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Building Trades Support the Auditor General: Stop the Cheaters Now!

(Toronto, ON) The Provincial Building and Construction Trades Council of Ontario announced its support for the Auditor General in his efforts to tackle the underground economy in construction. “If we are to build a strong economy and a fair society, we must rein in underground economic activities that continue to plague the construction industry,” urged Patrick Dillon, Business Manager, in response to Auditor General Michael Ferguson’s report to Parliament which was released earlier this week.

The report evaluates six areas of federal government responsibility including the Canada Revenue Agency’s program that tracks individuals and businesses who fail to comply with Income Tax and GST/HST filing requirements. “Underground economic activity is particularly prevalent in sectors where cash transactions are common,” the report says, identifying self-employed individuals in construction as a prime example that stands out.

Dillon says that “independent operators and the underground economy in construction hurt legitimate employers who are paying their fair share of taxes, hurt workers by jeopardizing their health and safety, and hurt all Canadians by depriving the government of much-needed funds for health care, education and environmental protections.”

Estimates by the Ontario Construction Secretariat say that the Underground economy is costing the public purse upwards of \$2.4 billion annually in Ontario, and that independent operators are the basis of more than 80% of this revenue leakage.

The Building Trades have made numerous overtures to all levels of government on how to attack this problem. “At the Provincial level, the government of Ontario has taken a small step in this regard through Bill 119, which will place some limits on independent operators, but a more coordinated and aggressive approach is needed,” said Dillon. “We hope that Prime Minister Harper listens to the Auditor General and takes steps to clean up this problem, unlike Tim Hudak and the provincial Tories who are opposed to any efforts at regulation, including Bill 119.”

“As cash-strapped governments at all levels struggle for additional revenue streams without raising taxes, tackling the underground economy is good public policy that benefits everyone but the cheaters.”

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