

Canadian Construction Association

Formal submission for consideration in advance of the 2025 Federal Budget

Recommendation 1: Tackle the workforce shortage through continued dialogue with Canada’s construction industry to promote careers in construction and reform the immigration system.

Recommendation 2: Modernize Canada’s tendering and procurement models to accelerate project starts and protect against increasing uncertainty and risk.

Recommendation 3: Collaborate with the construction industry to align infrastructure funding allocation models to bolster Canada’s domestic and international trade capacity and resolve the housing crisis.

Recommendation 4: Stabilize supply chains to ensure a robust and productive construction industry that can catalyze the construction of nation-building infrastructure.

The Honourable François-Philippe Champagne, P.C., M.P.
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Submitted via email: yourbudget-votrebudget@fin.gc.ca

Minister Champagne,

Thank you for the opportunity to contribute and provide recommendations as you plan for Budget 2025. The Canadian Construction Association (CCA) is Canada's national voice for the construction industry, representing 18,000 members through an integrated structure of 57 local and provincial partner associations.

Construction, in many ways, is the backbone of the Canadian economy. Our sector employs over 1.6 million people and generates approximately \$162 billion for the economy annually, accounting for 7.5 per cent of Canada's gross domestic product (GDP). The life we enjoy – from schools, hospitals and recreation centres, to roads, bridges, and transit – is all possible because of construction. The industry is undoubtedly a key player in driving Canada's future economy, creating jobs, and connecting communities and countries.

This current government has explicitly promoted a building mindset in its campaign, and we welcome the opportunity to help turn those campaign promises into tangible commitments and concrete actions. However, several critical issues, outlined in this consultation, stand in the way of realizing the government's agenda. Resolving these challenges is essential to catalyze building across Canada.

Our recommendations align well with the Government's mandate, which consistently reinforces the need for domestic investment to build Canada into the new global economy. While CCA has been pleased to see repeated references to construction as a catalyst to boost our economy through nation-building initiatives, as codified in Bill C-5, specific priorities must first be addressed to achieve this goal.

- Infrastructure – including homes, hospitals, schools, and trade corridors – cannot be built without a robust workforce.
- Projects cannot be awarded and start breaking ground without modernizing the procurement process.

- Goods cannot move efficiently due to current supply chain disruptions.

Addressing these bottlenecks is a prerequisite for economic growth, social prosperity, and enhanced productivity. The time to develop and act on meaningful solutions is now.

With that in mind, we are pleased to contribute our insights to your important deliberations in advance of Budget 2025. We stand ready to expand on this submission and work together to build a stronger, more resilient Canada.

RECOMMENDATIONS

Recommendation #1: Tackle the workforce shortage through continued dialogue with Canada's construction industry to promote careers in construction and reform the immigration system.

The construction industry employs approximately 1.6 million people, offering stable, well-paying, and rewarding careers. This is not a sector interested in short-term labour fixes or the exploitation of temporary workers. When newcomers arrive in Canada, there is a significant investment in their skills and experience. However, the industry continues to face challenges in scaling the recruitment of apprenticeships to supplement the domestic workforce shortage.

The industry requires assistance from the Government in scaling training and skills development workshops to promote construction as a fulfilling career path for the next generation of construction apprentices. This starts with federal investment in trades-based workforce development programs. It also calls for early exposure and the destigmatization of the trades to Canadian youth through the school system.

As such, the industry must take a two-fold approach: invest in long-term societal changes in Canadian attitudes, messaging, and programming about the prospect of a career in the trades to encourage natural uptake, while advocating for streamlining immigration processes to align newcomers' skillsets and credentials to supplement the immediate workforce crisis.

Although the Government has introduced alternative programs, such as the Trades-Based Category Express Entry and the Federal Skilled Trades Program (FSTP), to showcase the value of the trades without having to compete with the higher thresholds in the Canadian Experience Class (CEC), these pathways remain systematically underutilized. Since 2015, the FSTP has admitted only 0.5 per cent of total PR in Canada. Moreover, since 2025, there have been zero trade-based draws, and only two draws

since they began in 2024, resulting in just 3,600 individuals being invited for PR, in contrast, the French language proficiency draw has issued 42,000 invitations, highlighting a continuous and disproportionate lack of prioritization on trade-based immigration compared to the other ‘in-demand’ economic categories.

According to the [2025 Public Opinion Research](#) conducted for the ‘Construction for Canadians’ campaign, the data showed that only 10.5 per cent of Canadians polled believed the government was doing a good job managing construction workforce needs. CCA has previously pointed out the paradox that one of the factors that speeds up the start of a project is the availability of labour. Yet, little intervention has been made to structurally reform the immigration system to suit the immediate needs of Canada’s economic and housing demand. Therefore, we recommend calibrating existing trade-based channels to be used as intended or evaluating the Canadian immigration program to overhaul ineffective programs misaligned with current market needs.

Recommendation #2: Modernize Canada’s tendering and procurement models to accelerate project starts and protect against uncertainty and risk

We continue to ask the government to modernize its procurement processes to ensure that the tenets of fairness, innovation, and competition are embedded in the tendering process. Public procurement can take several months or years, from project conception to completion. This prolonged and uncertain process creates significant unpredictability for businesses and contractors, often leaving them to absorb financial risks, including those associated with the potential or actual tariffs.

