

Benefits for Whom?

Assessing British Columbia's Community Benefits Agreement

Renze Nauta | September 2024

Key Points

- Community Benefits Agreements (CBAs) can be useful tools in providing greater opportunities for underrepresented groups to participate in the construction industry.
- However, British Columbia's CBA (the "Agreement") contains problematic elements that are not typical of traditional CBAs. These include:
 - A requirement that all workers on Agreement projects join one of the nineteen unions affiliated with the Agreement.
 - A provision that British Columbia Infrastructure Benefits, a Crown corporation, employs all workers, supplanting contractors in their role as employers.
- A case study of the Cowichan District Hospital Replacement Project demonstrates the effect of these problems:
 - Only two firms bid on the project.
 - Cost overruns are \$559 million so far. This is the largest cost overrun in dollar terms—and the third-largest in percentage terms—among large Infrastructure BC projects.
 - The government blamed cost overruns in part on labour shortages, despite having restricted the labour pool through the Agreement.
 - An Indigenous contractor in Cowichan was refused permission to work on the project because of the unionization requirement, despite the fact that Indigenous workers and local residents are priority groups in the Agreement.
 - In providing an exemption from the workforce rules to the Indigenous contractor, the government has effectively admitted the Agreement's fundamental flaw without fixing the Agreement itself.
- The government should therefore overhaul British Columbia's CBA to (1) respect the right of workers to affiliate with unions as they wish, (2) re-establish contractors in their roles as employers, and (3) re-focus on expanding opportunities for underrepresented groups to participate in the construction industry.

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CONTACT

Renze Nauta
Program Director, Work and Economics
tel: 613-241-4500 x 505
rnauta@cardus.ca

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