Submission to the Government of Canada:
Strengthening Labour Relations to Better Support Workers

Prepared by the BC Building Trades

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Introduction

The BC Building Trades represents over 50,000 highly skilled, unionized construction workers, who account for approximately 55 per cent of British Columbia's non-residential construction labour force. Our members are proud to have worked on some of the most significant projects in B.C.'s recent history, including LNG Canada Phase 1 and Site C, in addition to playing a significant role in B.C.'s shipbuilding industry.

B.C. has distinct workforce needs and our affiliated unions play a key role in recruiting, training and dispatching highly skilled workers to major projects across the province.

Context

We appreciate the opportunity to contribute to the Government of Canada's consultations on *Building Canada Strong for All – Powered by Canada's Workers* and measures to "strengthen the collective bargaining framework, labour relations and supports for workers," and in particular to provide input on measures that strengthen "protections against misclassification and wage theft."

Tackling Worker Misclassification

Misclassification of workers as "independent contractors" is a long standing and growing problem in the construction industry. While construction is not a federally regulated industry, there are many points where federal policy, programs and legislation intersect with and impact construction and the skilled trades. And of course, worker misclassification in the industry affects federal revenues; in British Columbia alone, the cost of worker misclassification in construction stands at over $308 million in unpaid income tax, EI and CPP contributions, and Workers' Compensation premiums.

It is the BC Building Trades' position that proactive investigation and enforcement is necessary to address worker misclassification in construction and that the successful 2000-2001 B.C. Joint Compliance Team Pilot should serve as a model, bringing together the Canada Revenue Agency (CRA) and Employment and Social Development Canada (ESDC) at the federal level and the B.C. Ministry of Labour, including WorkSafeBC and the Employment Standards Branch, to share data and proactively conduct inspections and interviews to identify and remedy instances of misclassification. A proactive investigation and enforcement program has the added effect of chilling the likelihood that contractors will misclassify their workers to begin with.

In its 2025 budget, the federal government proposed “to amend the Income Tax Act and the Excise Tax Act to allow the CRA to share information with the Department of Employment and Social Development Canada for the purpose of addressing worker misclassification.”

This is an important step forward; however, the BC Building Trades believes that government must amend the legislation in such a way that misclassification can be addressed broadly, including specifically in the construction industry. Amendments too narrow in scope, that would facilitate data sharing related only to select industries, would be a serious missed opportunity.

Leveraging Projects to Benefit Communities and Workers

We can use public infrastructure investment to build more than just projects. Investment in infrastructure builds communities and supports economic activity. There are a variety of ways major projects can be leveraged to maximize government goals and build a legacy for the future.

The BC Building Trades has worked closely with project proponents in the past to achieve key targets through Community Benefits and Project Labour Agreements: to promote high quality work, invest in apprenticeship training, prioritize local hiring and maximize project investment in the local economy. The federal government must prioritize Canadian workers first in the construction industry by leaning into their commitment to prevailing wages and supporting Community Benefits and Project Labour Agreements.

The BC Building Trades has long argued that Canada’s patchwork of immigration pathways are poorly designed to meet the labour challenges our construction industry faces.

Over the last five years, just 7,020 tradespersons have obtained permanent residency in B.C. Meanwhile, 7,160 temporary work permits were approved across 11 construction trades in B.C. during that same period. Instead of prioritizing permanent pathways to bring in more tradespeople, there has been a significant over-reliance on temporary programs.

Any review of the current federal labour relations framework must take immigration into consideration. It is our position that the federal government needs to conduct an independent and transparent audit to investigate problems, abuse and mismanagement of the International Mobility Program (IMP) and the Temporary Foreign Worker Program (TFWP), as well as reform the Canadian Experience Class sub-streams to better facilitate permanent entry.

Extending Successor Rights

The BC Building Trades would like to support the Provincial Building and Construction Trades Council of Ontario’s recommendations regarding successor rights. We support employees’ continuity of working conditions and standards when employers change as a result of new ownership or contract retendering. Successor rights should be extended to all federally regulated workplaces beyond specific sectors. In cases where employers become insolvent, workers should have primary access to the employers' assets so that any wages owing, as well as other employment obligations are met first, prior to any subsequent disbursement of assets to creditors.

Concluding Remarks

The Government of Canada has an opportunity through this review to tackle the misclassification or workers and build a framework through prevailing wage, Community Benefits and Project Labour Agreements to meet the challenges of the moment and build a skilled and qualified workforce to meet our major project needs.