The current state of procurement is outdated. Its lack of modernization stifles innovation and reduces overall productivity. Given the Government’s recent momentum in streamlining approvals for nation-building projects, now is the time to apply the same sense of urgency and innovation to procurement reform. The long-standing practice of awarding contracts to the lowest bidder overlooks innovation and long-term resilience. CCA calls for improving collaboration on procurement to transform project delivery speed while embracing innovative and sustainable best practices. We advocate for adopting a collaborative and agile approach to public procurement. Instead of funding individual projects on a case-by-case basis, procurement should extend beyond low-cost bids or public-private partnerships (P3s).

The recent threat of tariffs from our southern neighbour has exposed the fact that risk-sharing is not evenly distributed. The Government must recognize this imbalance and work toward establishing a uniform standard for tendering and procurement to prevent contractors from absorbing these costs without protection. These changes should reflect feedback and assessment with industry practitioners,

such as through the Canadian Construction Documents Committee (CCDC). Without such guidance, many planned projects could be postponed indefinitely because they are financially unfeasible.

Recommendation #3: Collaborate with the construction industry to align infrastructure funding allocation models to bolster Canada's domestic and international trade capacity and resolve the housing crisis.

In response to the economic and political turbulence the United States poses, there is an urgent need to scale overall infrastructure investments to build a strong Canadian economy. Whether by strengthening domestic and international trade or accelerating housing starts, sustained infrastructure investment is essential. CCA appreciates the government's efforts to dismantle interprovincial trade barriers through Bill C-5 and resolve all remaining exceptions in the Canada Free Trade Agreement (CFTA).

While our industry and the federal government share a mutual understanding of the importance of increased investment in infrastructure projects, further action is needed to establish consistent and reliable funding, allocation, and long-term maintenance strategies. These are critical to bolstering Canada's economic growth.

Historically, infrastructure investment in Canada has been inconsistent, resulting in an estimated 8.6 per cent reduction in the country's economic rate of return. This is compounded by evidence from the 2021 Auditor General's report that the Government could not provide meaningful public reporting on the *Investing in Canada Plan's* overall progress towards expected outcomes, including accounting for delays and reallocations of unspent funds each year. This suggests that funding objectives may not align with the actual needs of provinces and municipalities, and that the federal government may lack the agility to respond quickly and effectively to allocate funds. It is this unpredictability when it comes to funding projects that has cost the Canadian economy a third of its real GDP growth potential.

An example of this misalignment can be seen in Ontario: the federal government covers about 12 per cent of Ontario's public infrastructure risk yet receives 39 per cent of the fiscal benefits. Meanwhile, Ontario-based governments bear 88 per cent of the funding costs while only receiving 61 per cent of the budgetary benefits. This imbalance exemplifies how the current funding model has led to long-term structural underinvestment in public infrastructure.

Recommendation #4: Stabilize supply chains to ensure a robust and productive construction industry that can catalyze the construction of nation-building infrastructure.

According to the [Canadian Mortgage and Housing Corporation](#) (CMHC), the Municipal Land Use and Regulation Survey indicates that it takes one full year to review and approve multi-unit housing, with the construction period averaging approximately seven to eight years. Meanwhile, project approval processes for nation-building and major defence projects span years in scope, in which case many original costs and technological requirements become outdated.

Without fortifying Canada's construction material supply chain, the layers of harm to the construction industry cannot be overstated. The sector has endured repeated disruptions, from the COVID-19 pandemic and the 2021 shipping container crisis, to the 2025 trade war with the U.S. These events have placed cumulative pressure on both international and domestic transportation and logistics systems. The rising cost of materials, coupled with a loss of confidence, is significantly impacting the number of project starts, as the interconnectedness of the supply chain with the U.S. – or rather, the lack of stability within Canada's supply chain – forces the industry into an unstable boom and bust cycle.

While a strong and strategic Canadian response to U.S. trade policies is essential, the industry asserts that counter-tariffs unequivocally harm construction. From the changing and fluctuating prices of wood, steel, and cement, counter-tariffs put pressure on our industry and make it more vulnerable during this period of political and economic turbulence. Instead, CCA reiterates its call to all levels of government to consider economic measures to support Canadian businesses and stimulate our economy, in consultation with the industry. We acknowledge the Government's response through the *United States Surtax Remission Order*, however, the current scope of this remission process explicitly excludes construction. This is a significant oversight, given the undeniable pressure and financial cost construction has weathered due to repeated supply chain destabilization. We recommend refining this remission process in consultation with construction stakeholders to identify shared pain points and ensure fair and timely reimbursement for sectors that have borne the brunt of trade-related disruption.

Conclusion

On behalf of CCA and our membership, thank you for allowing us to provide these recommendations.

We welcome the opportunity to meet with you and your team to further elaborate on these recommendations. We firmly believe the construction industry supports Canada's growth and prosperity. We are ready to collaborate with the relevant government departments to build the foundation for a more connected, competitive, and resilient Canada.



Best wishes to you and your department on the development and implementation of Budget 2025.

Warm regards,

A handwritten signature in black ink, appearing to read 'Rodrigue Gilbert'.

Rodrigue Gilbert
President, Canadian Construction Association