the B.C. government to identify and include the next group of public projects to be built using PLAs in Budget 2026.

■ CONCLUSION

Budget 2026 is the opportunity for government to make key investments that will have a deep, positive impact for B.C.'s construction industry, for workers, for communities across the province and for the broader economy.

Investments in trades training will build the skilled workforce of tomorrow and close the growing gap between industry needs and labour availability.

Investment in a CIRP treatment centre will ensure construction workers get expert care that meets their unique needs.

Investment in a Joint Compliance Team pilot project will level the playing field for good employers, ensure workers receive the benefits they are entitled to, and recoup government revenues.

And investment in PLAs will create good-paying jobs that support families, communities and our economy, and will train apprentices, all while delivering high-quality public infrastructure in the province's capital plans.

We urge the B.C. government to implement our recommendations in Budget 2026.

/MoveUP