2025

Policy Resolutions

Canadian Chamber of Commerce

Chambre de Commerce du Canada

CELEBRATING 100 YEARS

Positions on Selected 2025 National and International Issues

This booklet contains the final approved versions of all the resolutions adopted by the voting members of the Canadian Chamber of Commerce at the Canadian Chamber's Annual General Meeting & Convention in Mississauga from October 8-9, 2025.

Each resolution, once approved, has an effective lifespan of three years. The 2025 resolutions were discussed, amended and approved during debate, at which time accredited voting delegates from across the country considered a total of 48 proposals which had been drafted originally by local chambers of commerce, boards of trade and policy committees of the Canadian Chamber.

Two-thirds of the votes cast was necessary to approve each resolution. A total of 47 resolutions were approved. These resolutions will be brought to the attention of appropriate federal government officials and departments to whom the recommendations are directed. The method of presentation of each item will be determined by a number of factors, including subsequent events and legislation that may affect the subject matter, additional information that may become available, the timing of a presentation, etc. Throughout the year, members will be updated and advised of the action(s) taken on each of these positions by way of summaries and reports in Canadian Chamber publications.

Canadian Chamber of Commerce
275 Slater Street, Suite 1700
Ottawa, Ontario K1P 5H9
Telephone: 613.238.4000
Chamber.ca

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AGRICULTURE

1. Address Food Sovereignty in Canada through Support of Young Farmers

Description

Food security and agricultural sustainability are as important now as at any time in Canada's history. Geopolitical instability is highlighting multiple issues including interprovincial trade barriers, marketing board inconsistencies, tariff threats and inappropriately applied international health and grading regulations.

One area which is fully under the control of Canadian, provincial and local regulators is access to land by farmers. Putting aside agricultural land reserves, under-utilization of agricultural land by existing farmers and farming communities is a fixable issue.

Background

In Quebec and British Columbia, the Young Agrarian movement has gradually established itself as a viable option to bring under-utilized farmland back into production.[1] Other provinces lag behind in taking steps to encourage young farm operators to establish themselves on the land. More critically, the loss of farmers themselves to retirement, selling to super farms, and losing young would-be farmers to the industry due to the high cost of entry is a major long-term issue across Canada.

A new national Farmer Framework is needed to grow the next generation of farmers and ensure that Canada has farm renewal and food sovereignty.

Since 1991, Canada has lost one-third of its farm operators (32.8%) and over two-thirds of its young farmers (70.9%).[2,3] Canada is losing young farmers at more than double the rate that it is losing farmers overall.[4]

As of 2021, only 8.6% of farm operators are under the age of 35 (22,625).[5] New and equity-seeking farmers face significant challenges to access land, capital, knowledge and training. These barriers, along with a lack of local infrastructure and agricultural supports hinder the growth of new farms.

Actions which can reduce the barriers new farmers face include:

- Expand program and resource accessibility
- Invest in new and equity-seeking farmers
- Prioritize Indigenous food security

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[1] For example, in B.C., the B.C. Land Matching Program (https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/programs/land-matching) and in Quebec, L'ARTERRE (https://www.fadq.qc.ca/en/financial-support-for-aspiring-farmers/description) and the Springboard for Agricultural Youth (https://sollio.coop/en/springboard), are all programs to help young farmers access land, receive training, and obtain financial support to start or take over farms. Youth are defined as farmers under 40 years of age.

[2] Charles Brockman, "What's happening to Canada's farmland? Canada appears to be losing the equivalent of three farms a day," CBC News, June 23, 2023, https://www.cbc.ca/news/canada/canada-prime-farmland-1.6877661.

[3] Ray Tomalty, "Farmland at risk: How better land use planning could help ensure a healthy future for agriculture in the Golden Horseshoe," Smart Cities Research Services, November 2015, https://ofa.on.ca/wp-content/uploads/2018/01/Farmland-at-risk-How-better-land-use-planning-could-help-ensure-a-healthy-future-for-agriculture-in-the-Greater-Golden-Horseshoe.pdf.

[4] Young Agrarians, "B.C. Land Matching Program," accessed July 2025, https://youngagrarians.org/tools/land/bc-land-matching-program/.

[5] Darcy Smith, "Growing the next generation of farmers: Policy recommendations," Young Agrarians, August 20, 2021, https://youngagrarians.org/growing-the-next-generation-of-farmers-policy-recommendations/.

- Fund new farmer organizations
- Develop a new farmer database

In terms of capital and income, young farmers would benefit from a reduction in eligibility criteria barriers to capital access. Equity-focused micro-loans and grants could augment this capital access. A low-interest start-up farm mortgage product would create growth. In-kind labour and ecosystem services if allowed would help access loans and grants. Business Risk Management programs accessibility could be expanded. And implementation of a New Farmer Income Stability supplement would kick-start take up of all accessibility programs.

In terms of knowledge and training, governments should fund farmer-to-farmer recruitment, training, research and knowledge transfer. On-farm apprenticeships can be initiated and expanded, alongside bolstering of mentorship programs. Training and retention can be increased through more accessible and sustainable wage subsidies. Coordinated Extension services need restoration.

At the same time, regional land matching programs must be funded, alongside the expansion of public land leasing. Housing solutions on farmland, both for young farmers and for temporary foreign workers must be more quickly facilitated with sustainability a top priority. The protection of farmland and access thereto must be incentivized for new farmers.

In terms of community and infrastructure, investment in rural community development and infrastructure needs to be revitalized and sustained. Funding for local food processing, including on-farm facilities, and distribution and slaughter facilities needs to be put in place. Pathways to citizenship for migrant agricultural workers must be clarified and made fair and equal to all — more than fifty years into the temporary foreign workers program in order to maintain and sustain Canada's agricultural industry. Non-family farm succession requires support, as do mental health programs.

Recommendations

That the Government of Canada:

1. Work with financial institutions and provincial and territorial governments to reduce barriers to entry and provide supplemental financial program support including zero-percent loans with structured repayment to young farmers through programs such as the Sustainable Agriculture Partnership.
2. Work with provinces and territories to increase the availability of new knowledge and training programs to attract workers to the agriculture sector and support new farmers.

2. Amend and Improve the Regulatory Environment for Agriculture Advancements

Description

Canada's agricultural sector is at a pivotal juncture, where innovation and sustainability must align with efficient regulatory practices to maintain global competitiveness. The current regulatory framework, while robust in ensuring safety, often presents challenges that can impede the timely introduction of new agronomic tools, including seeds, fertilizers, and pest control products. Improvements are needed to build a system that protects health and the environment while also building predictable entry pathways for the innovative products being created.

Background

Canada is home to some 153.7 million acres of cultivated farmland and has built an enviable wealth of agricultural expertise and innovation capacity.[6] In 2024, the agri-food sector added $149.2 billion to Canada's economy (equivalent to 7% of GDP).[7] In today's rapidly evolving landscape, the role of science in the agricultural sector cannot be overstated — it underpins global food security and builds national economic resilience.

Unfortunately, despite the demonstrated success of science-based agriculture in improving crop yields and sustainability, public perception challenges persist. The benefits of innovation in agricultural science have not been effectively communicated, resulting in mistrust and misinformation influencing regulatory and political decision-making. Due to this unique environment, the importance of science-based decision-making for agricultural regulations has become paramount.

The agricultural and agri-food industry operates within a complex, multi-stage supply chain that intersects multiple government departments. Unfortunately, Canada's regulatory system has become increasingly complex and inconsistent, creating barriers to the development, approval, and deployment of new agronomic tools and technologies.

A key example is the ongoing Pest Management Regulatory Agency (PMRA) Transformation Agenda, which since 2021 has involved collaboration between Health Canada, Environment and Climate Change Canada (ECCC), the Canadian Food Inspection Agency (CFIA), and Agriculture and Agri-Food Canada (AAFC). While well-intentioned, this process has led to increased bureaucracy without corresponding improvements in regulatory efficiency and has brought additional outcome uncertainty. Stakeholders have raised concerns about the lack of transparency and the absence of measurable improvements in outcomes. Without an effective regulatory system that is capable of executing timely decisions, innovation in agriculture science will be driven out of Canada.[8]

Overly restrictive and unpredictable regulations not only stifle sector innovation but also limit farmers' ability to grow diverse crops in changing conditions and manage pests effectively. Delaying the availability

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[6] Ashly Dyck, "Canadian Agriculture by the Numbers," National Farmers Union, March 27, 2024, https://www.nfu.ca/wp-content/uploads/2024/03/Canadian-Ag-by-the-Numbers-2024.pdf.
[7] "Overview of Canada's agriculture and agri-food sector," Government of Canada, last modified August 14, 2025, accessed August 14, 2025, https://agriculture.canada.ca/en/sector/overview.
[8] Karen Davidson, "CropLife Canada seeks pause to PMRA's transformation-related activities," The Grower, February 2025, https://thegrower.org/news/croplife-canada-seeks-pause-pmras-transformation-related-activities.

of advanced solutions for farmers creates an environment of uncertainty and financial pressures that undermine the sector's ability to compete and expand.[9]

To address these challenges, a series of targeted reforms are needed to strengthen Canada's agricultural sector, improve competitiveness, and ensure long-term sustainability. This includes mandating an economic competitiveness lens among regulators and improving consultation of affected stakeholders on regulatory proposals, including the perspectives of farmers and small producers.

By adding an economic lens to the regulatory process, the Government of Canada can protect both the financial stability of agricultural producers and the security of our food systems. This will help ensure that Canada remains a global leader in agriculture while preserving the viability of the family farms and smaller operations that form the backbone of our food supply.

Recommendations

That the Government of Canada:

1. Implement regulatory practices, with a focus on regulatory certainty, to make Canada a more attractive market for registering and innovating new agronomic tools, including seeds, fertilizers, pest control products, and others.
2. Require a thorough assessment of suitable alternatives before canceling or amending pesticide product registrations, with transparent and semi-annual reported documentation.
3. Thoroughly consult stakeholders, including farmers and small producers, on regulatory proposals affecting the agri-food sector.
4. Review product approval processes in regulators to ensure an economic competitiveness lens is applied. Regulators should also consider food security and the cost of food in all regulatory decisions without compromising on health and safety.

[9] Western Business Coalition, "Untapped Potential: Driving Canadian Prosperity Through Natural Resources," March 2025, https://businesscouncilab.com/wp-content/uploads/2025/03/Canadas-untapped-potential-%E2%80%93-driving-Canadian-prosperity-through-natural-resources-FINAL.pdf.

3. Defence of the Canadian Dairy, Egg, and Poultry Industry

Description

While emphasizing the need to continue compensating Canadian agri-food producers who have suffered market share losses due to trade agreements, the federal government must proactively defend the agricultural sectors governed by the supply management system, namely the dairy, egg, and poultry industries.

This industry is a powerful driver of rural economic development in several provinces. Supply management allows it to play this role without public subsidies like those the United States and Europe provide to their producers who covet the Canadian market.

Background

Over the last decade, Canadian producers and processors in the dairy, egg, and poultry industry have been forced to concede market share following the conclusion of trade agreements. In the Canada-United States-Mexico Agreement (CUSMA), the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), this industry has had concessions imposed upon it. This opening allows a certain volume of foreign products to enter tariff-free; high duties only apply beyond these thresholds. In the case of the dairy sector, between 10% and 14% of the Canadian market is now accessible to imports.[10] This approach comes at a cost: each time, the federal government has had to provide financial compensation to the industry to cushion the blow.

However, the main advantage of the supply management system under which this sector operates is that it is inexpensive in terms of public funds. By managing the supply of milk, eggs, and poultry autonomously within Canada's borders, it ensures that consumers receive quality, locally produced products, while also ensuring that producers receive a fair price for their products, without needing to be supported by public subsidies. Canada's international competitors who have never used or have abolished supply management, including the United States and Europe, heavily subsidize their producers and pass the bill on to their taxpayers.

Production under supply management represents an average of 24.4% of provincial farm receipts and is distributed across the entire country.[11] It is at the heart of the economic development of many rural regions and enables vibrant land use outside of major urban centres. The proportion of farm receipts it represents varies from province to province, amounting to over 40% for Newfoundland and Labrador, over 30% for Quebec, British Columbia, and Nova Scotia, over 20% for Ontario and New Brunswick, over 10% for Prince Edward Island, and less than 10% for Alberta, Manitoba, and Saskatchewan[12].

[10] Benoît Livernoche, « La fin de la gestion de l’offre pourrait coûter cher », Radio-Canada, le 4 mai, 2025, https://ici.radio-canada.ca/nouvelle/2162588/gestion-offre-quebec-commerce-international-accords.
[11] Khamla Heminthavong, « Publications de recherche : Le mécanisme de la gestion de l’offre au Canada », Bibliothèque du Parlement, le 30 novembre, 2018, https://lop.parl.ca/sites/PublicWebsite/default/fr_CA/ResearchPublications/201842E.
[12] Ibid.

Recommendations

That the Government of Canada:

1. In future trade agreements, defend the Canadian dairy, egg, and poultry industry against further concessions that weaken the supply management system.
2. Support the supply management system as a tool for rural economic development that does not require public subsidies.

4. Elevating Food Security to National Security Status

Description

Canada's food system faces growing threats from climate change, supply chain disruptions, labour shortages, and global tensions. Despite these critical challenges, there's no single national strategy that prioritizes food security as it truly should be, an essential service fundamental to the health, economic stability, and overall well-being of all Canadians, much like universal healthcare or access to clean water and reliable electricity. Recognizing food security as such a vital pillar of our society is crucial to ensure every Canadian has consistent access to safe and nutritious food.

Background

Food security and national security are intrinsically linked. A reliable, resilient food supply underpins a nation's stability by ensuring the physical health of its population, the viability of its economy, and the strength of its global alliances. When food systems falter due to climate disasters, trade disputes, or geopolitical shocks, there is a national security impact as governments are forced to redirect security and emergency resources to address hunger, inflation, and civil unrest.

Nations around the world — including the United States, the United Kingdom, and Australia — have increasingly integrated food security into their national security strategies. These strategies emphasize safeguarding domestic production capacity, protecting critical agricultural infrastructure, and securing supply chains. Canada has not yet matched this level of integration, despite growing risks to its food system.

The B.C. Premier's Taskforce on Food Security outlines that Agriculture is a major sector of the economy, providing employment for over 63,000 people in B.C.[13] However, even as the province is cultivating an international reputation for safe and sustainable food and agricultural products, the full potential of the agricultural sector remains unrealized. Experts see an opportunity with bold thinking and a strategic roadmap, to increase the value of agricultural exports, create new economic growth opportunities within the sector, and improve Canada's food security.

The 2021 floods in British Columbia and pandemic-related border closures exposed how rapidly disruptions can escalate into national emergencies when food transport, production, and access are compromised. The interdependence of food, energy, transportation, and communication systems underscores the need for an all-hazards approach to food security — one that is proactive rather than reactive.

Nowhere is this connection more visible than in Abbotsford, British Columbia, the agricultural capital of Canada. With 1,254 farms across 61,586 acres.[14] Abbotsford has the highest farm sales per hectare in the country. The city generated approximately $3.83 billion in economic activity from agriculture in 2022 and supports nearly 17,000 local jobs.[15] Abbotsford supplies 50% of all dairy, chicken, turkey, and eggs

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[13] B.C. Food Security Task Force, "The Future of B.C.'s Food System," January 30, 2020, https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf, 27.
[14] City of Abbotsford, "Business & Development – Agriculture," accessed August 18, 2025, https://www.abbotsford.ca/business-development/agriculture.
[15] Abbotsford Chamber of Commerce, "Canada's 2022 Agricultural Hub Report," May 25, 2022, https://www.abbotsfordchamber.com/canadas-agricultural-hub-report-2022/.

consumed in B.C., and leads the country in raspberry production while contributing significantly to blueberry output.[16]

Abbotsford's role as a national food hub makes it a critical asset in Canada's domestic food security infrastructure. Yet, it remains vulnerable to flooding, transportation breakdowns, and workforce shortages. Strengthening such high-output regions is a matter of national security, not just regional development.

A coordinated, whole-of-government Food Security Strategy would, support rural economies, improve emergency preparedness, and build trust in Canada's ability to feed its people under all conditions.

Canada's Food Security Vulnerability

One in eight households in Canada was food insecure in 2018, amounting to roughly 4.4 million people, including more than 1.2 million children living in food-insecure households.[17]

Food insecurity is not only an issue for those without housing or employment, in fact, more than 65% of those experiencing food insecurity are working.[18] With the gap between wages and the costs of living growing immensely, many individuals are left unable to afford food.

Health Care

Food insecurity places a substantial burden on Canada's health sector, directly translating into increased healthcare costs. When one in eight Canadian households, including over 1.2 million children, lack consistent access to nutritious food, the result is a rise in diet-related illnesses, chronic diseases, and mental health issues. This directly impacts emergency room visits, hospital admissions, and the need for long-term care, diverting essential resources and funding from other critical areas of the healthcare system. Prioritizing food security through a comprehensive national strategy would not only improve the well-being of millions of Canadians but also significantly alleviate the financial strain on our healthcare infrastructure.

Economic Rationale

Strengthening a Pillar of the Economy

Canada's agriculture and agri-food sector is a significant contributor to the national economy, employing 2.1 million people and generating $149.2.9 billion (approximately 7% of Canada's GDP) in 2024. In 2022, Canadian farmers generated cash receipts of $97.9 billion, compared with $99.5 billion in 2023, marking the first decline since 2010. At the same time, operating expenses rose by nearly two percent in 2024 from the previous year, lowering net income and increasing uncertainty in the sector. These increased costs are primarily due to disruptions to global supply chains for critical inputs like seed, fertilizer, and more.

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[16] City of Abbotsford, "AgRefresh: Background Research Report," September 2016, https://www.abbotsford.ca/sites/default/files/2021-02/AgRefresh%20Background%20Research%20Report%20%26%20Appendices.pdf.
[17] Archway Community Services, "The Food Justice Program," accessed August 18, 2025, https://archway.ca/program/food-justice/.
[18] Ibid.

Enhancing Global Competitiveness

Canada is among the top global exporters of agricultural and agri-food products, with exports reaching a record $67 billion in 2020.[19] With the right investments, Canada can increase its global share from 3.7% to 4.8%, potentially adding $44 billion to agriculture and agri-food's export value by 2035.[20]

Diversifying Trade and Reducing Vulnerabilities

Over 60% of Canada's agriculture and agri-food exports go to the U.S., making the sector vulnerable to trade tensions. Recent U.S. tariffs on Canadian imports have highlighted the need for diversification. A National Food Security Strategy would support efforts to expand into new international markets, reducing dependency on a single trading partner and enhancing economic resilience.

Addressing Labour Shortages

The agriculture and agri-food sector faces chronic labour shortages, with a projected shortfall growing from 63,000 to as many as 123,000 workers by 2029.[21] Investments in workforce development, training programs, and immigration policies tailored to the sector are essential components of a comprehensive food security strategy.

Leveraging Technological Innovation

Canada's commitment to agtech leadership is evident in its investment in cutting-edge agricultural technologies, including robotics, blockchain, Internet of Things (IoT) applications, and big data analytics. These innovations are transforming Canadian agriculture as well as food processing and delivery making it more efficient, sustainable, and productive, thereby enhancing global competitiveness. However, these technologies can be expensive and Canadian farms already carry a combined total of $146 billion in debt. Incentivising the adoption of these technologies is critical.[22]

Recommendations

That the Government of Canada:

1. Develop and implement a National Food Security Strategy that elevates food security to the status of national security, emphasizing resilience and emergency preparedness across Canada's food system, developed in close consultation with industry and ensuring coordinated efforts across federal, provincial, and territorial governments.
2. Empower Agriculture and Agri-Food to play a role in national food security through robust and reliable funding, including investment in the next Canadian Agricultural Partnership agreement and ensure alignment with Canada's trade obligations and competitiveness goals.
3. Recognize farms as critical infrastructure, including buildings, land, and the food supply chain, throughout government policies, programs, and planning, especially in an emergency response context.

