

New Union-Only Reality for Public Construction Even Worse Than Feared



Chris Gardner
ICBA President

John Horgan is shamelessly using tens of billions in public construction and infrastructure spending to settle political debts to his allies in the old-school building trades unions, giving these few unions a monopoly

on taxpayer-funded work.

A wide cross section of the province's business and labour community has called on him to back down, and ICBA is leading a large coalition standing up for fairness.

Horgan's sweetheart 'deal' will deliver a cash infusion to the unions,

create massive job-site inefficiencies, and deliver far less value for tax dollars than fair procurement practices would.

His so-called 'Community Benefits Agreement' will narrow the range of bidders on public projects and, even more troublingly, force membership in the highly partisan building trades unions.

The new reality for public construction is this: Successful bidders will have to borrow their workforces from a new government agency that will act as the centrally planned employer. This discriminates against the 85 per cent of B.C. construction workers not represented by the building trades.

Complex and productivity-killing rules about which union has "jurisdiction" over each task - largely

abandoned elsewhere in the construction industry - will be in full force. And individual workers will be forced to join an NDP-approved union, with no regard to individual choice and rights.

Horgan's gift-to-the-building-trades is copied out of the flawed Glen Clark playbook from the 1990s - which drove up labour costs on the Island Highway project by close to 40 per cent.

It's nearly a quarter-of-a-century later, and the building trades represent even less of the construction industry today than they did then. It simply defies belief that the NDP has nevertheless put us back on that same ruinous road, where worker rights and taxpayer value get thoroughly trampled.

The Dirty Secret: Forced Unionization

When it announced the new union-only regime for public construction, the NDP had nothing to say about one key feature: forced membership in government-approved building trades unions. It wasn't mentioned in the public rollout, and the government only owned up to it later as more pointed questions were asked.

"Application for membership shall be made to join the Appropriate [union] Affiliate within thirty calendar days."

- Article 8.102 ("Workforce Security") of NDP-Building Trades Deal



"Forced unionization in other words, and with selected, NDP-approved unions."

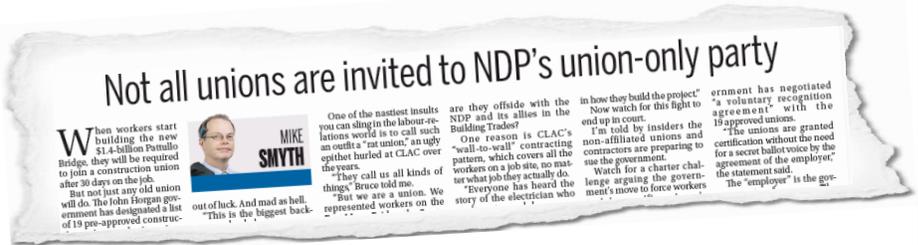
- Vancouver Sun Commentator Vaughn Palmer sums it up, July 16, 2018

Reaction Shows Near Universal Condemnation

Reaction to the NDP-Building Trades sweetheart deal has been overwhelmingly negative, even from sources typically sympathetic to the government. There have been virtually no public endorsements from sources not directly associated with the unions that will benefit so handsomely from this deal.

“The B.C. government’s new policy for public-sector construction is likely to inflate taxpayer costs by hundreds of millions of dollars over the next few years.”

– Jock Finlayson, EVP and Chief Policy Officer, B.C. Business Council; Vancouver Sun, July 26



Mike Smyth commentary in The Province, August 16



Victoria Times-Colonist editorial, July 27

“There’s a principle that anyone with the slightest knowledge of the competitive marketplace knows – free bidding, unencumbered by hiring restrictions or by local-first rules, saves the taxpayers money.”

– Former Kamloops Mayor Mel Rothenburger, writing for CFJC Today, July 18

“This is a disturbing intrusion on the rights of individual construction workers, 80 per cent of whom don’t belong to a union. Many of them have no desire to pay union fees... The government should kill this idea before it goes any further.”

– Victoria Times-Colonist editorial, July 18

“The school of Horganomics... suggests the complex challenges faced by the B.C. construction industry are best dealt with by the creation of a labour monopoly enjoyed by – wait for it – the unions that donated the most money to the NDP party.”

– CLAC Executive Director Wayne Prins published in the Vancouver Sun, July 30¹

Les Leyne: Crown firm will control major-project hiring, we’ll pay more

Les Leyne / Times Colonist
JULY 17, 2018 05:27 AM



OUR VIEW: NDP's new hiring hall is overkill that will raise construction costs

Burnaby Now
JULY 29, 2018 11:37 AM



“To say it must be union, it strikes of paying back political favours and is very troubling.”

