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Formal submission for consideration in advance of the 2026 Federal Budget



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Recommendation 1: Ensure representative funding parity for domestic workforce policies, such as matching dollar-for-dollar investments under programs like UTIP to open-shop counterparts across the construction industry.

Recommendation 2: Undertake targeted immigration system reforms, in partnership with the construction industry, to better align immigration programs and newcomer selection with current labour-market needs.

Recommendation 3: Modernize Canada's tendering and procurement models to deliver greater value for taxpayers' dollars, while strengthening innovation, fairness, and transparency.

Recommendation 4: Adopt and promote the use of Canadian Construction Documents Committee (CCDC) standard documents to streamline procurement, increase participation, and reduce costs of construction.

Recommendation 5: Reassess the security clearance process used in construction procurement to ensure fair competition and timely project delivery.



Standing Committee on Finance
House of Commons
Ottawa, ON
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Members of the Standing Committee on Finance,

Thank you for the opportunity to contribute recommendations to the Standing Committee on Finance in advance of Budget 2026. 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.

In today's 'build, baby, build' era, the government has positioned construction as a cornerstone of Canada's economic resilience amid ongoing geopolitical turbulence. Our sector employs more than 1.63 million people and generates approximately \$170 billion for the economy annually, accounting for 7.3 per cent of Canada's gross domestic product (GDP) – making it a powerful engine of national growth. From delivering major, nation-building projects to grow our economy and training the next generation of Canadian builders, to building critical defence infrastructure that safeguards our communities and sovereignty, construction is central to achieving the government's generational ambitions.

As the government moves to cut red tape and accelerate the delivery of housing and infrastructure, strategic collaboration with industry is essential to ensure policies and investments deliver the greatest possible social and economic benefits for all Canadians.

CCA's recommendations are designed to further catalyze the government's mandate to protect, build, and transform Canada's economy. Our asks target key blockages that, if resolved through government intervention, stand to unlock profound and lasting impacts on economic growth, social prosperity, and productivity for generations of Canadians to come.

- Construction – including homes, hospitals, schools, and trade corridors – cannot be fast-tracked without the workforce to deliver it.
- Procurement, particularly for defence infrastructure, risks failing to deliver due to the paralyzed state of security clearances for construction procurement.
- Transformational shifts in building must be met in kind with the modernization of procurement practices to support innovation, efficiency, and timely project delivery.

With that in mind, we are pleased to contribute to your important deliberations in advance of Budget 2026. We stand ready to expand on this submission and work together to build a stronger, more resilient Canada.

RECOMMENDATIONS

Recommendation 1: Ensure representative and funding parity for domestic workforce policies, such as matching dollar-for-dollar investments under programs like the Union Training and Innovation Program (UTIP) to open-shop counterparts across the construction industry.

Since 2019, construction has been the only industry to experience sustained post-pandemic labour shortages and persistently high vacancy rates. From December 2019 to December 2025, total labour demand in construction increased by 12.5 per cent. In contrast, the all-industry average only grew by 5.8 percent, while construction more than doubled the average during this period.

While we appreciate the government's effort to meet domestic workforce demand through initiatives such as UTIP and the Foreign Credential Recognition Action Fund, it is worth noting that only approximately 30 percent of the construction industry is unionized. As a result, the design of these workforce policies does not provide equitable access to training and skills development across the industry.

CCA welcomes the recent \$6 billion commitment in the Spring Economic Statement to recruit, train, and hire the workforce needed to build Canada. However, restricting major portions of this funding to narrow delivery pathways, such as UTIP or the recent Red Seal-exclusive initiatives, limits reach and reduces overall impact. If the aim is to galvanize and empower workers, championing policies that preclude open-shop construction workers from participating sends a mixed signal by picking a 'winner' and 'loser'. This ultimately undermines efforts to meaningfully assemble the workforce needed to deliver the ambitious projects the government has in mind because it does not, in practice, make workforce development efforts accessible to all construction workers.

Therefore, to preserve the principle of fairness in construction workers' choice of employment structure, CCA recommends that the government ensure that future workforce funding policies are implemented with representative and funding parity in mind. The end goal of a long-term sustainable construction workforce will take decades of strategic collaboration to resolve. Workforce development efforts cannot afford to isolate the existing 70 per cent of workers from gaining access to the training needed to build the homes, infrastructure, and trade corridors that Canadians rely on every day.

Recommendation 2: Undertake targeted immigration system reforms, in partnership with the construction industry, to better align immigration programs and newcomer selection with current labour-market needs.

According to BuildForce Canada, it is projected that nearly 270,000 workers (about one-fifth of the 2024 labour force) will retire over the next decade, leaving the industry to face a labour shortfall of up to 108,300 workers by 2034. We have previously noted that domestic recruitment efforts to attract the next generation of construction workers require long-term societal change that will take decades to meaningfully impact labour supply. Therefore, to meet the urgency and scale of the government’s nation-building agenda, immigration is critical to supplementing the workforce crisis.

CCA has consistently highlighted a fundamental paradox: the availability of skilled labour is a primary factor in determining how quickly major projects can get off the ground. While the government is charging forward with its ‘Build Canada Strong’ mandate, it is difficult to reconcile this urgency with the persistent underutilization of immigration pathways that would facilitate the intake of construction workers. The various construction-focused pathways over the years, such as the Federal Skilled Trades Program (FSTP), remain so systematically underused that they have had no meaningful impact on increasing the number of newcomers admitted.

