

Bill C-58: What Canada's Ban on Replacement Workers Means for Employers



On June 20, 2025, Bill C-58 came into force, ushering in a major shift in labour relations for federally regulated employers. This law prohibits the use of replacement workers (often referred to as “scabs”) during a legal strike or lockout, subject to narrow exceptions. For banks, telecommunications companies, airlines, railways, interprovincial trucking and shipping companies, and other federally regulated employers, the way you manage labour disputes just changed in a fundamental way. And even if you’re provincially regulated, this development signals broader ripple effects across Canadian labour relations.

What Bill C-58 Actually Says

Bill C-58 amends the **Canada Labour Code** to prohibit federally regulated employers from bringing in replacement workers to do the work of unionized employees who are on strike or locked out. The rule applies during any legal work stoppage once notice has been served and bargaining has broken down.

The narrow exceptions:

- **Health and safety:** Replacement staff can be used only if their presence is strictly necessary to prevent a danger to life, health, or safety.
- **Property and operations:** Employers may also use replacements where necessary to avoid serious damage to equipment or property.

But the burden of proof rests on the employer, and the Canada Industrial Relations Board (CIRB) will adjudicate disputes quickly.

What This Means for Employers

If you’re federally regulated, you cannot rely on contingency hiring as a strike management strategy anymore. That changes the entire calculus of bargaining, risk management, and continuity planning. Key implications include:

1. Labour-Relations Playbooks Need Updating

Most employer bargaining manuals include “contingency staffing” as a key tool during labour disputes. Those chapters need to be rewritten. Your managers, HR teams, and supervisors must understand that replacement hiring is no longer available except in the narrowest of circumstances.

2. **Essential-Services Planning Becomes Critical**

You'll need to identify, document, and negotiate with unions what roles are essential to protect safety or property. Expect the CIRB to scrutinize your claims. Proactive agreements with unions can prevent costly delays when a dispute arises.

3. **Bargaining Dynamics Will Shift**

Without the leverage of replacement workers, unions gain negotiating strength. Employers may need to prepare for longer strikes, more intense pre-strike negotiations, and greater pressure to resolve disputes at the table.

4. **Internal Communications Must Change**

Employees and managers will need clear, accurate explanations of what Bill C-58 means. A misunderstanding—such as a manager suggesting the company “will just hire temps”—could erode credibility and even expose the company to legal risk.

How to Update Your Labour Strategy

- **Audit your current strike/lockout plans:** Remove any sections about staffing up with contractors or temps. Replace them with protocols for identifying essential roles and CIRB processes.
- **Train leaders and supervisors:** Ensure they understand the new limits and don't inadvertently promise or threaten something that's illegal.
- **Review collective agreements:** Some contain language about “essential services” or dispute management; make sure it aligns with the new federal framework.
- **Scenario test your continuity plans:** Ask “what if” questions. What if your call centre shuts down for three weeks? What if your airline ground crew strikes? Without replacement workers, your fallback plans must rely on negotiation, automation, or pre-bargained contingencies.

Implications Beyond Federally Regulated Employers

If you're not in a federally regulated industry, you may be wondering: why should we care?

1. **Possible Provincial Copycats**

Québec and British Columbia already ban replacement workers under provincial labour codes. Ontario, Alberta, and others have debated similar laws in the past. Bill C-58 may renew momentum for these discussions. If you're provincially regulated, keep an eye on your legislature, especially if your province has an active union movement.

2. **Union Bargaining Trends**

Even in provinces without bans, unions will leverage Bill C-58 as a talking point. Expect more aggressive demands and less willingness to accept the possibility of employer contingency staffing.

3. **Public Expectations**

Replacement worker bans resonate with public opinion in Canada, where “scab labour” is often seen negatively. Companies that rely on replacement workers risk reputational damage even where it's still legal.

4. **Competitive Landscape**

If you compete with federally regulated businesses; for example, a trucking firm that only operates intra-provincially; your competitors may face longer strikes and more bargaining pressure. That may create short-term opportunities but also long-term pressure to match union expectations.

Key Takeaways for HR and Business Leaders

- Bill C-58 is now law: replacement workers are effectively banned in federally regulated workplaces.
- Employers must update strike and bargaining strategies immediately.
- Essential-services planning is now front and centre; build relationships with unions and prepare your submissions for the CIRB well in advance.
- Even if you're not federally regulated, be prepared for ripple effects: union strategies, political momentum for new laws, and shifting public expectations

Bottom line:

Bill C-58 tilts the balance of power in Canadian labour relations. Employers who proactively revise their playbooks, train their leaders, and rethink their bargaining strategies will be best positioned to navigate this new era. Ignoring it, or clinging to old assumptions about strike management, will leave organizations exposed, both legally and reputationally.

Here's a **Bill C-58 Employer Toolkit** you can use alongside the article. It includes three practical tools:

1. Strike/Lockout Planning Checklist (Post-Bill C-58)

Before Bargaining

- Review and update your labour-relations playbook: remove all "replacement worker" strategies.
- Map out essential services: roles, functions, and systems needed to protect life, health, safety, and property.
- Meet with union reps to discuss essential services and agree on protocols in advance.
- Train executives, HR, and supervisors on Bill C-58 restrictions.
- Update collective bargaining strategies to account for reduced leverage.
- Establish rapid-response procedures for Canada Industrial Relations Board (CIRB) filings.
- Align communications with employees and media policies.

During a Strike/Lockout

- Activate essential-services plan.
- Document all safety/property protection measures.
- Ensure no contractors, temps, or managers are filling union roles unless clearly justified.
- Maintain detailed logs of decisions in case of CIRB review.
- Communicate frequently with employees, customers, and stakeholders.

After Resolution

- Conduct a debrief with leadership and union reps.
- Revise continuity plans based on lessons learned.
- Rebuild trust with employees and customers.

2. Essential-Services Plan Template

Organization Name:

Date Prepared:

Prepared By:

1. Scope and Purpose

This plan identifies the essential services required to protect the life, health, or safety of the public, and to prevent serious damage to company property, during a strike or lockout.

2. Essential Functions

- Function A (e.g., hazardous material monitoring, flight safety checks, emergency call handling)
- Function B
- Function C

3. Designated Roles

- Role: [Position title]
- Justification: [Why this role is essential under Bill C-58]
- Backup/Alternate: [If applicable]

4. Safety & Property Protection Measures

- [Detail specific protocols to prevent accidents, environmental harm, or equipment damage.]

5. Union Consultation

- Summary of discussions and agreements with union representatives.

6. CIRB Contingency

- Pre-drafted language for applications to the CIRB in case of disputes over essential services.

3. Manager Communications Guide

Key Messages

- *What Bill C-58 means:* Employers cannot use replacement workers during a legal strike/lockout except for essential safety/property reasons.
- *What managers can say:*
 - “We respect our employees’ right to strike.”
 - “Our priority is safety and protecting property.”
 - “We are committed to negotiating in good faith to reach a fair agreement.”
- *What managers must avoid saying:*
 - “We’ll just hire contractors or temps to keep operations going.”
 - “Don’t worry, we’ll find replacements if needed.”
- Any suggestion that striking employees will be punished for exercising their rights.

Tips for Supervisors

- Stick to prepared talking points.
- Refer any detailed questions to HR or legal.
- Avoid offhand comments about “scabs,” “temps,” or “workarounds.”
- Be empathetic: acknowledge uncertainty without making promises.