



Canadian Construction
Association
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de la construction

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Formal submission for consideration in advance of the 2025 Federal Budget

Recommendation 1: Work with the industry to bolster Canada's domestic and international trade capacity in the face of tariffs, including investing in Canada's trade-enabling infrastructure through support of the Canada Trade Infrastructure Plan (CTIP)

Recommendation 2: Acknowledge that the maintenance and improvement of housing-enabling infrastructure is essential to effectively tackle the housing crisis

Recommendation 3: Modernize Canada's tendering and procurement models to protect taxpayers' dollars and account for increased uncertainty and risk

Recommendation 4: Collaborate with the industry to tackle the workforce shortage through reforms to the immigration system to build a resilient and sustainable workforce



The Honourable Dominic LeBlanc, P.C., M.P.
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Submitted via the online portal to: yourbudget-votrebudget@fin.gc.ca

Minister LeBlanc,

Thank you for this opportunity to contribute and provide recommendations as you plan for Budget 2025. The Canadian Construction Association (CCA) is the national voice for the construction industry in Canada, representing over 18,000 member firms in an integrated structure of 57 local and provincial integrated partner associations from across the country.

Construction, in many ways, is the backbone of the Canadian economy. Our sector employs over 1.6 million people in Canada and generates roughly \$162 billion to the economy annually, accounting for 7.5 per cent of Canada's gross domestic product (GDP). The industry is a key player in driving Canada's future economy, creating jobs, and connecting communities and countries.

The ongoing threat of tariffs from President Trump presents a significant challenge to Canada's economy. While a strong Canadian response is essential, 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. As evidenced by the Government of Canada's \$30 billion response to Trump's tariffs, we look forward to being an active participant in the continued prioritization of industry consultations.

Given the unpredictability of our southern neighbour, now more than ever, we must be proactive in our plans to invest in long-term public infrastructure and strategize on how to transform our trade corridors. These actions, among others, would have a profound and lasting impact on Canada's economy and quality of life. Canada is at a crossroads, and strategic collaboration with the industry during this time will be deeply impactful in the areas of housing, infrastructure, and workforce as Canada navigates these politically turbulent times.

Our recommendations are undoubtedly essential priorities. Infrastructure – ranging from trade, to transport, to social – forms the fabric of how Canadians live and connect in their everyday lives. Meanwhile, housing cannot be built without investment in housing-enabling infrastructure, goods cannot move without the infrastructure to facilitate it, and none of these can be built without a robust workforce. These initiatives are prerequisites for economic growth, social prosperity and productivity, and the time is now to act and implement these priorities.

With that in mind, we are pleased to contribute to your important deliberations in advance of Budget 2025 and stand ready to elaborate upon this submission to strengthen, safeguard, and build a more resilient Canada.

RECOMMENDATIONS

Recommendation #1: Work with the industry to bolster Canada's domestic and international trade capacity in the face of tariffs, including investing in Canada's trade-enabling infrastructure through support of the Canada Trade Infrastructure Plan (CTIP)

CCA has long advocated for changing our project management mindset to 'shovel worthy' rather than 'shovel ready'. Discourse around domestic trade has heated up recently due to the threat of tariffs, thus calling for a critical need for continued investment, maintenance, and scaling of both traditional and trade-enabling infrastructure to ensure enhanced domestic and international trade. [The Canadian Chamber of Commerce](#) has recently raised concerns about interprovincial barriers that are acting as a self-imposed tariff equivalent to 21 per cent. The Minister of Transport also discussed the possibility of eliminating these regulatory barriers to promote national unity, strength, and productivity. Our industry appreciates the government's movement on the National Infrastructure Assessment (NIA) project through the appointment of the Canadian Infrastructure Council (CIC). This is an initiative we have been supporting since Budget 2021. We are pleased to see action on this front. Now more than ever, prioritizing the completion of the NIA will set a uniformed, evidence-based standard for infrastructure maintenance and improvement across the board. We believe the priority of the CIC is surveying the state of our trade infrastructure in order to invest in a more interconnected and productive economy. It is imperative that the CIC collaborates with the construction industry to ensure that our practitioner expertise is embedded in "Building the Canada we want in 2050."

Moreover, an IMF report published in 2019 noted that 57 per cent of trade barriers were impacted by the lack of trade-enabling infrastructure across the country. Investing in trade and trade-enabling infrastructure has been the cornerstone of our advocacy work exemplified by our involvement in the [Canada Trade Infrastructure Plan](#) (CTIP). We have long noted that Canada does not have a long-term infrastructure plan, and that prevents both national and international trade opportunities from being realized.

Recommendation #2: Acknowledge that the maintenance and improvement of housing-enabling infrastructure is essential to effectively tackle the housing crisis

We recognize that the Government has made the housing crisis the focus of its broader policy objectives. In doing so, we took the opportunity to point out that a home does not exist in a vacuum. There have been increasing reports of municipalities who must pause housing starts due to the lack of functional visible and invisible infrastructure upon which homes are built. This issue will only become more common unless it is addressed through significant investment in foundational housing-enabling infrastructure. Willfully ignoring maintenance and required upgrades to housing-enabling infrastructure like roads, water and sewer systems, public and social infrastructure and so forth, directly impedes the construction industry's ability to build the houses Canada needs.