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[19] Northbridge Consultants, "Agricultural Technology at a Glance," March 8, 2023, https://northbridgeconsultants.com/2023/03/08/agricultural-technology-at-a-glance/.
[20] Statistics Canada, "Farm income, 2022 (revised data)," last modified November 29, 2023, https://www150.statcan.gc.ca/n1/daily-quotidien/231128/dq231128b-eng.htm.
[21] Trevor Bacque, "Re-thinking the future of labour in Canadian agriculture," Farm Credit Canada (FCC), May 27, 2020, https://www.fcc-fac.ca/en/knowledge/re-thinking-the-future-of-labour-in-canadian-agriculture.
[22] Lisa Ashton, "Food first: How agriculture can lead a new era for Canadian exports," Royal Bank of Canada (RBC), February 25, 2025, https://www.rbc.com/en/thought-leadership/the-trade-hub/food-first-how-agriculture-can-lead-a-new-era-for-canadian-exports/.

4. Invest in agri-food infrastructure and innovation, particularly in high-output regions, to enhance resilience against climate change and other disruptions.
5. Integrate food system risk assessments into national security and emergency planning, including protections for agricultural supply chains, workers, and transport corridors.
6. Promote education and workforce development in the agricultural sector to address labor shortages and ensure the industry's long-term viability.

DIGITAL ECONOMY

5. Cold and Code Savvy: Leveraging Canada's Advantages for Data Centre Industry Development

Description

Canada stands at a critical juncture as global demand for secure and reliable and digital infrastructure surges. Canada's data centre industry already generates more than $8 billion annually, placing us among the top ten global players.[23] With strategic investments and policy coordination, Canada can become a world leader in secure and scalable digital infrastructure. This resolution calls for a national strategy to attract investment, promote digital sovereignty, and foster a robust, future-ready data economy.

Background

The international data centre market is expected to reach $49 billion USD by 2030[24] and Canada's share is growing rapidly. Our domestic market is projected to hit $9.04 billion CAD by 2029, growing over 10% annually.[25]

Canada's competitive advantage lies in its "cold and code" appeal: our cold climate supports energy-efficient operations at the same time that our tech workforce and infrastructure offer fertile ground for innovation.[26] Major investors like Amazon Web Services (AWS), TELUS, KDDI, Equinix, Cohere and Cologix are already establishing major data centre campuses across the country.[27]

However, challenges persist. Adequate power sources and delivery, limited industrial land availability, and regulatory uncertainty are impeding the sector from reaching its full potential. In competitive markets, speed to build is everything, and Canada must act to eliminate these friction points or risk losing out to jurisdictions that are infrastructure-ready, agile and open to industry development.

Eight key factors influence data centre site selection. Where required, Canada needs to develop both policy and investment attraction tools to strengthen our standing in each of the following areas.

1) Power Availability
Reliable, low-cost, and low-carbon electricity is a fundamental requirement for data centre development. Provinces like Quebec and British Columbia offer distinct advantages through abundant hydroelectric power. However, across the country, grid constraints and our expansive geography create challenges that limit investment.
To meet growing demand, governments must enable more flexible power models. "Bring-your-own-power" (BYOP) approaches — where data centres generate and store their own energy, often from renewable sources or small modular reactors (SMRs) — offer a scalable solution. Provinces like Saskatchewan, with a strong base of uranium resources and proximity to future SMR sites, are

[23] Jeff Howell, "The State of Data Centers in Canada [2024]," ENCOR Advisors, October 25, 2024, https://encoradvisors.com/data-centres-canada/.
[24] Ibid.
[25] Daniel Foster, "Data Centres: Powering Innovation by Migrating North," Ivey Business Review, 2024, https://www.iveybusinessreview.ca/magazine/articles/canada-data-centres.
[26] Howell, "Data Centres."
[27] Ibid.

particularly well-positioned to lead in this area. Accelerating regulatory pathways for on-site or adjacent SMR deployment could unlock significant regional investment and support Canada's net-zero goals.

2) Connectivity

Strong fiberoptic networks are essential for data centre development and operations. While major cities are already well connected, parts of Canada still lack the network infrastructure required to support widespread digital growth. As demand rises for AI, cloud computing, and real-time services, reliable fibre connections across the country, in every region and territory, are critical. A stronger national fibre network would reduce reliance on a few urban hubs, lower latency, and create more resilient, distribution infrastructure.

3) Cold Climate

Cold climates reduce the need for mechanical cooling, which lowers energy use and supports sustainability — an appealing feature for ESG-focused investors.

4) Land Costs and Availability

Industrial vacancy rates in cities like Toronto and Montreal are below 1%,[28] creating barriers to new development. Incentives should encourage builds in areas with more affordable land, spreading economic benefits across more regions.

5) Tax and Regulatory Incentives

Well-designed tax incentives can significantly influence where data centres choose to locate. Canada has an opportunity to compete more aggressively by streamlining processes and offering targeted relief for developments aligned with national goals.

Other jurisdictions are already moving in this direction. For example, the state of Arkansas has taken steps to legislate tax exemptions and other incentives to accelerate data centre development, one of the first jurisdictions in North America to do so. The state's Act 548 (2025) lowers the investment threshold for eligibility, expands exemptions to include ancillary equipment and services, and allows multi-site data centres to qualify as a single, large-scale investment. Notably, it also shifts oversight from an economic development body to the tax authority, streamlining administration and enhancing clarity for investors.[29] Offering accelerated capital cost allowances, tax credits for builds, and exemptions for power equipment and digital infrastructure are all legislative and policy tools that Canada could use to attract and incentivize the participation of global players.

6) Workforce

While Canada already benefits from an abundant supply of highly qualified personnel in fields such as electrical engineering, information technology and cybersecurity, ongoing upskilling (particularly in AI) is essential to meet the evolving demands of data centre operations. Training and credentialing tied to data centre operations and focused on the storage and processing needs of emerging technologies will ensure Canada's workforce remains strong, equipped and prepared to lead in the digital economy.

7) Sustainability

Canada leads the world in energy-efficient data centres, topping a global ranking by New Statesman Media Group. Integrating data centre operations with cleaner energy sources such as nuclear, natural

[28] Ibid.
[29] Kutak Rock LLP, "Expansion of the Sales and Use Tax Data Center Exemption by Act 548 of 2025 Arkansas General Assembly," April 28, 2025, https://www.kutakrock.com/newspublications/publications/2025/april/expansion-sales-use-tax-data-center-exemption.

gas or hydroelectricity will secure our leadership position and ensure Canada remains a model for data centre development globally.

8) Regulatory Environment

A stable regulatory framework is critical for data centre investment, especially as global players weigh complex investment and infrastructure decisions. Investors looking to Canada currently face a significant regulatory burden, ranking 35th out of 38 OECD countries — well behind global competitors such as the U.S., Australia, and the U.K.[30] Between 2006 and 2021, regulatory requirements in Canada grew by 2.1% annually, according to Statistics Canada.[31] This increasing complexity adds significant compliance costs, particularly for capital-intensive sectors like telecom and data infrastructure. To remain competitive, Canada must streamline its permitting processes, ensure consistent interconnection standards, and provide greater investor certainty.

Just as important is protecting Canada's digital sovereignty. As more of our economy, government, and daily life moves online, the need to safely process and store sensitive data becomes ever more important. Whether it is military or security intelligence, health data, government records or trade sensitive information, it is in the nation's interest to store sensitive data on Canadian soil and mitigate the risks associated with foreign-hosted data, exposure to foreign laws, foreign surveillance, and cyber threats.

A strong regulatory environment should balance speed and security: streamlined for business but anchored in clear rules that prioritize Canadian control over critical digital assets. Federal leadership is needed to coordinate with provinces, harmonize standards, and ensure that as we build digital infrastructure, we're also securing the foundation of our digital future.

Canada's mix of competitive advantages, clean energy, and digital connectivity means that we are well-positioned for large-scale digital infrastructure and investment. But we must act strategically, and quickly, to secure a leading global role. The federal government's $2 billion Canadian Sovereign AI Compute Strategy and proposed $15 billion public–private financing initiative are welcome signals of intent. However, data centres are more than just an enabler for AI — they are critical to Canada's digital economy. From banking to farming to government services, all depend on fast, secure, and reliable digital infrastructure. A cohesive national strategy is needed — one that promotes competitiveness, innovation, and data sovereignty in Canada's national interest.

Recommendations

That the Government of Canada:

1. Incentivize data centre development by offering a dedicated tax credit for infrastructure investment and/or construction funded in part through the Department of Finance Canada.
2. Lead efforts to modernize and standardize regulations to support data centre on-site power generation, storage and usage and coordinate with provincial and territorial governments to accelerate permitting.
3. Strengthen Canadian data sovereignty by encouraging the development of domestic infrastructure that enables the secure storage of data important to Canada's national interest.

[30] Energy Monitor, "Canada: The best country for energy-efficient data centres," December 2, 2020, https://www.energymonitor.ai/tech/energy-efficiency/canada-the-best-country-for-energy-efficient-data-centres/?cf-view.
[31] Innovation, Science and Economic Development Canada, "Canadian Sovereign AI Compute Strategy," Government of Canada, last modified May 6, 2025, https://ised-isde.canada.ca/site/ised/en/canadian-sovereign-ai-compute-strategy.

6. Achieving Canadian Digital and Data Security with Indigenous Communities

Description

Canada's increasing reliance on foreign based digital infrastructure, military equipment, and AI platforms expose Canadian data, innovation capacity to foreign jurisdictions. This persistent reliance threatens national sovereignty, economic resilience, privacy, and operational independence. The Government of Canada must respond to the risks of foreign control over Canada's data and engage indigenous communities as it considers strategic investments in response.

Background

The Pan-Canadian AI Strategy and the Canadian AI Safety Institute (including its UK MOU and other partnerships) have mobilized national talent and secured global standing for Canadian digital policy.{3} Domestic AI infrastructure investments, exemplified by Cohere's announcement, public funding like the $560 million "Strengthening Digital Foundations," and the AI Strategy for Federal Public Service, demonstrate a robust approach to AI and digital leadership.{10}{11} The Office of the Procurement Ombud's call for foundational procurement reform directly addresses ongoing gaps in transparency, sovereignty, and speed.{9}

Despite these efforts, serious risk lingers; over 80% of Canadian businesses rely on foreign-owned cloud infrastructure.{2} This may cause sensitive data to be subject to the U.S. CLOUD Act and other foreign surveillance/export controls. {1}{2}{5} The difference between true data sovereignty and mere data residency is critical: nominal data localization does not shield Canadian companies from extraterritorial access or export controls, particularly during international tension.{1}{2}{3}{4}{5}{6}{7}{8}

AI and modern digital infrastructure drive productivity, innovation, and competitiveness. AI platforms hosted on U.S. infrastructure—despite in-country residency—may expose Canadian data to foreign government access provisions under the CLOUD Act, a major risk for strategic sectors like healthcare, finance, and military supply.{1}{2}{4}

Globally, AI and data policy leadership are defining economic advantage: the EU for example has long prioritized sovereignty; the UK and USA both released major new AI governance frameworks in 2024, directly affecting partnerships, trade, and Canada's competitive position.{3}

Significantly, in regulated industries (health, finance, legal, government), jurisdictional control isn't just compliance—it's client and citizen trust, contractual certainty, and business continuity.{2} Canada must expand the adoption of truly sovereign clouds that guarantee Canadian law across hosting, supply chain, and management. Canadian cloud specialists like ThinkOn and F12 offer transparent, Canadian-controlled supply chains and hosting, meeting or exceeding high security and compliance standards.{1}{2}{11}

Indigenous Businesses and Communities

Indigenous businesses and governments are essential for national sovereignty, especially in northern and remote regions.{12}{13}{14} The Canadian Rangersoffer a proven community-based defence model. Leading Indigenous entrepreneurs and organizations operate energy, connectivity, and AI platforms, anchored in

OCAP® principles (Ownership, Control, Access, Possession) and environmental stewardship.[13][14] Indigenous-led and partnered businesses are closing regional gaps in sustainability, digital inclusion, and community benefit, co-developing standards and best practices for data governance, AI ethics, and infrastructure security.

To unlock this potential, the Government should invest in Indigenous community infrastructure and energy projects; ensure Indigenous organizations, businesses, and leaders participate at every level of strategy, procurement, and program design; and expand connectivity and workforce partnerships to enable participation in Canada's digital future.[13][14] Indigenous expertise in Arctic adaptation, security, and business innovation is a strategic advantage and should be leveraged through all steps of Canada's digital, energy, and sovereignty strategies.

Funding leverages existing national strategies and institutions; additional investments will be required across federal, Indigenous, and private sectors, yielding future risk reduction, growth, compliance, and reconciliation benefits.

Recommendations

That the Government of Canada:

1. Fund digital/AI/cyber skills education and workforce pathways for Indigenous, rural, and underrepresented groups in high-demand sectors.
2. Convene a national panel including Indigenous and northern business/technology leaders to discuss the evolving risks and opportunities of the evolving digital infrastructure.

Footnotes

1. https://thinkon.com/resources/data-sovereignty-myth/
2. https://f12.net/blog/canadian-data-sovereignty-midmarket-guide/
3. https://policyoptions.irpp.org/magazines/may-2025/digital-sovereignty-canada/
4. https://citizenlab.ca/2025/02/canada-us-cross-border-surveillance-cloud-act/
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6. https://micrologic.ca/en/news/prioritizing-digital-sovereignty-for-national-security/
7. https://www.dpocentre.ca/privacy-in-canada-usa-2024-and-2025-expectations/
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9. https://www.canada.ca/en/treasury-board-secretariat/corporate/reports/2023-2026-data-strategy.html
10. https://www.canadianinnovators.org/content/securing-canadas-data-future-how-thinkon-is-strengthening-digital-sovereignty-for-government-and-business
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FINANCE AND TAXATION

7. Capital Gains Tax Deferral for Reinvestment to accelerate Multi-Unit Residential Housing Scaling, Development and Availability

Description

Canada's housing market is at a critical juncture. Communities across the country are increasingly burdened by a severe shortage of affordable rental housing, driven in part by an underdeveloped supply of multi-unit residential properties. Currently, the prospect of another tax bill disincentivizes developers and landlords from selling existing assets and reinvesting in higher-demand, new multi-unit developments. Alternatively, there exists the potential act to encourage experienced landlords and developers by creating an exemption to the capital gains tax when explicitly reinvested and redeploy capital into eligible multi-unit projects.

Background

Canada is facing a severe housing supply shortage, with affordability declining across the nation. According to the Canada Mortgage and Housing Corporation (CMHC), an additional 3.5 million housing units beyond current construction projections are required by 2030 to restore affordability.[32]

Despite federal and provincial efforts to boost housing construction, several barriers continue to hinder the necessary increase of multi-unit residential developments:

- **Rising Construction Costs** – The cost of building materials and labour has surged, exacerbating affordability concerns. Additionally, land availability in key metropolitan areas remains constrained, further driving up costs.[33]
- **Regulatory and Zoning Restrictions** – Lengthy approval processes and zoning limitations slow down housing development, preventing timely responses to market demand.

To increase development in the face of these pressures, the opportunity exists to:

- **Create Incentives for Capable and Qualified Developers and Landlords** – Encourage reinvestment by reducing the capital gains tax lock-in effect, which currently acts as a disincentive for property owners to sell and redeploy capital into new housing. By enabling more liquidity and flexibility, this action will incentivize the flow of investment toward much-needed residential development.

A targeted capital gains tax deferral program for multi-unit residential reinvestment would incentivize **capital reinvestment** by enabling landlords and developers to defer capital gains taxes when proceeds are reinvested into new multi-unit rental housing. This approach would unlock private capital, accelerating the development of much-needed housing. To qualify, reinvestment must occur within 12 to 24 months

[32] Hiren Mansukhani, "RBC economist says housing affordability could improve, tariffs a complication," Calgary Herald, May 5, 2025, https://www.msn.com/en-ca/money/topstories/rbc-economist-says-housing-affordability-could-improve-tariffs-a-complication/ar-AA1EdmK0.

[33] Castanet, "Should the federal government get directly involved in home construction to help deal with Canada's housing crisis?" May 5, 2025, https://www.castanet.net/news/Poll/548690/Should-the-federal-government-get-directly-involved-in-home-construction-to-help-deal-with-Canada-s-housing-crisis.

and meet defined affordability criteria in the new project, ensuring targeted impact and responsible growth.

This action would further allow existing landlord and owners with positive track records to have the funds from the sale to use as down payment on bigger projects. This will in turn **encourage scaling of rental housing**.[34] This action exists within the **federal housing priorities** as the proposal aligns with Canada's housing affordability goals, complementing existing initiatives such as CMHC's MLI Select program.[35]

Given the urgency of Canada's housing crisis, a capital gains tax deferral program tailored to multi-unit residential reinvestment presents a strategic solution to unlock capital, accelerate development, and increase rental housing availability by reducing financial barriers and incentivizing reinvestment.

Recommendations

That the Government of Canada:

1. Implement a capital gains tax deferral mechanism to incentivise reinvestment into multi-unit residential housing with safeguards to ensure the mechanism promotes genuine housing supply growth and does not facilitate indefinite tax avoidance.
2. Set a reinvestment timeframe of 12 to 24 months to ensure timely redevelopment of housing stock.
3. Define qualifying investments as new construction or acquisition of multi-unit rental housing (five or more units) in Canada to increase available supply.

[34] Uday Rana, "Mark Carney has a housing plan. How long will it take to implement?" Global News, May 1, 2025, https://www.msn.com/en-ca/money/other/mark-carney-has-a-housing-plan-how-long-will-it-take-to-implement/ar-AA1E0lmV.
[35] Manoj Subramaniam, "Crisis and promise: how each federal party plans to fix housing in Canada," CityNews, April 25, 2025, https://montreal.citynews.ca/2025/04/25/canada-election-federal-parties-housing-affordability/.

8. Empowering Small Businesses to Help Solve Canada's Housing Crisis

Description

Canada's housing crisis is a national issue, with record-high rents, historic low vacancy rates, and rapid population growth driving demand beyond supply in every region. While institutional investors have scaled up development (often with federal support), small and medium-sized enterprises (SMEs), the backbone of local economies, are blocked by outdated tax rules that treat rental income as passive investment, taxed at rates nearing 50% and ineligible for the Small Business Deduction. This punitive treatment discourages local investment in urgently needed rental housing.

Background

The federal government's 2024 "Solving the Housing Crisis: Canada's Housing Plan"[36] acknowledges the harms of financialization, including the accumulation of housing assets by hedge funds and large institutional investors. It proposes restrictions on corporate acquisition of single-family homes to reduce speculative pressure and return homes to their primary purpose: housing Canadians.

But tackling financialization requires more than limiting large players — it also requires activating the capacity of SMEs to build and rehabilitate rental supply. These SMEs represent 99.8% of all Canadian businesses.[37] They often own land, have ties to local trades and services, and understand regional housing needs. Many are prepared to help, but the current tax regime stands in their way.

Today, all rental income is automatically taxed as passive investment income, even when it results from productive economic activity like new construction or substantial renovations. In Alberta, this income is taxed at approximately 46.67%, and in Ontario, over 50%.[38] These rates are significantly higher than the 9–15% available under the small business deductions (SBDs) for active business income.

