

Underground Activity in Ontario's Construction Industry Costs Us All

The underground economy in Ontario's construction industry undermines the province's fiscal position and hurts legitimate contractors. A new study, commissioned by the Ontario Construction Secretariat, estimates that annual revenue losses due to underground activity have increased by 30% over the past decade.

Fact

Between 2013 and 2017, the Province of Ontario and Federal Government lost between \$1.8 billion and \$3.1 billion annually as a result of contractors operating in the underground economy. This represents an increase of 30% since our last study in 2009 when annual revenue losses were in the order of \$1.4-\$2.4 billion.



Fact



Floor Covering Installers



Tilesetters



Painters and Decorators



Carpenters

The primary driver of the underground economy is employers improperly classifying their workers as 'Independent Operators' rather than employees. Floor Covering Installers, Tilesetters, Painters, and Carpenters are particularly vulnerable to this illegal practice.

Fact

22
PERCENT

Only 22% of 'Independent Operators' are registered with the WSIB. Close to 84,000 independent operators are not paying WSIB premiums.

Fact



Unscrupulous contractors who illegally style workers as 'independent operators' rather than employees enjoy an unfair competitive advantage over legitimate contractors who comply with their WSIB, payroll and employment standards obligations.

What can we do?

Continued enforcement efforts are required to rein in the underground economy and create a level playing field for legitimate contractors who support health and safety and apprenticeship programs. **Get the Facts!**