According to Immigration, Refugees and Citizenship Canada’s (IRCC) *2025 consultations on economic priorities for category-based selection in Express Entry*, approximately 59.8 per cent of Canadians expressed the need to prioritize newcomers for the Trades category for economic immigration. Yet, IRCC has only drawn four times since the category was introduced in 2023, representing less than one-tenth of total immigration. To effectively facilitate the long-term domestic training and growth of Canada’s construction workforce, CCA recommends undertaking targeted immigration reform, with industry consultation, to set targets and intake criteria for newcomers that are aligned with economic demand.

Recommendation 3: Modernize Canada’s tendering and procurement models to deliver greater value for taxpayers’ dollars, while strengthening innovation, fairness, and transparency.

From project conception to completion, public procurement can take months to years. In recent years, the COVID-19 pandemic, international tariffs, and the war in Iran have intensified these challenges, compounding uncertainty and delays. Risk is the single most disruptive driver of project delays, much of which is passed on to contractors in the form of liability or escalating costs, often with no recourse. As the government analyzes its internal processes to cut red tape, reduce costs, and eliminate bureaucratic barriers, these same objectives should be reflected in efforts to modernize procurement practices.

Amid global instability, the government has rightly noted that it must turn its attention to what it can control, most notably what Canada chooses to build, including major projects that build our economy. In

this context, modernizing tendering and procurement is the first step toward embedding long-term resilience in Canada’s built environment. Done in collaboration with the construction sector, procurement reform will transform project delivery speeds, unlock greater innovation, improve risk management, and drive higher overall productivity, ensuring that projects are delivered on schedule and on budget.

Across the construction pipeline, cost protection is the critical indicator that takes projects from ideation to completion. To achieve this, CCA promotes the use of innovative, progressive project delivery models that foster early contractor involvement, particularly for larger, more complex projects in the government’s construction slate. Given the current outdated state of procurement, these changes directly address cost escalation and scheduling risks that would otherwise hinder the successful delivery of projects, delays which Canada cannot afford in this period of instability.

Recommendation 4: Adopt and promote the use of Canadian Construction Documents Committee (CCDC) standard documents to streamline procurement, increase participation, and reduce costs of construction.

Fair competition is the foundational principle underpinning government procurement. However, the unpredictability of our southern neighbour has heightened uncertainty across the industry, with contractors bearing the greatest share of risk. Currently, this risk is pushed downstream, resulting in higher prices, fewer bidders and, in extreme cases, insolvencies – all of which stand to disrupt projects and weaken the industry and Canada overall.

Given the government’s aim to spotlight Canadian products in this changing global landscape, this directive can be advanced by adopting and promoting industry-standard documents. It is noteworthy that no other country has a truly consensus-based system like the Canadian Construction Documents Committee (CCDC). CCDC is a national joint committee that develops standard construction contracts, forms, and guides that reflect the industry’s accepted best practices. Moreover, the consultative and consensus-based approach of CCDC promotes fair risk allocation, ensuring that risks are assigned to parties based on their ability to manage them, thereby strengthening project outcomes and resilience.

There are numerous benefits to adopting industry-standard documents. Familiarity with the standard form streamlines procurement, broadens market accessibility, and reduces the likelihood of disputes. Doing so ensures that planned projects proceed within the projected timeline and budget, generating tangible savings for the taxpayers.

Recommendation 5: Reassess the security clearance process used in construction procurement to ensure fair competition and timely project delivery.

Despite the government's call on all stakeholders to act expeditiously to fast-track nation-building projects and reduce red tape, the current state of the security clearance process remains a persistent barrier to building Canada. The issue now more acute given the slate of planned defence projects in the pipeline.

The phase one and two changes implemented in 2021 have effectively outsourced the substantial documentation and administrative burden from the Contract Security Program (CSP) to the contractors, without a corresponding improvement in processing times to mitigate impacts on project schedules and costing requirements. Under the revised phase changes, contractors can initiate personnel clearance only after being awarded the bid, creating a risk that projects fail may fail to meet clearance requirements altogether. Not only does this transfer responsibility to contractors, but it also reduces fair competition by preventing many from bidding in the first place, resulting in a procurement environment that misallocates Canada's national security responsibilities to the public owner rather than the government.

In recognizing the construction industry's pivotal role in building Canada, the government must also acknowledge that construction procurement is unique in its scale, complexity, and risk profile. It is this distinction that should be reflected in the security clearance framework. Hence, CCA recommends an assessment of the security clearance process to ensure that policy changes meaningfully reduce the administrative burden on contractors, align with the commitment to efficient and timely project delivery, without sacrificing vital security clearance objectives.

One avenue to rectify the issue is through the creation of a security clearance passport that pre-qualifies previously successful candidates for construction procurement. There is precedent for such implementation, as similar models already exist in allied jurisdictions such as Australia, New Zealand, and the United Kingdom. This approach delivers mutual benefits by creating a streamlined single access point for the government while reducing contractors' administrative burden and duplicative work.

Conclusion

On behalf of CCA and our membership, thank you for the opportunity to present these recommendations.

We welcome the opportunity to meet with the committee to further elaborate on these recommendations. The construction sector is proud of our role in building the infrastructure that fortifies Canada in these uncertain times. We look forward to collaborating with the relevant government departments to bring this ambitious vision to fruition.



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Best wishes the committee on the development and implementation of Budget 2026.

Warm regards,

Rodrigue Gilbert
President, Canadian Construction Association