By contrast, large-scale developers continue to benefit from federal low-cost financing programs and housing incentives. This imbalance shuts out SMEs — particularly in smaller cities, rural areas, and Indigenous communities — from participating in a national housing solution.

Modernizing the tax treatment of qualifying rental income would unlock local capital, empower regional solutions, and foster economic resilience. It would enable rental housing development tailored to community needs, while maintaining safeguards against speculative activity. Most importantly, this approach requires no new government spending — just smarter, fairer taxation. It complements existing federal initiatives and enhances the role of local businesses in delivering real results for Canadian renters.

Enabling Canadian-controlled private corporations (CCPCs) to participate in housing delivery would also align with fiscal responsibility. These are not grant-based programs or direct subsidies — they are structural tax changes that reward productive investment and expand the tax base over time through increased economic activity, job creation, and rental revenue. Communities struggling to attract affordable

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[36] Infrastructure Canada, "Solving the Housing Crisis: Canada's Housing Plan," 2024, https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/housing-plan-logement-en.pdf.
[37] Innovation, Science and Economic Development Canada, "Key Small Business Statistics, 2023," 2024, https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2023.
[38] Calculated by combining corporate investment income tax rates (https://www.taxtips.ca/smallbusiness/investment-income-taxation.htm) with provincial corporate income tax rates (https://www.taxtips.ca/smallbusiness/corporatetax/corporate-tax-rates-2024.htm).

rental development would gain from the agility and responsiveness of local businesses empowered to invest.

By empowering local entrepreneurs, it would also stimulate regional economic development, create local employment opportunities, and enhance housing diversity across both urban and rural communities.

This proposed change is modest in scope but powerful in impact. By restricting eligibility to rental income earned from new builds or substantial renovations that increase the housing supply, it preserves safeguards against speculative activity and supports the federal government's broader housing objectives.

Recommendations

That the Government of Canada:

1. Amend the *Income Tax Act* to allow rental income from new construction or substantial renovations to qualify as active business income under Section 125, enabling SMEs to invest in and develop rental housing, unlocking capital and fostering regional housing solutions.
2. Modernize the tax treatment of rental income to qualify as active business income for small and medium-sized enterprises to incentivize local SMEs to invest in and develop rental housing, unlocking capital, fostering regional housing solutions, and boosting economic resilience across communities.

9. Enhancing Transparency and Fairness in Federal Procurement Practices

Description

The Office of the Procurement Ombud (OPO) has a mission to promote fairness, openness and transparency in federal procurement. In their most recent annual report, the OPO outlined multiple concerns with government procurement processes in Canada, such as overly complex processes, restrictive evaluation criteria, and a lack of transparency, debriefs and documentation.[39] These issues hinder the competitiveness of the procurement process, create barriers for businesses, particularly small and medium-sized enterprises (SMEs), and reduce public trust in how taxpayer dollars are spent. Addressing these challenges is essential to ensure a fair, efficient, and transparent procurement process that supports a diverse range of suppliers.

Background

Federal procurement represents a significant opportunity for businesses across Canada, involving billions of dollars in contracts annually. However, the process has faced long-standing criticisms, including complex processes, restrictive criteria, and a lack of transparency in contract awards. In 2023-2024, the OPO reviewed 582 cases — an increase of nearly 23% from the previous year.[40] Procurement issues result in reduced competition, which can limit opportunities for innovative solutions and cost savings that a competitive market typically offers. To address these concerns, it is important to delve into the specific challenges businesses face when engaging with federal procurement processes.

One of the key concerns of businesses engaging in federal procurement is the transparency around how decisions are made. When evaluation criteria are unclear or overly restrictive, or when documentation of decisions is inadequate, it creates uncertainty for businesses. This lack of transparency can deter potential suppliers, especially SMEs, from participating in federal bids, fearing that their efforts may be wasted. In addition to transparency, the complexity of the procurement process poses another significant challenge for businesses.

The complexity of federal procurement is a significant barrier for many businesses, especially those with limited resources to navigate bureaucratic processes. Simplifying procurement procedures would reduce administrative burdens on businesses and ensure that a wider range of suppliers can compete for contracts. This would be especially beneficial for small businesses that bring unique innovations to the market but may lack the resources to engage in lengthy bidding processes. Addressing these structural challenges can also be supported through targeted programs that foster accountability and performance.

The OPO recommends establishing a Government-Wide Vendor Performance Management Program to improve procurement outcomes.[41] By tracking supplier performance across federal departments and using this information in the award of future contracts, the government would incentivize high-quality work and accountability among suppliers. For businesses, this would create a trusted system, encouraging a

[39] Office of the Procurement Ombud, "The Procurement Ombud's 2023–2024 Annual Report," October 21, 2024, https://opo-boa.gc.ca/rapports-reports/2023-2024/index-eng.html.
[40] Ibid.
[41] Ibid.

focus on quality and reliability. Yet, for such programs to be effective, there must be leadership that can oversee and standardize the processes.

The creation of a Federal Chief Procurement Officer would bring centralized oversight and consistency to procurement practices across departments. This role could standardize procurement rules, reduce discrepancies, and ensure that policies are consistently applied, which would make the process more predictable and accessible for businesses. Additionally, this leadership could drive professionalization and capacity-building initiatives within the procurement sector, ensuring that both government buyers and suppliers have the skills and knowledge needed for effective contracting. The OBO also notes the need for a fairer procurement system that provides more opportunities for diverse businesses, including Indigenous and minority-owned businesses, as essential for promoting economic equity. A Chief Procurement Officer could assist in addressing restrictive practices and enhance recourse mechanisms to create a more inclusive process that benefits all suppliers. This not only aligns with the broader goals of economic reconciliation but also ensures that the federal government has access to a wider range of perspectives and solutions.

Streamlined procedures and enhanced transparency would reduce barriers for businesses of all sizes and backgrounds, leading to a more inclusive market. The Chamber recommends the establishment of clear performance management systems and the appointment of leadership to oversee procurement policies, as well as stronger regulatory frameworks to improve accountability and transparency.

Recommendations

That the Government of Canada:

1. Expand and accelerate the existing Vendor Performance Management Policy (VPMP) employed by PSPC, moving it beyond a pilot program, while ensuring it applies across all federal departments and agencies. The federal government should make vendor performance data transparent and accessible to suppliers, while creating a clear appeal and review mechanism for vendors to dispute performance evaluations.
2. Establish the role of a Federal Chief Procurement Officer to centralize oversight, standardize procurement practices, and lead professionalization efforts within federal procurement.
3. Simplify procurement procedures to reduce administrative burdens on businesses.
4. Require that every federal department and agency adopt social procurement and supplier diversity policies consistent with PSPC's *Policy on Social Procurement* and *Supplier Diversity Action Plan* to ensure underrepresented suppliers are considered and socio-economic criteria are included where appropriate.

10. Equitable Tax Distribution Policy to Assist Canadian Municipalities

Description

Besides carrying the majority of infrastructure funding, municipalities nationwide continue to face pressures surrounding a myriad of issues including housing affordability, homelessness, transit, and public safety. These are issues that affect the lives of residents and business owners, yet the financial resources and legislative abilities provided to municipalities to find local solutions receive limited support. A formal review is needed between the federal, provincial/territorial and municipal governments to find a way to create a fairer distribution plan to better assist municipalities to ensure the needs of Canadians are met through local solutions that can promote business confidence and economic prosperity.

Background

To paraphrase a quote from Mississauga's legendary mayor Hazel McCallion: "The feds have all the money, the provinces have all the legislative authority, and the cities have all the issues." This observation draws attention to the fact that the 3,573 municipalities across Canada's 10 provinces and three territories are responsible for the construction, operations, and maintenance of nearly 60% of the country's public infrastructure yet receive only 10 cents of every tax dollar to cover these costs.[42] They are 'community builders' who cannot run deficits and have a lack revenue-generating tools — other than property taxes and user fees which are regressive — to collect revenue to pay for these services. It's a system that hasn't changed much in the last 20 years.

There are additional potential revenue options for municipalities, such as development charges which do not often cover the full costs of urban growth and these new developments, or they could receive a share of fuel, sales, and income taxes, which are not provided by all provinces/territories.[43] However, the pressures municipalities face continue to mount, especially around housing affordability which 60% of Canadians in major cities see "as being the biggest issue or the second biggest issue facing their municipality."[44] The Canada Mortgage and Housing Corporation (CMHC) has estimated that Canada needs 3.5 million more housing units by 2030, in addition to those currently under construction, to restore affordability.[45]

Other key concerns in major cities include homelessness, poverty, and mental health issues (37%), property taxes and spending (23%), traffic congestion (19%) and public safety (13%).[46] Many cities and smaller communities now continue to face a looming crisis in deferred maintenance and construction of critical infrastructure, both physical and social. According to a 2024 report by the University of Toronto's School of Cities — a multidisciplinary hub for urban research, education, and engagement — eight years into the federal government's "Investing in Canada Plan," Canada's infrastructure deficit is estimated at a minimum of $150 billion and could be up to one trillion dollars.[47] Increasing debt and budget deficits are

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[42] Federation of Canadian Municipalities (FCM), "Infrastructure: Municipalities at the heart of nation-building," April 17, 2018, https://fcm.ca/en/news-media/news-release/infrastructure-municipalities-the-heart-nation-building.
[43] Canadian Union of Public Employees (CUPE), "Fair taxes and municipal revenues," May 27, 2019, https://cupe.ca/fair-taxes-and-municipal-revenues.
[44] Leger, "Municipal Issues in Canadian Cities," December 12, 2024, https://leger360.com/municipal-issues/.
[45] Limabenla Jamir, "Municipal Finance in Canada: Reflections and Thoughts for the Future," Decentralization.net, February 3, 2025, https://decentralization.net/2025/02/municipal-finance-in-canada-reflections-and-thoughts-for-the-future/.
[46] Leger, "Municipal Issues in Canadian Cities."
[47] School of Cities, "Canada's Urban Infrastructure Deficit: Toward democracy & equitable prosperity," University of Toronto, 2024, https://schoolofcities.utoronto.ca/research-publications/infrastructure-deficit/.

challenges facing the Federal government and many provincial governments. According to the Fraser Institute, the combined federal and provincial net debt since 2007/2008 has nearly doubled from $1.18 trillion to a projected $2.18 trillion in 2023/24.[48] As well, while most provinces ran operating surpluses in 2021/22 or 2022/23, many of those same governments are projecting a return to deficits in 2023/24 and subsequent years.[49]

While calls continue for an overhaul of our current tax system, which has not been reviewed since 1967, from various groups including the Canadian Chamber of Commerce, this could be viewed only the first step towards a much larger review to perhaps determine how the federal government can work with the provincial/territorial governments to better assist municipalities.

This could mean moving the responsibility and funding for some services (such as social services in Ontario) up to the provincial level or it may mean downloading some revenue sources to municipalities (such as income or sales taxes). Downloading in this sense does not mean expecting the federal and provincial/territorial governments to raise more income or sales taxes on behalf of municipalities but rather giving municipalities the option of piggybacking on federal and provincial taxes at rates they need to deliver services and infrastructure.

Municipalities, which are not recognized in the Constitution Act, 1867, and were established under provincial/territorial authority, need to be granted more legislative controls by the federal and provincial/territorial governments to assist them in ensuring they can provide the best local solutions to create economically healthier communities to create a solid base for businesses to succeed.

Recommendations

That the Government of Canada:

1. Engage provincial/territorial and municipal governments to consult on a framework to identify and address the social, economic, and physical infrastructure needs of municipalities.
2. Formally review the federal funding mechanisms— such as transfer payments and the federal fuel charge — with the goal of improving how the federal government assists provincial/territorial governments enhance the programs and services they currently provide to municipalities — such as social services or funding for transit/roads — in hopes of strengthening their physical and social infrastructure needs to help set the stage in communities for a more robust and vibrant economic path in which businesses can flourish. This formal review could include tax point transfers to provinces.
3. Ensure potential solutions are not funded through the creation of any new additional federal or provincial/territorial government taxes.

[48] Jake Fuss and Grady Munro, “The Growing Debt Burden for Canadians: 2024 Edition,” Fraser Institute, January 2024, https://www.fraserinstitute.org/sites/default/files/growing-debt-burden-for-canadians-2024.pdf.
[49] Ibid.

11. Incentivizing Charitable Giving

Description

Charitable donations in Canada are at the lowest point in 20 years. This comes at a time when many charitable organizations are facing sustainability challenges due to rising operations and overhead costs. There is an urgent need to streamline the charitable tax credit to ensure the sector's long-term health and impact.

Background

The current federal charitable donation tax credit rate is 15% on the first $200 of total annual gifts, and 29% on total annual gifts over $200.[50] Donors with taxable income exceeding $235,675 can claim a 33% tax credit on the portion of donations over $200.[51]

While the 33% tax credit for high-income earners remains a strong incentive, the two-tiered system for lower income brackets and younger donors acts as a disincentive. Currently, for every $1 donated under the 15% credit, the donor receives $0.15 back through tax relief. In contrast, with a 29% credit, the donor receives $0.29 back.

In 2020, individuals earning at least $150,000 represented just 1 in 10 donors, yet they accounted for over 40% of total donations.[52] Meanwhile, in 2023, the age group under 24 remained stagnant, with a median donation of just $50.[53] This underscores the growing concentration of charitable giving among high earners, and the limited participation of younger and lower-income Canadians in charitable donations.

The not-for-profit (NFP) sector is a cornerstone of Canada's social and economic fabric. In the second quarter of 2021, NFPs accounted for 8% of Canada's GDP, contributing approximately $176 billion annually.[54] This sector plays a crucial role not only in delivering essential services but also in driving economic growth.

Charities have a significant impact on private sector businesses. For instance, the charitable arts and culture industry contributes $8 billion annually to Canada's economy and employs 150,000 Canadians.[55] This, in turn, generates significant economic activity in the hospitality and tourism sectors. Charities are at the forefront of research and innovation, supporting businesses and entrepreneurs through post-secondary institutions, innovation incubators, and environmental organizations.

Like many sectors across Canada, the charitable sector is also struggling due to higher costs and financial uncertainties. One in five Canadian now rely on charities to meet their basic needs.[56] At the same time, the percentage of aggregate income donated by Canadian tax filers has declined from 0.55% in 2012 to 0.50% in 2022.[57] This drop in giving weakens the ability of charities to cover operational costs

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[50] Department of Finance Canada, "Report on Federal Tax Expenditures 2025: Concepts, Estimates and Evaluations – 2025," Government of Canada, 107, https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2025/taxexp-depfisc-25-eng.pdf.
[51] Ibid.
[52] Statistics Canada, "Charitable donors, 2020," April 12, 2022, https://www150.statcan.gc.ca/n1/daily-quotidien/220412/dq220412d-eng.htm.
[53] Ibid.
[54] CanadaHelps, "The Giving Report 2024," July 2024, https://indd.adobe.com/view/publication/763060b8-d8a0-48c9-8325-c9e619340e9a/51rd/publication-web-resources/pdf/TGR_24_EN_Final.pdf.
[55] Hill Strategies, "Profile of not-for-profit organizations in Canada, 2019," StatsInsights, March 9, 2022, https://statsinsights.hillstrategies.com/p/not-for-profit-orgs2019.
[56] CanadaHelps, "The Giving Report 2024."
[57] Statistics Canada, "Charitable donors, 2020."

and meet growing service demands. Alarmingly, 57% of charities report being unable to meet current levels of demand,[58] highlighting a widening gap between community needs and the sector's capacity to respond.

Table 1. Estimated Government Expenditure

Year	Fed Income Tax (0.15%)	Fed Income Tax (0.29%)	Loss to Gov't
2025	$227,141.2 millions	$227,009.1 millions	$132.1 million
2026	$232,248.9 millions	$232,115.3 millions	$133.6 million
2027	$243,223.0 millions	$243,086.9 millions	$136.1 million

This analysis is based on Statistics Canada's Social Policy Simulation Database and Model.[59] The assumptions and calculations underlying the simulation results were prepared by the Peterborough and Kawarthas Chamber of Commerce and the responsibility for the use and interpretation of these data is entirely that of the author(s).

While expanding charitable tax incentives may increase government expenditures in the short term, the long-term benefits, such as stronger community services, reduced pressure on public programs, and increased economic activity would far outweigh the initial cost. In fact, government expenditure on increasing the charitable tax credit is fairly modest. It is estimated that in 2025, the government will forgo $132.1 million in government expenditures in adjusting to a single tax credit of 29% for the first $200 on a donation. Despite this expenditure, it is well known among researchers that lower-income earners are more responsive to tax credit changes. A study of income data from 2001–2016 found that lower-income Canadians (in the first- and second-income quintiles) are the most responsive to changes in the tax credit, with estimated donation elasticities of -2.93 and -4.02, respectively.[60] This means that for each 1% drop in the cost of giving, charitable donations from these groups are expected to rise by 2.93% to 4.02%.

The price of a donation refers to the net cost to the donor after the tax credit is applied. For example, without any tax relief, each dollar donated would cost the donor one dollar. With a 29% non-refundable tax credit (for donations below $200), the after-tax cost of a $1 donation is $0.71. The higher the tax credit rate, the cheaper it is to make a donation. Studies consistently show that lowering the cost of giving encourages donations from lower-income groups,[61] compared to the current 15% rate for donations under $200. This relationship between tax incentives and donation behavior is especially important during periods of declining donations.

Given the clear link between tax incentives and donation behavior, increasing the charitable tax credit from 15% to 29% on the first $200 would effectively incentivize lower-income earners to donate by reducing the cost per dollar of a donation — providing critical support to the charitable sector during a time of declining donations. As charities struggle with rising operational costs, this incentive is essential to sustain donations from a national donor base that has been shrinking for the past 20 years. Notably, national donations have declined more sharply from 2012 to 2022 than in the 20-year span from 2002 to 2022. For example, from 2012 to 2022, donations declined by 5.3%, while from 2002 to 2012, they declined by only 2.7%.[62]

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[58] CanadaHelps, "The Giving Report 2024."
[59] Statistics Canada, "The Social Policy Simulation Database and Model (SPSD/M)," https://www.statcan.gc.ca/en/microsimulation/spsdm/spsdm.
[60] Ross Hickey et al., "Policy forum: Understanding the efficacy of tax credits for charitable donations in Canada," *Canadian Tax Journal / Revue fiscale canadienne* 72, no. .2 (2024): 317–327. https://doi.org/10.32721/ctj.2024.72.2.pf.hickey.
[61] Ibid.
[62] Fraser Institute, "Canadian generosity hits lowest point in 20 years," Newswire, April 25, 2024, https://www.newswire.ca/news-releases/fraser-institute-news-release-canadian-generosity-hits-lowest-point-in-20-years-892385313.html.

The concerning decline in charitable donations remains a grave concern for businesses across Canada. Charities are the fabric of communities across Canada in building, supporting, and holding them together — every dollar that flows into these organizations ultimately circulates back into the economy. The NFP sector not only delivers essential services in healthcare, education, social services, housing, and the arts, they also support our most vulnerable and marginalized populations. As Ross Hickey et al. argue, charitable giving needs to be a simple and equitable system that will allow for those of all diverse socio-economic backgrounds and not just those of high socio-economic status to be able to reap the benefits of a 29% single tax credit.[63] Encouraging and incentivizing broader participation in charitable giving at a time when donations are at an all-time low is crucial to supporting a sector that not only strengthens Canada's economic foundation but also sustains healthy, vibrant communities essential for doing business across the country.