– Green Party Leader Andrew Weaver, quoted in the Vancouver Sun, July 27

¹ CLAC is an independent Canadian union representing more than 10,000 construction workers, and is not among NDP-approved unions.

The Court Challenge: Union-Only is Unconstitutional

ICBA is part of a diverse group that has launched a legal challenge to the NDP-Building Trades sweetheart deal. In a petition to the B.C. Supreme Court, it argues that the union-only requirement has no connection to any valid government objectives and that it violates the *Canadian Charter of Rights and Freedoms*.

The Petitioners

ICBA

B.C. Chamber of Commerce

Canadian Federation of Independent Business

B.C. Construction Association

Vancouver Regional Construction Association

Progressive Contractors Association of Canada

Non-Building Trades Unions:
CLAC & Canada West
Construction Union

Five Major Contractors:
Eagle West Crane & Rigging,
Jacob Bros. Construction,
LMS Reinforcing Steel
Group, Morgan Construction
and Environmental, Tybo
Contracting

Six Construction Professionals



The Argument: Rights are Being Violated

Compelled membership in the NDP-supporting building trades unions violates construction workers':

Freedom of Expression

Freedom of Association

Political Equality Rights



"The government cannot condition employment on public projects on the joining of parties, groups or organizations favoured by the government, or who favour the government's agenda or philosophy."

The Argument: A Bad Way to do Business

"The contractor petitioners do not want to force their employees to become building trades members in order to work for them on public projects, and they do not want to work on these projects without their own employees."



They will not be bidding on public projects."

The Alternative: Let's Work Together

"The best way to achieve these employment objectives [such as improved training and First Nations involvement] is through an inclusive approach, which would involve the Government

working collaboratively with all stakeholders

in the construction industry – that is, union and non-union contractors and the various construction associations and training organizations."



How Many Millimetres Was That Again?

The union-only NDP-Building Trades monopoly will certainly be good for insiders and bosses at the headquarters of the NDP and its preferred unions, but it's clearly a disaster-in-the-making for British Columbia as a whole.



It's Going to Cost More

The NDP admits its deal will increase costs by as much as seven per cent on the Pattullo Bridge, or about \$100 million. But it will almost certainly be more, according to both past experience and current expert estimates. Given the full scope of work planned in the next three years, the Canadian Federation of Independent Business has estimated the added labour costs could be \$2.4 - \$4.8 billion.

Source: The Cost of B.C.'s Community Benefits Agreement, CFIB, July 2018



The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.

A Union Windfall



The NDP deal guarantees cash infusions for its preferred unions. 25¢ for every hour worked goes into an "administration fund". There will be additional payments into other union funds, including one for the "jurisdictional assignment plan", which rigid task-based union rules make necessary. Even payments theoretically meant to support services to union members won't do much for the many workers who will only remain members for as long as the NDP forces them to.

Source: <https://engage.gov.bc.ca/app/uploads/sites/331/2018/07/Community-Benefits-Agreement.pdf>

The Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

Mind-Numbing Complexity

The 300-page+ deal is a stunning case study in micro-management - specifying, for example, menu and table arrangements in worker camps (deviled eggs and warm plates mandatory, place settings narrower than 76.2 cm verboten, etc.). It almost seems to have been designed to generate grievances. And what about splitting up the innumerable specific job-site tasks among the favoured unions? The "procedural rules" for this exercise alone run to 44 pages.

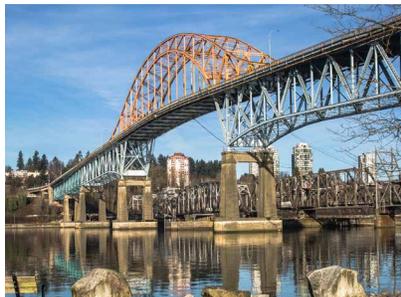
Source: <https://engage.gov.bc.ca/app/uploads/sites/331/2018/07/Community-Benefits-Agreement.pdf> www.japlanbc.com/documents/



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It's Going to Get Bigger

The 1990s NDP-Building Trades deal started relatively small but grew - eventually extending to various transit and bridge projects, and to all highway projects down to a value of \$30,000. Only two projects are subject to the current version of this deal as of today - the Pattullo Bridge and widening of the Trans-Canada east of Kamloops - but Transportation Minister Claire Trevena has said it will cover all transportation projects above a threshold of \$500 million, and may go further on a "case by case" basis.²



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²As quoted in Times-Colonist, July 26.