Recently, [industry experts](#) noted that the threat of tariffs have already had an impact on the cost of housing materials. According to the [Canadian Mortgage and Housing Corporation \(CMHC\)](#), the Municipal Land Use and Regulation Survey highlights that it takes an average one full year to [review](#) and approve multi-unit housing; with the construction period taking approximately seven to eight years on average. Consequently, we would need to build 5.8 million new homes by 2030 to "restore

housing affordability" alone. The layers of harm to the construction industry cannot be understated. From the rising cost of materials and loss of confidence, the interconnectedness of the supply chain with the U.S. will greatly impact the number of housing starts overall.

While the government contemplates economic changes and reactionary measures like counter-tariffs, leveraging Canada's existing policy toolkit can also be a powerful response. This includes but is not limited to harmonizing regulations and dismantling interprovincial trade barriers to promote national cooperation, lowering development charges, robust mutual recognition among provinces and so forth, especially as it pertains to recognizing credentials for workforce mobility.

Recommendation #3: Modernize Canada's tendering and procurement models to protect taxpayers' dollars and account for increased uncertainty and risk

Our organization has continued to collaborate with the Government of Canada through several consultations, including our bi-annual engagement with senior representatives from Public Services and Procurement Canada, Treasury Board, National Defence, Defence Construction Canada, Infrastructure Canada, and Natural Resources Canada. We continue to call on the government to modernize their procurement process to ensure fairness, engaging with contractors earlier, moving away from the lowest bid model to encourage the use of new processes, better practices, alternative energy, as well as rethinking the risk-sharing agreements within it.

However, given this unprecedented socio-political situation, the threat of tariffs across the board is creating and passing additional risk on to contractors. The Government needs to acknowledge how this overall uncertainty has created significant unpredictability for businesses and contractors, which results in many contractors absorbing the financial risks associated with the threat of tariffs, let alone, the imposition of tariffs.

We encourage the Government to establish a uniform standard for tendering and procurement, given the increasing costs across the board, to prevent the industry from having to absorb these costs without protection. Without such guidance, many planned projects could be indefinitely postponed due to them being financially unfeasible to proceed.

Recommendation #4: Collaborate with the industry to tackle the workforce shortage through reforms to the immigration system to build a resilient and sustainable workforce

The construction industry employs approximately 1.6 million people. Construction is a career that provides the opportunity for stable, well-paying, and rewarding jobs; however, the industry has not been well-positioned to recruit and grant apprenticeships on a large-scale to supplement the worker shortage domestically. Such work requires long-term societal changes to tackle the chronic shortage of trade workers; making immigration an important element to fixing the immediate crisis.

The Government has previously announced an ambitious plan to reach 3.5 million housing units by 2030, yet little intervention has been made to structurally reform the immigration system to suit the immediate needs of Canada's economic and housing demand. We have previously pointed out the paradox that one of the factors that speeds up housing starts is contingent on the availability of labour.

CCA has long advocated that the points-based system largely disadvantages trades-based immigrants because of the emphasis on education and high human capital skills. Since the announcement of the [2025-2027 Immigration Levels Plan](#), there have been significant cuts to overall immigration, up to 20 per cent. Additionally, the Government announced that 40 per cent of incoming permanent residents (PR), under new immigration levels, will already be based in Canada. This came with the introduction of the 'In-Canada focused draws' with a specific 'Trades Category-Based Express Entry' to prioritize the trades in Express Entry (EE) draws at lower point thresholds. While this is a step in the right direction, the trades category is one of the least frequently conducted draws compared to the other five categories: French, STEM, Healthcare, Transport, Agriculture and Agri-food.

Moreover, since 2015 the Federal Skilled Trades Program has admitted only 0.5 per cent of total PR in Canada. This pathway was invented to showcase the value of the trades without having to compete with the higher thresholds in the Canadian Experience Class (CEC). Therefore, we recommend modernizing how Canada conducts immigration, either through overhauling ineffective programs or calibrating existing trades-based immigration channels to be used as intended, as aligned with economic demand.

Conclusion

On behalf of the Canadian Construction Association and our membership, thank you for allowing us to provide these recommendations.

We welcome the opportunity to meet with you and your team at a mutually convenient time to further elaborate on our recommendations to support Canada's growth and prosperity during these uncertain times. We firmly believe that the construction sector has a pivotal role to play in this situation and are ready to collaborate with the relevant government departments to safeguard Canada's economic future.

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

Warm regards,



Rodrigue Gilbert
President, Canadian Construction Association

CC:

Mr. Chris Forbes, P.C., M.P. Deputy Minister of Finance

Mr. Ryan Turnbull, Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance and Parliamentary Secretary to the Minister of Innovation, Science and Industry