Increasing tax credits and incentivizing charitable giving will have a positive impact on our economy and support our charitable sector to provide crucial social, innovation, and cultural programming in a far more efficient manner than the public sector would be able to provide. In the short term, this will incur annual costs of approximately $134 million in lost revenue and should be included in the budget for charitable tax credits.

Recommendations

That the Government of Canada:

1. Simplify the charitable donation tax credit system, including eliminating the lower credit for smaller donations.
2. Engage directly with charities to co-design effective incentive programs that address real-world barriers to giving and ensure the programs are responsive to sector needs.
3. Restore the 0% capital gains inclusion rate for charitable donations of publicly traded securities from its current 30% inclusion rate.

[63] Hickey et al., “Policy forum.”

12. Modernizing CMHC to Support Self-Employed Canadians and Small Business Owners in Accessing Homeownership

Description

Access to mortgage financing remains a significant barrier for Canada's 2.9 million self-employed individuals, freelancers, gig workers, and small business owners. Canada Mortgage and Housing Corporation (CMHC), while instrumental in supporting aspiring homeowners, maintains underwriting criteria that heavily favour traditional salaried employment and T4 income. These criteria systematically exclude a growing portion of the Canadian workforce whose income is structured through dividends, retained earnings, or variable self-employed earnings. This creates inequity in housing access, stifles entrepreneurship, and limits regional development opportunities, particularly in rural communities.

Background

Self-employed Canadians — including small business owners, freelancers, gig workers, and incorporated professionals — face significant barriers when attempting to access mortgage financing, especially insured mortgages through CMHC. Current underwriting policies are primarily designed for individuals with consistent T4 income, which disadvantages those who earn variable income or structure their finances through dividends, retained earnings, or corporate accounts.

This challenge persists even when self-employed individuals are financially stable and have demonstrated strong creditworthiness. The disconnect between CMHC's criteria and the financial reality of self-employment unfairly restricts housing access, discourages entrepreneurship, and contributes to regional housing disparities — particularly in rural and remote communities.

Self-employment now accounts for 15% of Canada's labour force — nearly 2.9 million people as of 2024.[64] This includes entrepreneurs, sole proprietors, contractors, and incorporated professionals. Many of these individuals reinvest income into their businesses, pay themselves irregularly, or earn through non-T4 mechanisms such as dividends and retained earnings. Women, newcomers, rural residents, and knowledge economy workers are especially prominent within this segment.

CMHC insures mortgages for Canadians with down payments of less than 20%. However, its current underwriting policies rely on two years of consistent income for self-employed applicants, whereas traditionally employed applicants do not have to provide this documentation. Self-employed applicants face stringent documentation requirements across the board, including full tax filings, notice of assessments, and financial statements for multiple years.[65] These standards often disqualify creditworthy individuals with viable businesses simply because of non-traditional income reporting practices.

Entrepreneurs without access to stable housing are more likely to delay business expansion, struggle with employee retention, and experience financial stress.[66] Homeownership supports long-term wealth

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[64] Statistics Canada, "Labour Force Survey, April 2024," May 10, 2024, https://www150.statcan.gc.ca/n1/daily-quotidien/240510/dq240510a-eng.htm.
[65] Canada Mortgage and Housing Corporation (CMHC), "CMHC Self-Employed," accessed August 18, 2025, https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/mortgage-loan-insurance/mortgage-loan-insurance-homeownership-programs/self-employed.
[66] Canadian Federation of Independent Business (CFIB), "Flushing out the nonsense: An analysis of municipal renovation permitting across Canada," January 30, 2024, https://www.cfib-fcei.ca/hubfs/research/reports/2024/2024-01-Permitting-Flushing-out-the-nonsense.pdf.

generation, workforce stability, and community involvement — all factors that are critical to local economic development.

In 2023, CMHC acknowledged the need for more inclusive financing, particularly for underrepresented groups, but has yet to implement any substantive changes to address the self-employed gap in insured mortgage products.[67]

Improved access to mortgage financing and homeownership for Canada's 2.9 million self-employed workers would promote more equitable treatment of small business owners in housing finance systems. This in turn would contribute to increased regional economic development through enhanced residential stability for entrepreneurs, while reinforcing CMHC's mandate to support all Canadians in accessing affordable and adequate housing.

Recommendations

That the Government of Canada:

1. Create a CMHC-backed mortgage program for self-employed Canadians. This dedicated program would include:
    a. Recognition of non-T4 income sources such as dividends, retained earnings, and verified business revenues,
    b. Income documentation alternatives such as bank statements, GST/HST filings, or CPA-reviewed financials, and
    c. Flexibility in loan-to-income and debt service ratios when cash flow and creditworthiness are demonstrated.
2. Update CMHC underwriting guidelines to reflect modern income structures. This would involve more accurate financial indicators used by banks and private lenders when evaluating entrepreneurs, including:
    a. Use of averaged business cash flow for new ventures with strong growth, and
    b. Seasonal income smoothing methods for agriculture, tourism, and contracting businesses.
3. Develop and disseminate a "Self-Employed Mortgage Toolkit." This resource would standardize best practices among brokers, lenders, and applicants and include templates, acceptable documents, and guidance for interpreting small business income.
4. Monitor program outcomes and disparities through metrics and feedback mechanisms in the program's rollout to assess uptake, performance, and impact on housing affordability for self-employed groups — particularly among women, Indigenous entrepreneurs, and newcomers.

[67] CMHC, "Progress on the National Housing Strategy," Government of Canada, December 2023, https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/prog-nhs-dec-2023-dec-snl-en.pdf.

FUTURE OF WORK (HUMAN RESOURCES, SKILLS AND IMMIGRATION)

13. Align Immigration and Workforce Development Policies with Labour Market Needs

Description

Canada's economic growth is being held back by persistent labour shortages, demographic pressures, and skills mismatches. Employers across key sectors face growing difficulty finding qualified workers, especially in rural and remote regions. As retirements accelerate, immigration remains essential to sustaining the labour market and boosting productivity. Recent federal measures like placing a cap on international student enrolment and a reduction in temporary residents aim to address housing concerns but risk worsening workforce gaps. A proactive strategy is needed to align immigration, credential recognition, and workforce development with Canada's real-time labour market needs.

Background

In 2024, the federal government announced it would limit the number of temporary residents entering Canada to 5% of the overall population over three years, compared to the existing 6.2% — or 2.5 million students, foreign workers and asylum seekers.[68] While this decision was made in the context of the housing crisis, Canada's immigrant workforce remains vital to sustaining economic growth, especially as seniors (65+) are projected to make up over 22% of the population by 2035, up from 18.9% in 2024.[69]

Across Canada, workforce shortages are still prevalent. In Ontario, for example, labour shortages persist in mining (78%), agriculture and forestry (67%), construction (66%), accommodation and food services (66%), administrative and waste management (60%), and transportation and warehousing (59%) sectors.[70] Many newcomers remain underutilized relative to their qualifications and experience.

Health

Canada's healthcare system is under significant strain from increased system usage and an aging population, particularly in long-term and home care settings. National health expenditures in these areas are projected to nearly double, from $29.7 billion in 2019 to $58.5 billion by 2031.[71] However, critical health infrastructure has not kept pace with this growth, especially in rural, remote, northern, and Indigenous communities, where access to timely and culturally safe care remains limited.

These pressures have begun to impact professions across the healthcare space. Recent data indicates that Ontario's healthcare workforce continues to face significant retention challenges. According to a 2024 report by the Registered Nurses' Association of Ontario, 40% of nurses in the province are considering leaving the profession, their current job, or retiring within the next year, underscoring the ongoing urgency of healthcare workforce retention.[72] The underutilized talent pool, combined with short staffing and high demand, has resulted in longer wait times, staffing burnout, and deteriorated care. To deliver high-quality,

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68 Immigration, Refugees and Citizenship Canada (IRCC), "Speaking notes for the Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship: Announcement related to Temporary Residents," Government of Canada, March 21, 2024, https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/03/speaking-notes-for-the-honourable-marc-miller-minister-of-immigration-refugees-and-citizenship-announcement-related-to-temporary-residents.html.

69 Statistics Canada, "Population Projections for Canada (2021 to 2068), Provinces and Territories (2021 to 2043)," Government of Canada, August 22, 2022, accessed August 18, 2025, https://www150.statcan.gc.ca/n1/pub/91-520-x/91-520-x2022001-eng.htm.

70 Ontario Chamber of Commerce, "2025 Ontario Economic Report," February 13, 2025, https://occ.ca/wp-content/uploads/Final_2025-OER_Feb-12.pdf.

71 Canadian College of Health Leaders, "Engaging Health Leaders in Canada's HHR Crisis," August 2024, https://cchl-ccls.ca/app/uploads/2024/08/2024NationalConversation_TopicSummary.pdf.

72 Registered Nurses' Association of Ontario (RNAO), "The RN crisis in Ontario," November 2024, https://rnao.ca/media/7946/download.

equitable patient care while supporting Canada's Health Human Resources (HHR) workforce, governments must strengthen federal, provincial, and territorial (FPT) collaboration. Recognizing the federal government's role in supporting labour mobility within a Canadian unified economy, a national licensure strategy, improved interprovincial mobility, and faster foreign credential recognition are critical to maximizing Canada's health talent pool and ensuring health systems across jurisdictions remain sustainable and responsive to future demand.

Mining

Canada's mining and critical minerals sector plays a foundational role in national economic growth and the energy transition, yet it is facing a significant and growing workforce shortage. The industry directly employs over 420,000 Canadians and supports an additional 274,000 jobs through supply chains and downstream manufacturing. In Ontario alone, the sector supports over 130,000 high-paying jobs, with average salaries nearly double the provincial average.[73]

Despite its economic might, the sector is contending with an aging workforce and insufficient new entrants. Approximately 20–25% of Ontario's mining workers is nearing retirement, and the proportion of workers under age 25 has been steadily declining.[74] Key occupations — including mining engineers, geologists, equipment operators, and environmental scientists — are becoming increasingly difficult to fill, limiting the sector's capacity to innovate and scale. At the same time, recent federal immigration policy changes may further constrain the sector's access to global talent. This is particularly concerning given that many international students are enrolled in graduate programs relevant to mining and could help address existing gaps.

To sustain operations and build future capacity, Canada must align immigration pathways with sectoral needs and create targeted strategies to attract, train, and retain skilled workers. Addressing these labour challenges is critical to supporting responsible resource development and securing Canada's role in the global critical minerals supply chain.

Skilled Trades

Canada's skilled trades sector is confronting a critical labour shortage that threatens to impede national infrastructure goals, including the federal mandate to double annual housing construction to 500,000 units.[75] Approximately, 700,000 skilled trades workers are projected to retire by 2028, creating a significant gap in the workforce.[76] In Ontario, the situation is particularly acute, with one-third of tradespeople aged 55 or older, indicating a looming wave of retirements. This demographic shift exacerbates existing shortages in essential roles such as electricians, plumbers, and carpenters, which are vital for meeting the country's housing and infrastructure demands. Immigration has historically played a pivotal role in supplementing Canada's skilled trades workforce. However, recent federal policy changes may further hinder the sector's ability to attract and retain international talent. Furthermore, Canada's Federal Skilled Trades Program admitted only 35 permanent residents in 2024, highlighting a missed opportunity to bolster the trades workforce through immigration.[77]

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[73] The Mining Association of Canada, "The Mining Story 2024: Canada's Mining Industry Facts and Figures," June 4, 2024, https://mining.ca/resources/reports/facts-figures-2023/.
[74] Ontario Mining Association, "OMA Releases State of the Ontario Mining Sector Report," March 4, 2025, https://oma.on.ca/en/news/oma-releases-state-of-the-ontario-mining-sector-report.aspx.
[75] Peter Zimonjic, "Carney unveils signature housing plan he says will double pace of home building in Canada," CBC News, March 31, 2025, https://www.cbc.ca/news/politics/carney-double-pace-home-building-1.7497947.
[76] Naomi Powell and Ben Richardson, "Powering Up: Preparing Canada's skilled trades for a post-pandemic economy," RBC Thought Leadership, September 2021, https://thoughtleadership.rbc.com/wp-content/uploads/Skilled-Trades-Report.pdf.
[77] Chloe Bray, "Talent Over Tariffs: Immigration As Canada's Secret Weapon Against US Trade Barriers," Institute for Canadian Citizenship, February 4, 2025, https://forcitizenship.ca/article/talent-over-tariffs/.

To increase housing supply while meeting growing infrastructure demands, Canada needs to ensure that the talent pool is qualified for future labour market needs across all provinces and territories, and streamline immigration and workforce pathways, making sure the nation's talent pool is being utilized to its fullest potential.

Recommendations

That the Government of Canada:

1. Develop strategies to attract and retain newcomers in northern, rural, remote, and Indigenous communities through partnerships with local governments, employers, and non-profits, including scaling up place-based immigration programs.
2. Expand permanent residence opportunities for in-demand occupations by ensuring timely coordination with industry to understand and respond to sectors facing acute labour shortages and effectively aligning NOC codes with Express Entry eligibility.
3. Pursue a national licensure strategy in collaboration with provinces and professional regulators to reduce credentialing and mobility barriers for in-demand occupations. This includes fostering alignment across jurisdictions to ensure skilled workers can move freely and respond to labour needs across provinces and territories.
4. Create or expand targeted immigration pathways for key sectors such as healthcare, skilled trades, and mining, ideally through a case management approach.
5. Improve labour market forecasting and ensure immigration targets and program design are responsive to evolving sectoral and regional needs across Canada.

14. Empowering Canadian SMEs: Streamline Regulations & Invest in Workforce Innovation

Description

Small- and medium-sized enterprises (SMEs) are the backbone of Canada's economy, representing over 98% of all businesses and employing nearly two-thirds of the private labour force.[78] Despite their central role in job creation and innovation, SMEs face systemic barriers — chief among them: excessive federal regulatory burdens and a lack of accessible workforce development support. These constraints threaten Canada's long-term economic competitiveness, particularly in high-growth sectors such as digital technology, clean energy, and advanced manufacturing.

To ensure Canada's SMEs remain agile and globally competitive, the federal government must commit to modernizing the regulatory environment and investing directly in workforce upskilling.

Background

Despite their critical role in Canada's economy, SMEs encounter outsized administrative and financial burdens when dealing with federal regulations. Between 2006 and 2021, the number of federal regulatory requirements increased by 37%, growing from 234,200 to more than 320,900.[79] This surge in red tape has had real economic consequences. Research links this regulatory accumulation to a 1.7% decline in GDP growth and a 1.3% drop in employment growth during that period.[80] In 2024, Canadian businesses spent an estimated 768 million hours complying with regulations — the equivalent of 394,000 full-time jobs dedicated entirely to paperwork.[81] The smallest firms are hit hardest: those with fewer than five employees paid an average of $10,208 per employee in compliance costs — more than five times what large firms paid per employee.[82]

The solution is not deregulation, but modernization. SMEs have made it clear that digitizing compliance — such as enabling HST/GST remittances or Records of Employment through commonly used accounting and payroll software — would save significant time and reduce frustration.[83] A centralized, fully digital "one-stop" portal could offer a seamless interface for licensing, tax services, compliance support, training programs, and funding opportunities. To ensure fairness and usability, the system should be bilingual, mobile-accessible, and interoperable with existing business tools. Further, the creation of a dedicated Federal Innovation and Small Business Ombudsperson would give SMEs a resource to navigate federal systems, appeal unreasonable decisions, and advocate for practical solutions within government.

In addition to regulatory challenges, SMEs also face structural barriers to workforce development. Canada is currently grappling with a shortage of skilled labour, particularly in high-growth sectors such as

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[78] Innovation, Science and Economic Development Canada, "Key Small Business Statistics 2024," Government of Canada, last modified April 1, 2025, https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2024.
[79] Wulong Gu, "Regulatory Accumulation, Business Dynamism and Economic Growth in Canada," Statistics Canada, February 10, 2025, https://doi.org/10.25318/11f0019m2025002-eng.
[80] Ibid.
[81] Laure-Anna Bomal and Marvin Cruz, "Canada's Red Tape Report: The cost of regulation to small business," Red Tape Research, 2025, https://www.cfib-fcei.ca/hubfs/research/reports/2025/Canadas-Red-Tape-Report-2025.pdf.
[82] Ibid.
[83] Ibid.

digital technology, clean tech, AI and advanced manufacturing.[84] In 2022, 62 percent of manufacturers reported turning down or losing contracts due to a lack of qualified workers, resulting in an estimated $7.2 billion in lost sales.[85] By 2025, the Information and Communications Technology Council projects that Canada will need 250,000 additional workers to meet labour demand in the digital economy alone.[86]

Unfortunately, SMEs lack the financial and logistical resources to invest meaningfully in employee training. While larger firms often have internal HR departments and dedicated training budgets, most small businesses cannot afford the upfront costs or lost productivity. In contrast, other countries have introduced innovative approaches to support SME-led training. Singapore's SkillsFuture Enterprise Credit provides eligible SMEs with $10,000 SGD to cover up to 90% of training and transformation expenses.[87] Subsidies for course fees and payroll replacement make it easier for small firms to train employees without disrupting operations. Similar models in Germany and the United Kingdom have shown that co-funded training programs can strengthen SME competitiveness and reduce labour shortages.[88]

Canada must take a similarly bold approach. A national upskilling tax credit — refundable and tailored to SME realities — could unlock essential training in high-demand fields while promoting inclusive participation. Bonus credits for training programs that support Indigenous peoples, newcomers, women in STEM, and other underrepresented groups would ensure that workforce growth is equitable as well as effective. Combining financial support with simplified access through a centralized government portal would maximize the impact of public investment.

Canada's economic future depends on the vitality and adaptability of its SMEs. Regulatory modernization and a national commitment to workforce development are no longer optional — they are essential pillars of a resilient and competitive economy. The Government of Canada must take decisive action to level the playing field for small businesses and equip them to succeed in the economy of tomorrow.

Recommendations

That the Government of Canada:

1. Commit to working directly with SMEs to identify and remove prohibitive administrative burdens related to HST, GST remittances, ROE filing and CPP/EI Reporting; ; mandating full digitization of licensing and permitting within 24 months; and creating a Federal Innovation & Small Business Ombudsperson.
2. Introduce a National Upskilling Tax Credit offering a 50% refundable credit for accredited training in digital skills, clean tech, and advanced manufacturing, with bonus credits for training underrepresented groups.
3. Develop a centralized digital "One-Stop Portal" for SMEs to streamline access to regulatory services, tax credits, training resources, and compliance support—integrated with commonly used business platforms.

[84] Maryna Ivus and Akshay Kotak, "Onwards and Upwards: Digital Talent Outlook 2025," Information and Communications Technology Council (ICTC), 2025, https://staging.ictc-ctic.ca/ictc-admin/resources/admin/digital-talent-outlook-for-2025.pdf.
[85] Canadian Manufacturers & Exporters, "Canada Leaving Almost $13 Billion on the Table Due to Labour and Skills Shortages in Manufacturing," October 25, 2022, https://cme-mec.ca/blog/canada-leaving-almost-13-billion-on-the-table-due-to-labour-and-skills-shortages-in-manufacturing/.
[86] Ivus and Kotak, "Ontwards and Upwards."
[87] GoBusiness Singapore, "SkillsFuture Enterprise Credit (SFEC)," https://www.skillsfuture.gov.sg/sfec.
[88] OECD, "Incentives for SMEs to Invest in Skills: Lessons from European Good Practices," Getting Skills Right, OECD Publishing, 2021, https://doi.org/10.1787/1eb16dc7-en.

