

This Election: It's Time to Bring Back the Fair Wages and Hours of Labour Act

In 2012, the federal government repealed a piece of legislation that had protected workers and Canadian taxpayers for nearly 80 years-the Fair Wages and Hours of Labour Act. At the time, it was argued that removing this law would reduce costs and increase competitiveness in federal construction projects. Over a decade later, the results are in-and they tell a different story. It's time to bring back this crucial legislation.

Originally introduced in 1935, the Fair Wages and Hours of Labour Act was a straightforward promise: if you're working on a government-funded construction project, you should be paid a fair, prevailing wage. The Act mandated that contractors and their subcontractors pay workers wages consistent with the regional standards for the type of work being done. This wasn't just about fairness-it was about preventing a race to the bottom in wages and working conditions.

The Act leveled the playing field. Contractors competed based on skill, efficiency, and project management-not on how little they could pay their workers. It protected Canadian workers from being undercut by unscrupulous contractors using "independent contractor" schemes or relying on underpaid temporary foreign labour. And it ensured that the billions in public funds spent on infrastructure translated into good jobs in communities across the country.

Since the repeal, we've seen exactly the opposite of what was promised. Construction costs have continued to rise, but the quality of jobs has declined. The door has been opened to tax-avoidance schemes, underground employment, and the exploitation of vulnerable workers. Instead of supporting local families, public dollars are increasingly lining the pockets of contractors who cut corners.

Critics claim that reinstating the Act would drive up labour costs. But labour costs are not the primary driver of increased construction spending. The real culprits are inefficiencies in procurement, outdated project delivery models, and inflationary pressures across the sector. Meanwhile, productivity gains and innovation have stalled. It's clear that the savings promised by repealing the Act never materialized.

Restoring the Fair Wages and Hours of Labour Act is not just about wages-it's about value. When workers are fairly compensated, projects attract skilled tradespeople who take pride in their work. Apprenticeship opportunities grow. Safety improves. And communities benefit from jobs that support families, not just bottom lines.

Canada's Building Trades Unions propose a modernized version of the Act, aligned with prevailing wage and apprenticeship standards tied to existing Investment Tax Credits in the Income Tax Act. This smart, targeted approach would ensure that public infrastructure projects contribute to the long-term strength of Canada's workforce. It would also ensure that contractors who play by the rules-those who hire domestically, pay fair wages, and train the next generation-are the ones who win government contracts.

Bringing back the Fair Wages and Hours of Labour Act is a matter of principle and practicality. It's a commitment to fairness, accountability, and smart public spending. Canada should never be in the business of subsidizing exploitation or driving down wages with our tax dollars.

In a time when we're investing billions into infrastructure, housing, and clean energy transitions, we must ask ourselves: What kind of economy are we building? One where the lowest bidder wins at any cost? Or one where workers are respected, standards are upheld, and public money builds both infrastructure and opportunity?

It's time to choose the latter. It's time to bring back the Fair Wages and Hours of Labour Act.

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