15. Expedite Foreign Credential Recognition for New Immigrants Across Canada

Description

A skilled and flexible workforce is key to continued prosperity and growth in the Canadian economy. As the number of native-born Canadians plateaus and the average age rises, immigrants play an increasingly vital role in filling our labour needs, sustaining Canada's economic strength and quality of life. More and more new Canadians are joining the workforce, but in many cases, their skills and education are not recognized. While educational standards and qualifications may differ between jurisdictions, it is incumbent on Canada to facilitate an efficient foreign credential recognition process that allows skilled immigrants to integrate quickly into our workforce and use the full range of their skills and knowledge to meet our labour.

Background

The average age of Canada's workforce is rapidly increasing. Statistics Canada data shows that the number of Canadian residents age 55 and older represented 25% of the working age (15–64) cohort in the 1990s. That increased to 30% by 2007, 36% by 2016 and is forecast to reach 40% by 2026.[89] This has profound impact on the availability of labour to fuel the Canadian economy.

Canadian employers are increasingly turning to immigrants to fill the labour gap. Many newcomers come to this country with years of experience, skills and educational achievements in their native countries. However, many are challenged to find work in their desired field due to the complex rules, regulations and the inefficiency of Canada's foreign credential recognition program.

Some industries are projecting critical shortages in the next five years. In the health sector, for example, the labour shortage for registered nurses and psychiatric nurses seen in recent years is expected to persist into 2028 and could become more acute as the projected number of job openings is expected to total 191,100, while 154,600 new job seekers are expected to be available to fill them.[90] Although the average vacancy rate for trucking jobs has declined slightly from 4.6% in 2024 to 4.1% in Q1 of 2025, "trucking employers may still be struggling to find all the workers needed" as this rate is still 1.5 times higher than the 2.8% vacancy rate of all other industries.[91]

There are a multitude of players involved in the assessment and recognition of foreign qualifications. There are nearly 500 professional regulatory authorities and numerous credential assessment bodies in Canada, as well as hundreds of post-secondary and vocational institutions and countless numbers of employers, immigrant serving agencies, and most importantly, immigrants and other internationally trained workers.

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[89] Andrew Fields, Sharanjit Uppal and Sébastien LaRochelle-Côté, "The impact of aging on labour market participation rates," Statistics Canada, June 14, 2017, https://www150.statcan.gc.ca/n1/pub/75-006-x/2017001/article/14826-eng.htm.

[90] Colin Singer, "Nursing Shortage in Canada Provides Opportunities for Immigrants Looking for Well-Paid Jobs," Immigration.ca, September 18, 2021, https://immigration.ca/nursing-shortage-in-canada-provides-opportunities-for-immigrants-looking-for-well-paid-jobs/.

[91] Trucking HR Canada, "National Job Vacancy Update – Q1 2025," accessed August 12, 2025, https://truckinghr.com/wp-content/uploads/2025/07/National-Job-Vacancy-update-Q1-2025.pdf.

In May 2022, the Government of New Brunswick introduced the Fair Registration Practices in Regulated Professions Act which mirrors legislation already in place elsewhere in Canada. If approved, it would require regulatory bodies to:

- Establish transparent, objective, impartial and efficient application and registration processes.
- Comply with the Canada Free Trade Agreement, which ensures recognition of credentials among New Brunswick and other Canadian jurisdictions.
- Report how their registration practices comply with requirements of the legislation and, if necessary, order them to take all appropriate steps to ensure compliance.

This is but one provincial attempt to address this issue, but the federal government must show leadership to create a national strategy on credential recognition. Underemployment and the immigrant wage gap is estimated to cost the Canadian economy roughly $50 billion or 2.5% of GDP per year. Sixty-four percent of immigrants find it difficult or very difficult to find a job that matches their skills and credentials.[92]

Underemployment among immigrants can be a barrier to prosperity and could be caused by a range of factors including credential recognition, undervalued international experience, language and lack of professional network. The negative economic impact of those who are working but underemployed due to lack of learning recognition is equivalent to approximately $5 billion.[93] Helping newcomers get their credentials recognized can narrow that gap, increase immigrant retention and help employers with their labour force needs.

Canada needs a more coordinated, efficient credential recognition system.

Recommendations

That the Government of Canada:

1. As is already the case for internal labour mobility, serve as a convener and facilitator role with the provinces, territories, self-regulating professional societies and associations, and education institutions responsible for respective and relevant training of their members to expedite the process to recognize the skills and education of new immigrants. A primary focus should be accorded to industry sectors where it is estimated that a shortage is imminent, such as health (registered nurses), transportation (truck drivers), and business and finance (high demand in multiple jurisdictions).
2. Assume a coordinating role under the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications and work with key stakeholders at the provincial/territorial level to shorten timeframes associated with the assessment of qualifications, professional registration, and employment.

[92] Andrew Agopsowicz and Rannella Billy-Ochieng, "Untapped Potential: Canada needs to close its immigrant wage gap," RBC Economics, 2019, http://www.rbc.com/economics/economic-reports/pdf/other-reports/untapped-potential.pdf.
[93] Deloitte, "Uncovering Underemployment: Tapping into the potential of our workforce," November 2019, https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/public-sector/ca-en-uncovering-underemployment-aoda.pdf.

16. Inclusion of Canada's Resort Communities in the Federal Rural Communities Immigration Pilot Program

Description

Tourism and immigration in Canada's resort communities have become indelibly intertwined, often determining their success or decline. These communities rely heavily on the attraction and retention of domestic and international workers to meet labour demands, from ski-area hospitality managers to wilderness adventure guides. To ensure sustainable growth in resort communities, a focus must be placed on the labour needs of the entire community, and not just tourism-specific roles. The Rural Communities Immigration Pilot (RCIP) may be an answer for those resort communities looking to attract and retain skilled workers with a pathway to citizenship.

Background

Importance of Tourism

Tourism is a key pillar of Canada's economy, driving job creation, cultural preservation, and regional development. It goes beyond leisure, supporting infrastructure investment, cultural exchange, economic reconciliation, and environmental stewardship.

Before the COVID-19 pandemic, tourism generated over $105 billion in annual economic activity.[94] By 2023, the sector had demonstrated a strong recovery, nearing pre-pandemic levels and supporting over 1.9 million direct and indirect jobs.[95]

Resort communities like Jasper, Banff, and Canmore collectively generate $2.46 billion in economic impact, support 23,391 jobs, and contribute $756 million in tax revenue.[96] In the Yukon, where Whitehorse accounts for 70% of economic activity, tourism represents a national high of 3.7% of GDP.[97] Whistler alone welcomes 3 million visitors annually, generating $2 billion in spending and $714 million in tax revenue.[98,99]

One in ten Canadian workers is employed in tourism-related sectors like accommodation, food services, and recreation, many of which provide stable, year-round employment and attract permanent residents to resort communities.[100]

[94] Destination Canada, "Tourism Outlook: Unlocking Opportunities for the Sector," Government of Canada, December 12, 2023, https://archives.destinationcanada.com/sites/default/files/archive/1889-Tourism%20Outlook%20-%20Fall%202023/Fall%20Tourism%20Outlook_Public%20Report_12.12.23.pdf.
[95] Innovation, Science and Economic Development, "Canada 365: Welcoming the World. Every Day. The Federal Tourism Growth Strategy," Government of Canada, last modified February 18, 2025, https://ised-isde.canada.ca/site/canadian-tourism-sector/en/canada-365-welcoming-world-every-day-federal-tourism-growth-strategy.
[96] Kayla Byrne, "Tourism communities release economic impact study," Jasper Fitzhugh, September 7, 2016, https://www.fitzhugh.ca/archive/tourism-communities-release-economic-impact-study-8082862.
[97] https://yukon.ca/en/statistics-and-data/tourism-statistics-and-reports/find-tourism-and-visitor-statistics-and-reports.
[98] Tourism Whistler, "Stats & Facts," accessed August 18, 2025, https://trade.whistler.com/about/stats/.
[99] Municipality of Whistler, "Tax Revenue Generated in Whistler," accessed August 18, 2025, https://performance.whistler.ca/community-monitoring/tax-revenue/.
[100] Tourism HR Canada, "Canadian Tourism Labour Market Snapshot: December 2024," January 16, 2025, https://tourismhr.ca/2025/01/16/canadian-tourism-labour-market-snapshot-december-2024/.

Tourism is particularly critical in rural, remote, and Indigenous communities, where it diversifies economies, reduces reliance on resource industries, and funds essential infrastructure.

Importance of Immigration

Immigration has long shaped Canada's identity, economy, and society, fueling population growth, economic development, and cultural diversity. From Prairie settlement to post-war arrivals and today's newcomers from Asia, Europe, and South America, it remains essential to national progress.

With declining birth rates and an aging population reaching a record low in 2023 across most provinces and territories,[101] immigration is now critical to sustaining labour and economic growth. Immigrants account for nearly all recent net labour force growth and are overrepresented among entrepreneurs and small business owners, driving innovation and job creation.[102]

Beyond economics, immigration strengthens Canada's social fabric. In smaller and rural communities facing youth out-migration and labour shortages, welcoming newcomers is key to long-term vitality and resilience.

The Success of Integrating Immigration Initiatives into Smaller Communities

Many smaller and resort communities across Canada have become rural immigration success stories by adopting proactive, community-led strategies and leveraging Federal-Provincial-Territorial immigration programs. These efforts are especially effective when employer-driven and supported by chambers of commerce and local settlement agencies that help newcomers integrate and contribute.

Examples include:

- Morden, MB: The MCDII aligns immigrant skills with local needs in trades, healthcare, education, and manufacturing.[103]
- Saint Andrews, NB: A tourism-focused strategy attracted hospitality workers through partnerships with the town, province, and local businesses.[104]
- Vernon, BC: Uses the Rural and Northern Immigration Pilot to fill gaps in tourism, agriculture, and healthcare, supported by the chamber of commerce.[105]
- Cornwall, ON: A logistics hub working with major employers and governments to attract skilled immigrants and temporary foreign workers.[106]
- Cold Lake, AB: Recruits for oil & gas, retail, and healthcare via the Alberta Advantage Immigration Program, with a focus on long-term retention.[107]

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[101] Statistics Canada, "Births and stillbirths, 2023," September 25, 2024, https://www150.statcan.gc.ca/n1/daily-quotidien/240925/dq240925c-eng.htm.
[102] Statistics Canada, "Labour shortage: Immigration as part of the solution," August 16, 2022, https://www.statcan.gc.ca/o1/en/plus/1528-labour-shortage-immigration-part-solution.
[103] Modern Immigration Program, accessed August 18, 2025, https://www.mordenimmigration.com/.
[104] NBCC, "Welcoming the world to St. Andrews," NBCC Stories, November 7, 2019, https://nbccstories.ca/welcoming-the-world-to-st-andrews/.
[105] Community Futures North Okanagan, "Labour Market Partnership Final Report: North Okanagan – Shuswap Rural and Northern Immigration Pilot," 2024, https://www.futuresbc.com/wp-2/wp-content/uploads/2024/12/Labour-Market-Partnership-Final-Report-RNIP-North-Okanagan-Shuswap-FINAL.pdf.
[106] City of Cornwall, "City of Cornwall emerges as major distribution hub with over five million square feet of warehouse space," Ottawa Business Journal, October 1, 2024, https://obj.ca/city-of-cornwall-distribution-hub-five-million-warehouse/.
[107] Mario Cabradilla, "City of Cold Lake hopeful provincial program will boost local economy," LakelandToday.ca, March 22, 2023, https://www.lakelandtoday.ca/local-news/city-of-cold-lake-hopeful-provincial-program-will-boost-local-economy-6712237.

Chamber Collaboration and Advocacy for Improved Access to Skilled Labour in Resort Communities

These models show the value of coordinated, community-driven immigration strategies in meeting labour needs and strengthening local economies.

Resort community chambers of commerce are working together nationally to advocate for immigration policies that address ongoing labour shortages in sectors like construction, healthcare, recreation, and professional services, challenges that threaten tourism-driven economies.

By promoting tailored immigration pathways, chambers aim to boost local labour capacity, support businesses, and strengthen long-term economic resilience. These pathways also help retain skilled workers already contributing under temporary permits who seek permanent residence, ensuring stable populations and vibrant, year-round communities.

Federal Immigration Program

Launched in January 2025, RCIP is an employer-driven pathway to permanent residence for skilled workers in rural and remote communities. It targets communities under 50,000 people located 75+ km from a Census Metropolitan Area, or up to 200,000 if considered remote.

Participating communities must have an economic development strategy, a managing organization, and support systems for newcomer integration.

Adaptation for Resort Communities

Resort communities, often rural and remote, face chronic labour shortages in hospitality, recreation, and services, despite being vital regional economic drivers. Their visitor economies generate substantial municipal revenue and attract infrastructure investment that benefits residents year-round.

Including resort communities in rural immigration programs like RCIP would create a crucial pathway for skilled workers, supporting economic resilience and aligning with Canada's rural development and diversification goals.

Seeking a Definition for Resort Communities

British Columbia administers the Resort Municipality Initiative (RMI), which supports small, tourism-focused municipalities in enhancing and diversifying tourism infrastructure, delivering exceptional visitor experiences, and promoting sustainable tourism. These municipalities typically have a high ratio of tourism accommodations relative to their permanent population and maintain active destination marketing organizations.

B.C. currently has 14 designated resort municipalities, including Whistler, Tofino, Ucluelet, Harrison Hot Springs, Osoyoos, Valemount, Sun Peaks, Rossland, Kimberley, Fernie, Invermere, Radium Hot Springs, Golden, and Revelstoke.

In contrast, other Canadian provinces and territories do not have formal resort municipality designations for tourism programs. While some resort communities meet similar criteria, many are excluded due to population size or proximity to urban centers, despite facing comparable labour market challenges.

A New Federal Definition of a Resort Community

To expand eligibility for the Rural Community Immigration Pilot (RCIP) to include resort communities, the Government of Canada should consider adopting a proposed new definition, similar to the proposed definition below.

A resort community is a municipality or designated area characterized by a tourism-driven economy, with a high proportion of visitor accommodation units relative to its permanent population. To qualify as a resort community at the Federal level, the area should:

- Be recognized as a distinct tourism region or municipality with formal authorization to collect tourism-related taxes or fees, supporting destination marketing and tourism infrastructure development.
- Demonstrate a significant reliance on tourism for local employment and economic activity, particularly in sectors such as hospitality, recreation, and services.
- Maintain an approved tourism or resort development strategy, developed in consultation with the community and relevant stakeholders, aimed at enhancing visitor experiences, promoting sustainable tourism, and supporting economic diversification.
- Typically have a population size and geographic characteristics consistent with smaller or remote communities, where tourism plays a vital role in local economic sustainability and infrastructure investment.

Financial Implications of Program Expansion

RCIP program costs are primarily borne by the sponsoring economic development organization and community, with minimal cost to the Government of Canada. Any expansion of the RCIP will not result in an impactful rise in Government expenditures. We feel that the benefits of even a minimal Government program expenditure, coming from its general revenues, will far outweigh the costs, particularly given the resulting sustainable economic growth in these resort communities.

Recommendations

That the Government of Canada:

1. Enhance the effectiveness of the Rural Community Immigration Pilot (RCIP) and support the vitality of Canada's Resort Communities by:
    a. Amending RCIP eligibility criteria to explicitly include Resort Communities, recognizing their unique economic structures and labour market needs,
    b. Implementing flexible population metrics to allow for exceptions to population and proximity requirements for communities that demonstrate significant reliance on tourism and face labour challenges, and
    c. Engage local stakeholders in Resort Communities including municipal government and industry, to ensure the effective implementation of these changes.

17. Protecting Workforce-Focused LINC Programming to Support Labour Market Integration of Newcomers

Description

Recent decisions by Immigration, Refugees and Citizenship Canada (IRCC) to reduce funding and restrict scope for Language Instruction for Newcomers to Canada (LINC) based on assumptions of declining immigration are shortsighted, given evidence that immigration levels are persisting, labour shortages remain high in many regions, and that language-training is a settlement service needed well after just the year of arrival for newcomers. LINC, particularly its higher-level classes, is vital in helping newcomers develop job-ready language and changes that shift focus away from employment outcomes undermine newcomers' ability to participate in the workforce and contribute to Canada's economy.

Background

LINC is a federally funded program that provides free English language training to adult immigrants and refugees to help them integrate into Canadian society. It focuses on developing essential language skills for daily life, community participation, and employment using the Canadian Language Benchmarks (CLB) framework.

The CLB are the national standard used in Canada to assess and describe the English language proficiency of adult immigrants across four skills: listening, speaking, reading, and writing. The CLB scale has 12 levels, grouped into: Basic (CLB 1–4) — foundational English for everyday needs; Intermediate (CLB 5–8), functional English for independent living, work, and social interaction; and Advanced (CLB 9–12) — fluent English for professional, academic, or highly complex communication.

LINC classes typically had covered CLB Levels 1 through 8, helping learners progress from basic conversation to job-ready language skills. The program often includes other supports like job search strategies, résumé writing, workplace communication, and industry-specific vocabulary, particularly in the program's intermediate-to-advanced levels (CLB 5–8), which have a much greater focus on language for employment. And as one might expect, language proficiency is often seen as one of the top predictors of employment success among newcomers, and employers frequently cite language and communication skills as a leading barrier to hiring skilled immigrants and newcomers.

However, recently IRCC has begun to impose reductions to their funding agreement for language training programs, including LINC. These new funding arrangements have resulted in LINC classes being cut, offices being closed, services moved online, and longer waitlists being created. Service providers are being pushed to focus on lower-level CLB classes, offering fewer of the higher CLB levels which focus on language skills for employment.[108] Already in Canada, CLB level 7 and 8 are not being offered through LINC,[109] and there is an understanding amongst settlement service providers that LINC funding for CLB 5 and 6 will be cut as of September 2026.[110]

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[108] CTV News, "Educators among dissenting voices as funding cuts coming to intermediate ESL courses," April 24, 2025, https://www.ctvnews.ca/regina/article/educators-among-dissenting-voices-as-funding-cuts-coming-to-intermediate-esl-courses/.
[109] ISSofBC, "Understanding Canadian Language Benchmark (CLB) Levels," accessed August 18, 2025, https://issbc.org/tools-resources/understanding-canadian-language-benchmark-clb-levels/.
[110] TESL Ontario, "Statement: TESL Ontario Urges Adjustments to Immigration Funding and Language Education Cuts," accessed August 18, 2025, https://teslontario.org/uploads_new/home/TESLOntario_Statement.pdf.

These cuts are being justified by projected declines in immigration levels, with the rationale that less immigration should require fewer settlement services. However, some early 2025 data is already suggesting immigration is not trending down as fast as expected,[111] and the government's projected immigration targets of 395,000 permanent residents in 2025, decreasing to 380,000 in 2026 and 365,000 in 2027 are still high by historical standards.[112]

In addition, settlement is not a one-year event. Newcomers arriving who arrived in previous years may still be actively working through LINC levels toward their own employability. Curtailing funding now risks wasting prior investment, forcing newcomers to compete for scant services, and closes doors on the ideal next step for newcomers and for businesses: successful integration into the Canadian workforce.

While foundational language instruction remains important, cuts that shift the focus toward only basic levels or reduce higher-level offerings limit the economic potential of recent and current newcomers. Newcomers need language supports at CLB 5 and above, so they are ready to enter or advance in the labour market. These learners are at the tipping point where public investment in their training translates directly into job placement and long-term contributions to local economies and need to be better supported.

Recommendations

That the Government of Canada:

1. Maintain federal funding for language learning programming (including LINC and other occupation-specific language instruction) to support the record-high levels of newcomers already admitted by the government, with a focus on sustaining programming that supports newcomers' long-term workforce integration.
2. Continue to support LINC programming at intermediate and advanced proficiency levels (CLB 5–8), which are essential for preparing newcomers to enter the workforce and contribute to the Canadian economy, instead of focusing more on base-level training.
3. Recognize the ongoing need for employment-focused settlement services beyond newcomers' first year in Canada, especially for those progressing through LINC or other English language learning programs toward job readiness.

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[111] LJ Valencia and Randall Bartlett, "Is Canada's Population Slowing According to Plan?" Desjardins, February 6, 2025, https://www.desjardins.com/content/dam/pdf/en/personal/savings-investment/economic-studies/canada-population-feb-6-2025.pdf.
[112] Each of the next three years of immigration targets remains higher than any of the years in the pre-COVID immigration ramp-up.

18. Restoring LMIA Points in Express Entry to Strengthen Labour Market Access and Economic Growth

Description

The federal government's removal of Comprehensive Ranking System (CRS) points for job offers supported by Labour Market Impact Assessments (LMIAs) aims to reduce immigration fraud but risks exacerbating Canada's labour shortages and deterring skilled foreign talent. LMIA-backed offers are essential for employers in high-demand sectors and for skilled workers navigating Express Entry. This resolution calls for verification-driven reforms rather than blanket point removal, ensuring integrity without compromising labour market access.

Background

Express Entry is Canada's flagship immigration selection system for skilled workers. Until recently, candidates with a valid job offer backed by an LMIA received a significant bonus toward their CRS score (50 points for most skilled positions, or 200 points for senior executives) — often enough to secure an invitation to apply for permanent residency. In December 2024, the Government of Canada announced that Express Entry candidates will "no longer receive additional points for having a job offer" as a temporary measure to "reduce fraud by removing the incentive to illegally buy or sell" LMIAs.[113] This change took effect in spring 2025, eliminating the bonus points from new and in-progress Express Entry profiles.

While intended to combat abuse — such as fraudulent job offers and black-market LMIAs that were being sold for thousands of dollars — the blanket removal of LMIA points has significant unintended consequences. Legitimate employers and skilled workers now face a steeper climb in navigating an increasingly competitive immigration system, risking a drain of global talent.

With the removal of arranged employment points, many genuine candidates saw their CRS scores fall below competitive cut-offs. In 2024, many draws required scores above 500, often unattainable without the 50-point boost.[114] Employers may lose international hires to other countries if permanent residency becomes out of reach.

The change coincides with other policy pressures. In October 2024, the federal government reduced immigration targets to 395,000 in 2025, with further declines planned. Simultaneously, new rules restricted access to the Temporary Foreign Worker Program (TFW), including a 10% cap on low-wage TFWs and a shorter LMIA validity period.[115] These overlapping measures risk overwhelming businesses already facing critical labour shortages.

Canada's economic competitiveness depends on the ability to attract and retain talent in construction, tech, healthcare, and other key sectors. BuildForce Canada projects a need for 380,500 construction

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[113] Immigration, Refugees and Citizenship Canada (IRCC), "Canada takes action to reduce fraud in Express Entry system," Government of Canada, December 23, 2024, https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/12/canada-takes-action-to-reduce-fraud-in-express-entry-system.html.

[114] KPMG, "Canada – Removal of Arranged Employment Points in Express Entry Permanent Residency System," April 1, 2025, https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/2025/04/fa25-064.pdf.coredownload.inline.pdf.

[115] IRCC, "2025–2027 Immigration Levels Plan," Government of Canada, last modified October 24, 2024, https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html.

workers by 2034,[116] and the tech sector had a 2.7% unemployment rate at the end of 2024.[117] Immigration is essential to meeting these needs.

Rather than penalizing legitimate actors, the government should strengthen LMIA verification, restore CRS points for job offers, and refine language requirements. These targeted adjustments will enhance program integrity while preserving Canada's appeal to top global talent.

Recommendations

That the Government of Canada:

1. Implement robust verification processes to ensure the authenticity of LMIA-supported job offers — for example, conducting routine audits of employers and cross-checking job offer details.
2. Pilot and refine fraud-prevention strategies (such as real-time monitoring of LMIA submissions and enhanced data-sharing between immigration and employment authorities) before making permanent policy changes.
3. Review the existing Canadian Language Benchmark (CLB) requirements in federal economic immigration programs to ensure they are practical, inclusive, and aligned with occupational needs.
4. Conditional on evidence that enhanced verification and anti-fraud measures have had a positive impact in reducing LMIA fraud and/or abuse, restore CRS points for LMIA-supported job offers (both LMIA-backed and eligible LMIA-exempt offers) under Express Entry, coupled with strengthened eligibility screening.
5. To fund these measures, adopt a combination approach: introduce an increase to the LMIA application fee, with a portion of this surcharge earmarked for hiring additional staff and implementing verification systems, and reallocate a portion of IRCC's and ESDC's existing budgets toward these initiatives. This shared-cost approach ensures employers do not bear the full financial burden, while limiting the impact on the federal budget.
6. Ensure processing capacity through additional staff to help lower processing timelines.
7. Change the existing policy to enable applicants to activate their work permit inside Canada, vs travelling to the United States, Mexico, or their home country.

[116] Jim Wilson, "Canada's construction industry projected to needed 380,000 workers by 2034: report," Human Resources Director (HRD), April 11, 2025, https://www.hcamag.com/ca/specialization/recruitment/canadas-construction-industry-projected-to-need-380500-workers-by-2034-report/531944

[117] Robert Half, "2025 Canada Job Market: Tech Hiring Trends," February 7, 2025, https://aem-qs5.np.roberthalf.com/ca/en/insights/research/data-reveals-which-technology-roles-are-in-highest-demand.

19. Strengthening Indigenous Inclusion in the Labour Market

Description

Canada faces persistent structural labour shortages, particularly in key growth sectors like natural resources. At the same time, Indigenous peoples — especially youth — remain underrepresented in the labour market despite being among the youngest and fastest-growing populations in the country. In provinces like Saskatchewan, where Indigenous communities are vital to regional development, this represents a significant untapped opportunity. As automation and economic transitions reshape labour needs, inclusive employment strategies and targeted skills development are essential to building a resilient and future-ready workforce.

Background

While technological change continues to transform Canada's labour market, immediate and inclusive workforce participation remains critical to meeting both present and long-term economic challenges. Indigenous peoples are already contributing significantly to key sectors — particularly mining, energy, and forestry. However, systemic barriers such as limited access to capital, inadequate infrastructure, and gaps in training and education continue to limit broader participation, particularly in leadership and ownership roles.

Where progress has occurred, it has often been the result of intentional investment and strategic partnerships. Industry-led initiatives — such as tailored training programs, transportation supports, and community benefit agreements — have all demonstrated success. However, scaling these efforts will require sustained support from all levels of government. This includes enhancing access to capital, aligning training programs with industry needs, and strengthening policy coordination to support Indigenous employment and economic inclusion.

A forward-looking workforce strategy must also prioritize partnerships between employers, governments, and educational institutions to ensure that education and training systems are responsive to labour market demands. Enhancing the quality and relevance of training — particularly in remote and northern communities — will help reduce skills mismatches and unlock greater economic opportunity for Indigenous peoples.

Recommendations

That the Government of Canada:

1. Collaborate with industry to co-fund capacity training programs, organized in partnership with educational institutions, to provide on-site skills training opportunities to Indigenous people in remote communities, on and off reserve.
2. Establish benchmarks for organizations that deliver skills and training through the Indigenous Skills and Employment Training Program to ensure high-quality training that enhances job opportunities, including greater access to leadership roles in the resources sector.
3. Pursue a national licensure strategy in collaboration with provinces and professional regulators to reduce credentialing and mobility barriers for in-demand occupations. This includes fostering alignment across jurisdictions to ensure skilled workers can move freely and respond to labour needs across provinces and territories.

20. Strengthening Workforce Participation through an Enhanced Canada Workers Benefit

Description

Labour shortages across Canada are hindering economic growth. An enhanced Canada Workers Benefit (CWB) would make work more financially viable for low-income earners, helping address workforce gaps and reduce dependence on costly social programs. Increasing CWB amounts and adjusting eligibility thresholds will support stronger labour market attachment, improve business competitiveness, and ensure it pays to work.

Background

Canada is facing persistent labour shortages in key sectors including skilled trades, hospitality, agriculture, and healthcare. According to Statistics Canada, job vacancies in the first quarter of 2024 exceeded 648,000,[118] posing a significant constraint on productivity and economic recovery.

Simultaneously, many working Canadians struggle to afford housing, transportation, and other essentials as the cost of living continues to rise. The Canada Workers Benefit (CWB), a refundable tax credit for low-income earners, is a proven tool to strengthen labour force attachment. Yet, the benefit's current levels ($1,400 for individuals and $2,400 for families)[119] have not kept pace with inflation or labour market needs.

With nearly 3.2 million Canadians eligible for the CWB, modernizing the program could produce immediate and widespread benefits. Increasing the benefit and updating income thresholds would ensure more Canadians are rewarded for participating in the workforce, including those moving from part-time to full-time employment or re-entering the labour market after time away.

While the exact cost to the government varies based on the number of recipients, their individual circumstances, and the overall economy, the CWB has historically been a highly cost-effective federal program. In tax year 2019, Canada Revenue Agency reported that 2.14 million Canadians received $2.072 billion in benefits,[120] or an average of $969 per claimant. In fiscal year 2019/20, Employment and Social Development Canada reports that 1.65 million Canadians[121] received $21.34 billion in benefits[122] (including COVID-related for March 2020), or an average of $13,200 per claimant.

Modest investments in the CWB could reduce government expenditures over time by lowering reliance on income assistance, rental subsidies, and other support programs. Moreover, the CWB's streamlined

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[118] Statistics Canada, "Job vacancies, payroll employees, and job vacancy rate by provinces and territories, monthly, unadjusted for seasonality," May 29, 2025, https://www150.statcan.gc.ca/n1/daily-quotidien/240618/dq240618a-eng.htm.

[119] Canada Revenue Agency (CRA), "Canada Workers Benefit," Government of Canada, last modified February 9, 2024, accessed August 18, 2025, https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-workers-benefit.html.

[120] CRA, "Table 1: Number of CWB recipients and the amount credited by Province/Territory, 2019," Government of Canada, accessed August 18, 2025, https://www.canada.ca/content/dam/cra-arc/prog-policy/stats/cwb-stats/2019/Table-1.pdf.

[121] Statistics Canada, "Labour force characteristics, monthly, seasonally adjusted and trend-cycle," accessed March 2020, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028701&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=4.1&pickMembers%5B3%5D=5.1&cubeTimeFrame.startMonth=04&cubeTimeFrame.startYear=2019&cubeTimeFrame.endMonth=03&cubeTimeFrame.endYear=2020&referencePeriods=20190401%2C20200301.

[122] Employment and Social Development Canada, "Departmental Results Report for fiscal year 2019 to 2020," Government of Canada, last modified December 15, 2023, accessed August 18, 2025, https://www.canada.ca/en/employment-social-development/corporate/reports/departmental-results/2019-2020.html#h2.4.1.

administration through Employment and Social Development Canada and the CRA ensures minimal overhead and broad accessibility.

Enhancing the CWB will help address federal priorities related to affordability, workforce development, and inclusive economic growth. The measure also aligns with goals to reduce poverty and remove disincentives to work — especially for Canadians navigating entry-level, part-time, or precarious employment.

The enhanced Canada Workers Benefit can be funded through a reallocation of federal resources from underutilized or lower-impact labour market programs, ensuring investment flows to initiatives with proven cost-effectiveness. Additional revenues can be generated by closing tax loopholes and strengthening compliance measures for high-income earners and multinational corporations, as identified by the Parliamentary Budget Officer. Over time, increased labour force participation and reduced reliance on income assistance, rental subsidies, and other social supports will generate further fiscal savings, reinforcing the program's long-term sustainability.

Recommendations

That the Government of Canada:

1. Increase the maximum annual Canada Workers Benefit for individuals and families to reflect current inflation and cost-of-living pressures, thereby improving the real value of the benefit.
2. Adjust the CWB income thresholds and phase-out rates to ensure that working Canadians who take on additional hours, job responsibilities, or multiple part-time roles are not penalized for earning more.
3. Recognize and promote the CWB as a core tool to enhance labour force participation and reduce labour shortages across all regions and sectors of Canada.

21. Unlocking Canada's Strategic Future: Building Canada's Workforce from the North Outward – A National Strategy for Resilient Regional Economies

Description

Canada's economic and security ambitions in the North — including Arctic sovereignty, critical minerals, and infrastructure — are at risk of being stalled by a labour crisis in the Northwest Territories (NWT). While urgent, this issue reflects broader trends in remote and rural regions nationwide. This resolution calls on the Government of Canada to implement a flexible, regionally driven immigration strategy, starting with a Northern model, to ensure all parts of Canada can grow, compete, and contribute to national goals. Labour solutions tested in the NWT can serve as scalable models for rural Canada. This is a national workforce issue, not just a territorial one.

Background

The Government of Canada has reaffirmed the North as a strategic national priority in its 2025 federal platform, which highlights the region's centrality to national goals including critical mineral development and regional workforce resilience. These priorities build upon the earlier Arctic and Northern Policy Framework (2021),[123] which called for resilient communities, infrastructure investment, and sustainable population growth to underpin Arctic sovereignty and development. The current government has also committed to modernizing immigration to support economic competitiveness, prioritizing regional labour needs, credential recognition, and faster digital processing—elements especially critical for underserved regions like the North and Rural Areas of Canada. However, despite these goals, the Northwest Territories and other territorial jurisdictions face an escalating labour shortage that threatens to stall national infrastructure projects, delay mineral development, and weaken public service delivery — directly undermining federal strategic priorities.

The North's strategic value continues to grow. Recent federal defense investments underscore Canada's commitment to Arctic security, while the region's vast deposits of critical minerals — such as rare earth elements, cobalt, lithium, and tungsten — are essential to national clean energy, manufacturing, and defense industries. Territorial advocacy has helped align infrastructure and defense priorities with broader economic goals. Major initiatives like the Arctic Security Corridor Project[124] and the proposed deep-sea port at Grays Bay exemplify this integration. The deep-water port would provide a vital maritime outlet for mineral exports, enhancing Canada's position in the global strategic minerals market and connecting Arctic development to Pacific trade routes. These infrastructure investments also present broader benefits beyond the territories, including trade and logistics advantages for adjacent provinces and rural communities. However, realizing this vision depends on having a stable, skilled workforce in place — underscoring the need for a targeted regional immigration strategy to ensure the North can support its national economic and strategic roles.

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[123] Brown-Indigenous Relations and Northern Affairs Canada, "Arctic and Northern Policy Framework," last modified September 22, 2022, accessed August 18, 2025, https://www.rcaanc-cirnac.gc.ca/eng/1560523306861/1560523330587.
[124] Arctic Security Corridor, "Overview," accessed August 18, 2025, https://www.arcticsecuritycorridor.ca/.

The NWT faces a tightening labour market, with 13,100 job openings projected by 2032[125] and an unemployment rate of just 3.6%.[126] As natural population growth slows and interprovincial outmigration continues, immigration has become the primary driver of demographic stability adding 624 new residents in 2024 alone. Without the net gain of international migrants, the territory would have experienced an overall population decline, given the net loss of 202 interprovincial migrants and a modest natural increase of only 153 persons.[127] Without a targeted strategy to attract and retain skilled newcomers, the territory's ability to support nationally significant projects like the Arctic Security Corridor is at risk. These labour constraints have implications far beyond territorial borders, as delays in Northern development threaten to derail Canada's critical mineral supply chains, defense posture, and economic growth plans.

The North presents an opportunity for policy innovation. Given its urgent labour shortages and strategic national role, it stands out as an ideal testing ground for reforms that respond to real-time workforce and demographic challenges. Regional pilot programs developed in the North could serve as scalable models for other rural and remote parts of Canada. However, while the federal government has previously launched initiatives like the Rural and Northern Immigration Pilot (RNIP), no communities from the Northwest Territories, Yukon, or even the northern parts of other provinces were selected — despite facing the very challenges the program was designed to address. The absence of truly Northern communities from both the original RNIP and its successor, the Rural Community Immigration Pilot (RCIP), underscores the need for a distinct approach. A Made-in-the-North pilot would fill this policy gap, ensuring that the unique labour and demographic realities of remote northern regions are not overlooked.

This vision is grounded in precedent. Other regions have successfully implemented geographically customized immigration programs with strong outcomes. The Atlantic Immigration Program, for example, expanded employer access to skilled labour while improving retention and local economic growth. Quebec has similarly designed immigration pathways tailored to regional labour needs and demographic trends. These models demonstrate that regional tailoring of immigration policy is both feasible and effective. Applying a similar approach in the North would not only fill urgent local labour gaps but also generate scalable, evidence-based practices that inform national immigration policy. The outcome would be a more adaptive, regionally sensitive system that supports Canada's broader economic resilience and ensures strategic regions are equipped with the workforce needed to thrive.

Immigration has historically played a vital role in shaping Northern communities, bringing essential skills, businesses, and labour capacity that have supported local development. Communities such as Yellowknife have benefited from the economic and social contributions of newcomers, who have helped sustain industries and enrich civic life. Without continued and structured immigration, Northern communities are at risk of economic contraction, underutilized infrastructure, and declining public service capacity — conditions that could jeopardize the region's ability to fulfill its strategic national roles. These risks also undermine territorial mandates tied to workforce expansion and economic diversification.[128]

Moreover, such a strategy would directly support Canada's broader objective of enhancing global competitiveness. The North's unique assets — geographic, economic, and geopolitical can only be fully leveraged if the human capital is there to unlock their potential. Strategic immigration policies tailored to

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[125] Northwest Territories Bureau of Statistics, "Occupational Demand Projections: Northwest Territories 2023-2032," Government of Northwest Territories, March 30, 2023, https://www.statsnwt.ca/labour-income/labour-market-outlooks/NWT%20Labour%20Market%20Outlooks%202023-2032.pdf.
[126] NWT Bureau of Statistics, "Labour Market Activity – Monthly: rates," Government of Northwest Territories, accessed August 18, 2025, https://www.statsnwt.ca/indicators/employment_unemployment/.
[127] NWT Bureau of Statistics, "Northwest Territories Population – January 2025," March 19, 2025, https://www.statsnwt.ca/population/population-estimates/PopEst_Jan2025.pdf.
[128] Executive and Indigenous Affairs, "Mandate of the Government of the Northwest Territories 2023-2027," Government of Northwest Territories, accessed August 18, 2025, https://www.eia.gov.nt.ca/en/mandate-government-northwest-territories-2023-2027.

the North’s realities can serve as a model for how Canada builds inclusive growth, regional equity, and long-term resilience.

In this context, a regional immigration strategy for the North offers a unique opportunity, not only to stabilize the local economy, but to reinforce Canada's national priorities and international competitiveness. It embodies the kind of forward-looking, evidence-driven approach needed to ensure the country’s continued prosperity. The outcomes would ripple far beyond territorial borders, showcasing how immigration can help build cohesive, resilient, and future-ready communities across Canada.

Recommendations

That the Government of Canada:

1. Establish a Northern Regional Immigration Pilot Program modeled on successful programs like the Atlantic Immigration Program. This pilot should prioritize sectors central to national strategic objectives — such as critical minerals, infrastructure, healthcare, and education — offering clear, expedited pathways to permanent residency. By doing so, Canada would secure the skilled labour needed to sustain high-impact development projects while testing scalable policy tools for other rural regions.
2. Streamline and expand LMIA exemptions for high-demand occupations in the North while maintaining appropriate verification measures. Developed in partnership with territorial governments and sector leaders, would accelerate hiring processes and fill urgent workforce gaps. Nationally, this would ensure progress on projects essential to Canada’s clean energy, defense, and infrastructure strategies.
3. Align immigration strategies with workforce planning to support national priorities by embedding immigration regionally within a broader workforce development framework. This integration will help ensure that skilled newcomers are effectively mobilized to support infrastructure, defense, and economic initiatives critical to Canada’s national agenda. Strengthening workforce planning through immigration ensures long-term community growth in the North while contributing to the continuity of nation-building projects.
4. Position the North as a model for modernized, regionally responsive immigration reform, using data-driven evaluations to inform national rollout. This approach not only addresses current labour shortages but also builds a more adaptive and equitable immigration system that reflects Canada’s geographic diversity and economic complexity.

HEALTH INNOVATION

22. Faster Access to Life-Saving Treatments

Description

Canada needs to reduce the time it takes for innovative medicines to be made available on public drug plans. Canada is currently the worst in the G7 and much longer than the OECD average in the time it takes for new drugs to be available on public plans. The overly complex process, involving five sequential steps, by which drugs are approved for public reimbursement can be simplified and streamlined to reduce the average time to patient access. This will support better patient health outcomes and attract more investment into Canada's life sciences sector.

Background

Before a new drug launched in Canada is made available to patients on public plans, it must go through an onerous process, involving multiple rounds of regulatory reviews and pricing negotiations. The process also involves multiple government agencies at both the federal and the provincial level. Because of this complex and fragmented process, Canadians on public drug plans face some of the longest wait times in the developed world to access new medicines. Because approximately one third of Canadians lack private drug coverage and depend on public plans, these delays disproportionately harm the most vulnerable.

There are five steps a new drug must complete before being listed on public plans, each creating additional delays and standing in the way of patients on public drug plans from accessing the latest treatments. First, any new drug, whether for public or private reimbursement, must be submitted to Health Canada for an initial regulatory review to evaluate its clinical efficacy and safety. Submissions must include detailed data relating to Phase I-III clinical trials and how the drug is manufactured. This initial process takes a year on average, although priority drugs are generally completed within six months.[129] Following Health Canada approval, a new drug can be reimbursed on private drug plans.

The second step is a review by Canada's Drug Agency (CDA), an independent organization funded jointly by the federal and provincial governments, except for Québec, which conducts this stage through the Institut national d'excellence en santé et en services sociaux (INESSS). The CDA will conduct a health technology assessment (HTA) to evaluate a drug's cost-effectiveness and comparative efficacy and advise provincial governments on whether they should include the drug in their provincial plans and at what price. While CDA reviews should be completed within 180 days, only a small minority of HTAs achieve this standard. Concerns have also been raised about the CDA second-guessing decisions made by Health Canada, which could be a source of delay in the completion of HTAs.[130]

Step 3 is a decision by the pan-Canadian Pharmaceutical Alliance (pCPA) on whether to enter into pricing negotiations with the drug's manufacturer. The pCPA is an independent organization representing public plans. Its mandate is to negotiate drug prices for public plans, using their collective bargaining power to drive lower prices. Following a successful HTA, the pCPA has a target of deciding within 40 days whether

[129] Nigel S.B. Rawson and John Adams. "Life on hold – How Canada's drug approval delays endanger patients," Macdonald-Laurier Institute, March 13, 2025, https://macdonaldlaurier.ca/life-on-hold-how-canadas-drug-approval-delays-endanger-patients-nigel-s-b-rawson-and-john-adams/.
[130] Ibid.

to enter in pricing negotiations for a new drug. However, this is another target that is rarely met. In 2024, only approximately 20% of decisions were reached within the target time.[131]

Step 4 is the actual pricing negotiations themselves. The pCPA has a target of 90 days for completing negotiations once they are launched. Although this target was achieved in fewer than 40% of cases in 2019, in 2024, it was achieved in well over 90% of cases.[132]

The final step is made individually by provincial governments and territories. Once pricing negotiations are concluded, a letter of intent is signed, with the expectation that the drug will be included in public plans. However, there is no specified timeline for governments to do so, and average times vary significantly across provinces, from only 44 days in Quebec to 662 days in P.E.I. The Canadian average is approximately six months.[133] Governments often lack incentive to list new drugs for a variety of reasons, including the pressures they often experience to minimise public spending. The reality, however, is that offering newer treatments can drive saving in other segments of the healthcare system — through shorter hospital stays, fewer emergency visits, fewer specialist consultations, etc. — but these are not captured in current accounting methods.

The result of this cumbersome process is that it takes over two years following Health Canada approval, on average, for a drug launched in Canada to become available to patients on public plans. This places Canada last in the G7 and well below the OECD average. Following a drug's first global launch, Canadians on public plans will wait an average of 52 months for access, compared with just 11 months in Germany and 17 months in Japan. Among OECD members, which includes countries with far less economic means than Canada, the average time to access is 45 months.[134] In a prosperous country such as ours, we should not tolerate this lackluster performance.

This is especially true at a time when Canadians are preoccupied with the state of our healthcare system. Emergency rooms across the country struggle to treat patients in a timely manner, 1 in 5 Canadians do not have a family doctor,[135] and wait lists for critical procedures are dangerously long. We should consider all available policy options to improve healthcare in Canada. Giving Canadians faster access to life-saving treatments is one such policy — and it can be implemented with very little public spending, while also reducing the burden on other segments of the healthcare system.

Finally, we must also consider the economic opportunity. Speeding the approval of new drugs will attract more investment into Canada's life sciences sector, creating well-paying jobs and cementing our advantage as a leader in pharmaceutical innovation. A jurisdiction's regulatory efficiency is a major factor drug manufacturers consider when deciding where to conduct clinical trials and ultimately launch new treatments. With the global life sciences sector becoming increasingly competitive, Canada can make itself a leading destination with the right policy environment.

Promisingly, the federal government has committed to addressing this issue in its platform, which reads:

> "Canadian patients wait too long for public access to medicines following Health Canada approval, compared to patients in peer countries, putting us behind other G7 countries. By cutting red tape without compromising on safety we will cut this timeline while maintaining all relevant

[131] Ibid.
[132] Ibid.
[133] The Conference Board of Canada. "Access and Time to Patient: Prescription Drugs in Canada—January 4, 2024," https://www.conferenceboard.ca/product/access-and-time-to-patient-jan2024/.
[134] PhRMA, "Global Access to New Medicines Report," April 11, 2023, https://phrma.org/resources/global-access-to-new-medicines-report.
[135] Diana Duong and Lauren Vogel, "National survey highlights worsening primary care access," Canadian Medical Association Journal, April 24, 2023, https://pmc.ncbi.nlm.nih.gov/articles/PMC10125184/.

> safety standards, supporting our research community, and delivering lifesaving medicines more quickly."

With the challenges facing Canada's healthcare systems, and the pressures on our economy, now is the time to commit to bold action to reduce wait times for essential medicines. This action, however, must be guided by ambitious, measurable targets. Canada should aim to reduce the average time for public reimbursement from over two years following Health Canada approval to under one year, making us competitive with our G7 counterparts.

Recommendations

That the Government of Canada:

1. Collaborate with provincial and territorial governments on a model that allows for the automatic listing of new drugs on public formularies following a positive CDA recommendation (or INESSS recommendation in Quebec). The difference between the list price and the pCPA negotiated price should be reconciled retroactively following the conclusion of net pricing negotiations.
2. Ensure Health Canada is positioned to meet its service standards for the review of new drugs by addressing internal capacity constraints and by adopting more efficient regulatory approaches, such as rolling submissions, to support timely access to innovative therapies.
3. Explore additional opportunities for regulatory cooperation with peer jurisdictions and strengthen the effectiveness and industry uptake of international regulatory work-sharing models, such as the Access Consortium and Project Orbis, by enhancing transparency, aligning incentives, and building trust through greater predictability and clearer value for sponsors.
4. Build on existing pathways for new drugs to be reviewed simultaneously by Health Canada and Canada's Drug Agency (or INESSS in Quebec) and incentivize greater uptake by industry.
5. Establish a coordinated framework and transparent reporting mechanism to track the full reimbursement journey for new medicines in Canada, including public reporting on timelines from Health Canada approval through HTA review, pCPA negotiations and provincial formulary listings.

23. Streamlining Administration for Canadian Doctors

Description

Family physicians and specialists across Canada are increasingly concerned with rising administrative responsibilities and the departures of practitioners from the profession. All levels of government must work collaboratively to reduce red tape and streamline practice requirements.

Background

The 2023 Patients Before Paperwork report from the Canadian Federation of Independent Business (CFIB) estimated that Canadian physicians allocate 18.5 million hours annually on unnecessary administrative work — the equivalent of 55.6 million patient visits.[136] By setting a target to reduce physician red tape by ten percent, governments across Canada could potentially reduce physician fatigue and burnout, improve the quality of patient care, and save the equivalent of 5.5 million patient visits a year.[137]

Dr. Kathleen Ross, former President of the Canadian Medical Association (CMA), noted that effective collaboration among stakeholders, policymakers, administrators and patients is vital for practical solutions. Streamlining bureaucracy, investing in technology and standardizing forms can significantly decrease the administrative responsibilities on physicians and translate into improved patient care.

An excessive administrative burden not only impacts health care efficiency but also contributes to doctor burnout. A CMA National Physician Health Survey indicated that 60% of respondents identified these on-going challenges as contributing to their worsening mental health.[138]

In April of 2024, Ontario Minister of Health and Deputy Premier Sylvia Jones announced a series of measures to assist family doctors and other care providers on spending more time with patients and less time on paperwork. Initiatives included the objective of replacing fax machines to expedite the transmission of information, expanding eServices, streamlining medical forms and expanding centralized waitlist programs.

Access to family practitioners and specialists is not only a significant national healthcare issue, but also an economic development challenge impacting the business sector. Many Chambers and Boards of Trade are directly involved with local physician recruitment activities as members recognize the vital importance of doctors and primary care services for attracting employers, investment, and employee retention.

Federal, provincial and territorial governments have all promised to improve access to care. Setting a target to reduce ten per cent of the unnecessary administrative burden could save 1.9 million physician hours, reduce doctor fatigue and burnout, improve the quality of patient care, and save public financial resources.

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[136] Canadian Federation of Independent Business (CFIB), "Patients before Paperwork: Nova Scotia's approach to improving patient care by reducing physician red tape," January 2023, 6, https://www.cfib-fcei.ca/hubfs/research/reports/2023/Patients_Before_Paperwork_Report_2023.pdf.
[137] Ibid, 8.
[138] Canadian Medical Association, "Physician wellness: New 2021 National Physician Health Survey findings — burnout, short-staffing and an overburdened system take their toll," Physician Wellness Hub, November 15, 2022, https://www.cma.ca/physician-wellness-hub/content/physician-wellness-new-2021-national-physician-health-survey-findings-burnout-short-staffing-and.

In June of 2024, the federal government tabled Bill C-72, the *Connected Care of Canadians Act*. The proposed legislation enabled residents to securely access their own health data which will subsequently improve care received from all providers across Canada. The Act provides a strategy to build a connected system to share information when required.

Delayed access to health information leads to unnecessary tests, longer wait times, and medication errors. Improved connectivity will decrease administrative responsibilities and stress levels for all physicians who are making decisions without access to relevant information.

On October 1, 2024, stakeholders across the healthcare sector assembled in Ottawa at a Canadian Chamber of Commerce event to discuss healthcare data interoperability and effective delivery of services to all regions of Canada. Former Minister of Health Mark Holland urged all attendees to support initiatives such as Bill C-72 which are formulated to break “silos” in health data management.

Despite progress, significant barriers to connected care remain across Canada. Data fragmentation persists with provincial boundaries hindering the flow of information between systems. A Pan-Canadian Health Data Charter would standardize data sharing and ensure consistency across jurisdictions.

Recommendations

That the Government of Canada:

1. Collaborate with all provinces and territories to reduce, by ten percent, all administrative responsibilities for Canadian physicians.
2. Re-introduce Bill C-72, the *Connected Care for Canadians Act*, or table similar legislation to improve health information technology interoperability and streamline access to electronic medical records, thereby reducing the administrative burden on physicians and reducing departures from the profession.

INTERNATIONAL AFFAIRS

24. Ensuring the Competitiveness and Resilience of Land Border Duty-Free Retail in Canada

Description

Duty-free stores at Canada's land border crossings are facing sustained operational challenges due to evolving border policies, geopolitical trade tensions, and outdated regulatory frameworks that restrict modernization. With traffic volumes still recovering post-pandemic, these 32 businesses — primarily located in rural or border-reliant regions — are experiencing significant revenue declines. This resolution proposes targeted policy reforms and regulatory modernization to ensure the long-term viability of the sector, which supports jobs, tourism, and small business ecosystems in border communities.

Background

Canada's land border duty-free retailers are a specialized yet strategically positioned part of the country's tourism, trade, and export ecosystem. There are 32 independently operated stores across seven provinces, all licensed by the CBSA to sell goods tax- and duty-exempt to exclusively outbound international travellers. Unlike traditional domestic retail, these operations function as *export-only businesses,* meaning their customers must leave the country with purchased goods. It is this export function that plays a unique role in facilitating cross-border commerce and regional tourism, while also supporting local employment in remote and border-reliant communities.

According to the Frontier Duty Free Association (FDFA), the sector supports an estimated 2,500 jobs and contributes more than $35 million annually in tax revenues.[139] Many of these jobs are concentrated in small towns like Osoyoos, Fort Frances, and Philipsburg, where tourism contributes greatly to the local economy. However, in recent years, the sector's economic viability has been strained due to a multitude of external pressures and outdated regulatory structures.

A sustained decrease in land border crossings is due to a weaker Canadian dollar, the outcome of the 2024 United States Presidential Election,[140] new U.S. policies related to tariffs and border registration requirements,[141] and increased public concern about the potential for scrutiny or detention at the border.[142] While Statistics Canada reports that outbound Canadian travel to the United States totaled 39 million in 2024 (75% of all outbound travel abroad and up 4.4% from 2023),[143] this post-pandemic recovery is reversing. As of May, return trips to Canada by residents were down 38.1% year-over-year, demonstrating the fifth consecutive month of declines.[144]

The duty-free sector has not yet fully recovered from the COVID-19 pandemic, and these latest challenges further prohibit revitalization. The 20-month closure of the Canada-U.S. land border during

[139] Frontier Duty Free Association, "The Frontier Duty Free Association," accessed August 18, 2025, https://fdfa.ca.
[140] Carter McCormack and Laura Presley, "Recent changes in Canadian-resident travel to the United States," Statistics Canada, last modified June 25, 2025, https://doi.org/10.25318/36280001202500600006-eng.
[141] U.S. Mission to Canada, "Alien Registration Requirement," U.S. Embassy & Consulates in Canada, March 25, 2025, https://ca.usembassy.gov/alien-registration-requirement/.
[142] Government of Canada. "United States travel advice: Entry and exit requirements," last modified July 16, 2025, https://travel.gc.ca/destinations/united-states#entryexit.
[143] Statistics Canada, "Travel between Canada and other countries, December 2024," February 21, 2025, https://www150.statcan.gc.ca/n1/daily-quotidien/250221/dq250221b-eng.htm.
[144] Statistics Canada, "Leading indicator of international arrivals to Canada, May 2025," June 10, 2025, https://www150.statcan.gc.ca/n1/daily-quotidien/250610/dq250610a-eng.htm.

COVID-19 led to revenue losses of over 95% for many stores.[145] Several businesses, such as the Peace Arch Duty Free in Surrey, continue to report sales drops of over 80%.[146] In Manitoba, the Peace Garden Duty Free entered receivership this year following continued travel suppression and financial strain.[147]

Adding to the sector's challenges is an outdated regulatory framework. Duty-free shops in Canada are governed by the *Duty-Free Shop Regulations*, which restrict sales to in-person transactions at the point of outbound departure. These rules, written over 40 years ago, do not account for the digital retail ecosystem that has flourished globally. Internationally, countries such as South Korea, Japan, and Mexico have adopted digital platforms, pre-order systems, and loyalty programs to enhance traveler engagement and recovery post-pandemic. In Canada, while these practices are not explicitly prohibited, the existing CBSA licensing framework for duty free stores does not accommodate digital or remote retail models. The licenses are limited to in-person sales to outbound travelers, which creates barriers to innovation and increasing revenue.[148]
Modern business practices, such as contactless payment, digital loyalty programs, and online orders for border pick up are becoming standard and could help Canadian duty-free shops better serve travelers. However, without modernization and formal guidance, these innovations remain out of reach.

There is an opportunity for the federal government to modernize the duty-free retail framework, provide targeted transitional support, and align oversight policies with the sector's export role. Doing so would strengthen regional tourism resilience, improve trade facilitation, and support economic activity in Canada's border communities.

Recommendations

That the Government of Canada:

1. Affirm the export status of duty-free retailers to clarify their exemption from inappropriate domestic retail regulations, recognizing their role in trade facilitation.
2. Launch a federal review of the land border duty-free sector to identify and address outdated regulations impeding recovery and competitiveness.
3. Permit duty-free retailers to implement modern retail technologies and business practices including:
    a. Online pre-ordering systems for traveler pickup at border crossings,
    b. Digital loyalty and rewards programs for eligible travelers,
    c. Mobile payment and contactless transaction systems, and
    d. Inventory management integration with customs verification systems.
4. Modernize retail frameworks through regulatory amendments that:
    a. Establish clear guidelines for e-commerce operations within duty-free parameters,
    b. Create streamlined approval processes for new retail technologies,
    c. Develop security protocols that accommodate digital retail innovations, and
    d. Align Canadian practices with international duty-free retail standards.

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[145] Denise Wong, "West Coast Duty Free says revenue down 97% in COVID-19 pandemic," CityNews, June 16, 2021, https://vancouver.citynews.ca/2021/06/16/west-coast-duty-free-covid-19/.
[146] Michael Williams, "Peace Arch Duty Free may be forced to close as sales drop: owner," CityNews, April 22, 2025, https://vancouver.citynews.ca/2025/04/22/surrey-peace-arch-duty-free-force-close/.
[147] The Canadian Press, "Peace Bridge duty-free shop goes into receivership amid plummeting traveller volumes," Winnipeg Free Press, last modified April 30, 2025, https://www.winnipegfreepress.com/business/2025/04/28/peace-bridge-duty-free-shop-goes-into-receivership-amid-plummeting-traveller-volumes.
[148] Government of Canada, "Duty Free Shop Regulations, SOR/86-1072," Justice Laws Website, last modified August 15, 2025, https://laws-lois.justice.gc.ca/eng/regulations/SOR-86-1072/.

25. Safeguarding Canada's Economic Interests in an Evolving Trade Environment

Description

Unpredictable trade policies, shifting international alliances, and the rise of protectionist measures — particularly from key trading partners such as the United States — pose significant and ongoing challenges to Canadian industries. For B.C. businesses, whose success is deeply tied to global trade, the uncertainty surrounding tariffs and market access discourages investment and undermines economic growth. Canada must adopt a proactive, flexible, and strategic approach to secure its economic interests, reduce dependency on volatile markets, and support domestic industry resilience.

Background

Global trade dynamics are becoming increasingly complex, with geopolitical shifts and domestic policy changes in major economies frequently altering the trade landscape. One such risk includes the imposition of tariffs or non-tariff barriers that can severely impact Canadian exports, particularly in manufacturing, agriculture, construction, and transportation. Businesses that rely on international markets are left vulnerable to sudden policy changes that disrupt operations, increase costs, and reduce competitiveness.

B.C. businesses — especially those exporting to the U.S. — have voiced serious concerns about the potential for restrictive trade actions. A recent regional survey highlighted that 64.5% of local businesses anticipate significant challenges due to cross-border trade uncertainties.[149] Manufacturing firms, in particular, are already reporting strategic shifts such as downsizing, delaying investments, or exploring relocation to more stable markets. The risks are not isolated; the ripple effect extends into consumer spending, employment, and community-level economic health.

Beyond the threat of tariffs, Canadian businesses are increasingly constrained by domestic regulatory burdens and high taxation, limiting their ability to adapt and grow. Interprovincial trade barriers and a slow pace of regulatory modernization further weaken Canada's competitive position in the global marketplace.

To thrive in this environment, Canada must adopt a whole-of-government approach that focuses on trade diversification, regulatory competitiveness, and targeted support for vulnerable sectors. Canada must also remain prepared to respond with strategic and measured actions when confronted with unfair trade practices, without exacerbating harm to Canadian businesses or consumers.

Canada's strength lies in its role as a reliable trading partner and supplier of critical goods and services. Our strategic assets — including natural resources, technology, and a skilled workforce — must be leveraged to build resilient supply chains and deepen global partnerships. Strategic engagement with international stakeholders, including governments, legislators, and consumers, should be prioritized to counter protectionist narratives and support stable trade relations.

Diplomatic collaboration on shared security, environmental, and economic priorities can serve as a platform for constructive negotiation and long-term alignment. Domestically, all levels of government must

[149] Surrey Board of Trade and South Surrey & White Rock Chamber, "US Tariff Survey Results, February 2025," https://businessinsurrey.com/wp-content/uploads/2025/02/US-Tariff-Impact-Survey-Report.pdf.

take bold steps to reduce regulatory duplication, streamline interprovincial trade, and support SMEs through modernization initiatives.

In an increasingly unpredictable global economy, Canada must act with foresight and agility. By supporting its businesses, diversifying trade relationships, and reducing internal economic barriers, Canada — and especially B.C. — can weather global uncertainty and remain a competitive, resilient player in international markets.

Recommendations

That the Government of Canada:

1. Support supply chain diversification and reduce reliance on politically sensitive markets by creating a database of Canadian suppliers across key sectors.
2. Provide export training, market diversification support, and targeted tax relief for small and medium-sized enterprises facing revenue disruptions due to trade barriers.
3. Prioritize the removal of interprovincial regulatory and logistical obstacles to strengthen the internal market and improve national economic efficiency.
4. Expand and deepen trade relationships beyond North America to mitigate exposure to single market dependencies.
5. Conduct regular consultations with affected sectors to inform responsive and forward-looking trade and regulatory policies.
6. Freeze new taxation or regulatory changes that would increase costs for businesses, particularly those in export-driven and high-growth sectors.
7. Prepare a suite of proportionate retaliatory options that uphold Canadian interests without inflicting undue harm on domestic industries.
8. Prioritize policies that reduce business costs, improve access to talent and technology, and accelerate innovation in trade-exposed sectors.

MANUFACTURING AND VALUE CHAINS

26. Exploring the Potential of a 100% Canadian-Led Original Equipment Manufacturing (OEM) in the Automotive Manufacturing Sector

Description

Canada's automotive sector is at a critical juncture, facing mounting global competition, rapid technological change, and the need to transition toward electric vehicles (EVs) while maintaining strength in gas-powered vehicle production. There is an urgent need for a public–private partnership or feasibility study to establish the viability of a 100% Canadian-owned Original Equipment Manufacturer (OEM) automobile manufacturer that leverages Canada's critical minerals, integrates supply chains across provinces, and draws on international best practices.

Background

Canada's automotive sector is undergoing major disruption — from electrification to digitalization — amid rising global competition. Global shifts — such as trade protectionism and rising EV demand — have shown that domestic production capacity matters. Recent initiatives like Canada's EV supply chain funding and tariff remission tied to local content confirm the value of securing homegrown manufacturing.

Lessons from Abroad

Other nations have successfully developed domestic automakers through strategic public-private partnerships, export-focused incentives, and modular production strategies. Mexico's recent launch of Olinia, an electric vehicle brand built around decentralized factories, local supply chains, and affordable micro-mobility, illustrates how smaller economies can create global impact through coordinated policy and regional manufacturing.

Gas-Powered Vehicles Still Matter

Despite EV growth, internal combustion engine (ICE) vehicles remain critical to consumer demand and job retention. Global automakers continue investing in low-emission ICEs, and Canada must do the same to support a balanced transition that protects employment and affordability.

Breaking Down Interprovincial Trade Barriers

Canada's fragmented regulatory landscape — conflicting licensing rules, vehicle certifications, and logistics regulations — adds unnecessary cost and complexity. Removing these barriers could boost GDP by up to 4% and is essential to achieving economies of scale for any national manufacturing strategy.[150] The Canada Free Trade Agreement (CFTA) provides a foundation for harmonization but requires stronger federal leadership and coordination.

A Historic Opportunity

Canada has the potential to build on the success of Project Arrow — our first all-domestic EV prototype — and avoid past missteps, such as the loss of industrial capacity following the cancellation of the Avro

[150] Sadi Muktadir, "Trade war sees manufacturers hit hard, removal of interprovincial trade barriers could help," Canadian Manufacturing, March 11, 2025, https://www.canadianmanufacturing.com/features/trade-war-sees-manufacturers-hit-hard-removal-of-interprovincial-trade-barriers-could-help/.

Arrow. A Canadian-owned OEM could also support strategic industries, including defense, aerospace, shipping, agriculture, and rail — sectors that rely on robust domestic manufacturing platforms.

Funding Cost and Source

Funding for these recommendations would come from a public–private partnership, with the federal Strategic Innovation Fund (SIF) as the primary government source. SIF invests in large automotive projects, while provincial programs like Ontario's Automotive Modernization Program can also contribute. Feasibility studies for major auto initiatives typically cost $500,000 to $2 million, with SIF's supporting national-level public–private feasibility studies.

The range of $500,000 to $2 million for feasibility studies aligns with data from the "Triple Bottom Line Preliminary Feasibility Study of the GM Oshawa Facility,"[151] which analyzed the financial, technical, and economic feasibility of large-scale automotive repurposing in Canada. While this document reflects detailed, real-world costs for auto-sector feasibility work, it does not explicitly state a fixed dollar range; rather, industry reports and similar Canadian studies (such as those referenced in sector analyses and by consulting firms) consistently cite comprehensive studies for major auto manufacturing projects as falling within this budget range.

Recommendations

That the Government of Canada:

1. Utilizing already committed funding, assess the feasibility of establishing a 100% Canadian-owned automotive OEM through a public-private partnership to strengthen domestic manufacturing competitiveness, with a focus on:
    - Leading in electric vehicle production and battery supply chain integration, leveraging Canada's critical minerals and best practices.
    - Sustaining investment and advancing innovation in efficient, lower-emission gas-powered vehicles (ICEs).
    - Applying Canadian-developed EV and ICE technologies in defense, aerospace, agriculture, heavy equipment, and rail transport.
2. Within existing departmental budgets, establish a federal coordinating body for automotive innovation and industrial transition—aligned with Canada's Regulatory and Industrial Competitiveness Framework—to:
    - Streamline permitting and approvals, boosting private sector investment.
    - Support public procurement that is transparent, trade-compliant, and recognizes Canadian-made, low-emission vehicles where appropriate.

[151] Russ Christianson, "Triple Bottom Line Preliminary Feasibility Study of the GM Oshawa Facility: Possibilities for Sustainable Community Wealth," Green Jobs Oshawa, September 13, 2019, https://www.greenjobsoshawa.ca/uploads/3/5/9/1/3591457/oshawa_bev_preliminary_feasibility_study_final_sep_2019.pdf/.

27. Building National Prosperity through a Modern Industrial and Advanced Manufacturing Strategy

Description

Canada's manufacturing sector faces profound competitiveness and productivity challenges that are holding back economic growth, innovation, and resilience. Strategic policy action and investment are urgently needed to address declining investment, regulatory barriers, inadequate technology adoption, and ongoing skills gaps. These steps will ensure Canada can support current and future "nation-building" major projects and secure national economic sovereignty, supply chain resilience, and long-term prosperity [9,10].

Background

Canadian manufacturing remains a critical contributor, representing more than 9% of GDP, accounting for about $214 billion in output, and exporting $467 billion in goods annually [1,2]. Despite this, Canada's labour productivity in manufacturing significantly lags the U.S. and the OECD average, due largely to persistent underinvestment in advanced machinery, equipment, and innovation[3,4]. The OECD and Statistics Canada highlight that weak investment, slow adoption of new production technologies, and widespread regulatory barriers are central to Canada's sectoral productivity gap[3,4,5,6].

Regulatory requirements for businesses have increased by more than 2% per year on average since 2006, with accumulated administrative burdens reducing GDP growth by 1.7%, business investment by 9%, and productivity growth by 0.4% per year[5,6]. These inefficiencies disproportionately impact SMEs and erode the ability of Canadian industry to compete and scale advanced production.

Major government policy shifts in 2025, most notably the creation of the federal Major Projects Office (MPO), reflect a new focus on supply chain sovereignty and the strategic acceleration of national infrastructure and energy projects[7,8]. Under this new regime, federal approvals for priority "nation-building" projects are streamlined, and a "one project, one federal review" process ensures that projects vital to economic security and domestic supply chains—such as critical minerals, LNG, nuclear, advanced manufacturing, and container terminals—advance in tandem with local supply networks and Indigenous participation. This development, alongside the National Supply Chain Office, actively advances the "make it here, make it matter" policy vision for Canada by aiming to ensure economic benefits, capacity building, and resilient supply for key sectors[11,12].

Canada's industrial and manufacturing strategy must therefore strengthen domestic value chains, invest in advanced technology, support regional clusters, modernize workforce development, and implement results-driven funding programs, all of which are core to federal objectives for major projects, economic sovereignty, and clean growth[13,14,15]. These coordinated actions will help Canadian firms serve as anchor suppliers for major projects, reducing reliance on volatile global markets, creating lasting jobs, and building local economies[10,12,13,14].

This strategy should leverage and align existing federal funding instruments, including the Strategic Innovation Fund, Canada Growth Fund, IRAP, Clean Technology credits, and regional development funding, alongside expanded use of targeted tax incentives and public procurement. Where new investments are necessary, they should be time-limited and subject to rigorous, independent performance evaluations[8,9,13,14].

Recommendations

That the Government of Canada:

1. Commit to a reduction in federal regulatory requirements by digitizing and streamlining all business permits, licenses, and administrative processes, with a single-window portal for manufacturers and project proponents.
2. Make strategic investment programs permanent, with the requirement that they be flexible and delivered fast while providing practical assistance that strengthens supply chains and Canadian manufacturing, and ensure their alignment with funding for major projects, regional clusters, and SME-led advanced technology adoption. This would include the Strategic Innovation Fund, Canada Growth Fund, Industrial Research Assistance Program, and clean technology credits.
3. Prioritize procurement, public infrastructure, and MPO-designated projects to support Canadian jobs, require meaningful local and Indigenous content, and foster the development of regional pplier ecosystems linked to major project pipelines.

Footnotes

1. *Cassels, Accelerated Project Approvals, 2025*
2. *CME, Canadian Manufacturing Sector Statistics 2025*
3. *Statistics Canada, Manufacturing Overview 2025*
4. *OECD, Canadian Productivity and Investment, 2025*
5. *NBC, "The Atrophy of the Canadian Manufacturing Sector," December 2024*
6. *Statistics Canada, Regulatory Accumulation Impact Study, 2025*
7. *Business Council of Canada, "Stifled by Red Tape," September 2025*
8. *Government of Canada, Major Projects Office Rollout (2025)*
9. *Strategic Innovation Fund, 2025*
10. *Canada Growth Fund Overview 2025*
11. *Global Trade, Supply Chain Sovereignty 2025*
12. *Transport Canada, National Supply Chain Office, 2024*
13. *Horizon Recruiting, Supply Chain Sector Outlook, 2025*
14. *ISED, Strategic Innovation Fund Programs, 2025*
15. *Budget Canada, Canada Growth Fund*
16. *CBC News, Nation-Building Projects List, 2025*

NATURAL RESOURCES, ENERGY AND ENVIRONMENT

28. Concerns Regarding the Federal Plastics Registry Implementation

Description

The Federal Plastics Registry (FPR), though rooted in important environmental goals, presents significant concerns around regulatory duplication, administrative burden, and economic impact. Without thoughtful restructuring, the FPR risks becoming an inefficient and costly policy tool that delivers minimal environmental return.

Background

The FPR, introduced under the Canada-wide Action Plan on Zero Plastic Waste, requires annual reporting from a wide range of businesses — including resin manufacturers, importers, producers, service providers, and waste generators — on the quantity and types of plastics they handle. This includes manufacturing, importing, selling, reusing, recycling, incinerating, landfilling, or otherwise processing plastics, along with plastic waste generated at their own industrial, commercial, and institutional (ICI) facilities.

The goal is to collect consistent and transparent data across the Canadian economy to support better policy decisions, harmonize reporting across jurisdictions, and drive progress on plastic waste reduction.

Key Concerns

1. Administrative Burden: The FPR adds a complex layer of reporting to an already crowded regulatory landscape that includes the Supply Chains Act, PFAS regulations, climate-related disclosures, and forced labour import restrictions. The Canadian Chamber of Commerce states, the introduction of the Federal Plastics Registry, in conjunction with existing provincial and territorial regulations and ongoing consultations, imposes a significant administrative burden on businesses, particularly small and medium-sized enterprises (SMEs) that lack the internal capacity to manage the compliance frameworks.[152]
2. Lack of Clarity: There remains insufficient guidance on key elements of the FPR, such as definitions, calculation methods, timelines, and reporting protocols. This lack of transparency hinders businesses from proactively preparing for compliance and creates risk of non-conformance.
3. Duplication and Lack of Coordination: The FPR risks duplicating plastic-related reporting already required under provincial Extended Producer Responsibility (EPR) programs and voluntary initiatives such as the Canada Plastics Pact (CPP). This overlap with existing reporting requirements introduces redundancy and a lack of coordination.
4. Cost and Competitiveness Impact: The resources required to build new reporting systems, train staff, and audit plastic use represent a significant financial burden especially to SMEs. In the current economic environment, these additional regulatory costs are likely to be passed on to consumers, exacerbating affordability challenges, particularly in sectors like food and retail.

[152] Bryan N. Detchou, "Publication of a Notice of Intent for the Federal Plastics Registry," Canadian Chamber of Commerce, February 13, 2024, https://chamber.ca/wp-content/uploads/2024/03/CCC_Federal_Plastic_Registry_Submission.pdf.

Recommendations

That the Government of Canada:

1. Repeal the Federal Plastics Registry and instead focus on strengthening existing frameworks and addressing critical gaps through meaningful collaboration with provinces, territories, and industry
2. Should repeal not be immediately feasible, delay Phase 2 implementation and initiate a full re-evaluation of the Registry's policy purpose, cost-effectiveness, and regulatory alignment, including the financial implications for SME's and publicly funded entities, such as front-line health care.

29. Domestic Reclaimed Water Use

Description

Health Canada does have starting guidelines for domestic reclaimed water use in toilet and urinal flushing, however there is opportunity for increased water reuse for toilet flushing, irrigation, and industry among Canadian jurisdictions, increasing sustainability and reducing costs for business.

Background

In May 2001, British Columbia published a Code of Practice for the Use of Reclaimed Water,[153] which serves as a key reference and guidance document for the use of reclaimed water in British Columbia and is designed to support the regulatory requirements prescribed in the Municipal Sewage Regulation. In 2002, it was stated that roughly 3% of wastewater in B.C. is reused,[154] and reuse is a key component in British Columbia's water conservation strategy.

The Canadian Government released the Canadian Guidelines for Domestic reuse Water for Use in Toilet and Urinal Flushing in 2010, which to date is the only national guidance on water reclamation and reuse.[155] According to a 2020 report, BC is the only province with approved regulations on water reuse, and Alberta and Ontario have published guidelines on water reuse.[156]

Statistics Canada indicates that grey water is a huge source of potentially reusable water.[157] Treated grey water can be reused for toilet flushing, irrigation, and industrial use. Currently there are no regulations to approve greywater recycling in most provinces and territories. Canadian statistics have shown that 35 per cent of the average household's water is considered grey water (showers and bath water). Thirty per cent of the average household water usage is for toilet flushing. Therefore, if the use of grey water were regulated, it could be reused for toilet flushing which conserves fresh water for other uses.

The Federation of Canadian Municipalities has stated that "flushing toilets with grey water can reduce household water use by up to 30 percent,"[158] while a 2011 Alberta WaterSMART report to the Alberta Government stated that "if greywater was reused strictly for toilet flushing in municipal homes, Alberta would conserve an estimated 59 million cubic metres of water a year, or up to 25 percent of all residential water consumption."[159]

A residential greywater reuse study performed by the City of Guelph found that it was possible to save 16.6L of water per day per person "making more sustainable use of the groundwater supply," and

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[153] Ministry of Environment, Lands and Parks Pollution Prevention and Remediation Branch, "Code of Practice for the Use of Reclaimed Water – A Companion Document to the Municipal Sewage Regulation," Government of British Columbia, May 2001, https://a100.gov.bc.ca/pub/eirs/finishDownloadDocument.do?subdocumentId=3385.
[154] Alberta Chambers of Commerce, "Domestic Reclaimed Water Use," April 2022, accessed August 18, 2025, https://www.abchamber.ca/wp-content/uploads/2022/04/Domestic-Reclaimed-Water-Use-1.pdf.
[155] Water Standards Section, Standards Development Branch, "Water and Energy Conservation Guidance Manual for Sewage Works," Ontario Ministry of the Environment, last modified September 4, 2024, accessed August 18, 2025, https://www.ontario.ca/document/water-and-energy-conservation-guidance-manual-sewage-works-0.
[156] Tony Van Rossum, "Water reuse and recycling in Canada- history, current situation and future perspectives," *Water Cycle* 1 (2020): 98–103, https://doi.org/10.1016/j.watcyc.2020.07.001.
[157] Alberta Chambers of Commerce, "Domestic Reclaimed Water Use."
[158] City of Guelph, "Case study: Guelph tests home grey water recycling systems," Green Municipal Fund, Federation of Canadian Municipalities, accessed August 18, 2025, https://fcm.ca/en/resources/gmf/case-study-guelph-tests-home-grey-water-recycling-systems.
[159] Alberta WaterSMART, "Greywater Recycling and Reuse in Alberta," March 21, 2011, https://watersmartsolutions.ca/wp-content/uploads/2018/08/Greywater-Recycling-and-Reuse-in-Alberta-2011.pdf.

“reducing effluent going into the Speed River.” There was a high satisfaction reported from homes that were a part of the study, and little reported concern regarding grey water safety.

Recommendations

That the Government of Canada:

1. Work with all Provinces, Territories, and Indigenous communities to encourage the use of domestic reclaimed water and storm water in toilet flushing, irrigation, and industry.

30. Ensuring the Future of Canadian Energy

Description

Canada has an abundance of natural resources that generate direct wealth for Canadians through production and export. Increasingly, these commodities represent a large contribution to Canada's economic growth; however, Canada still spends billions energy imports annually. Access to markets for commodities, specifically electricity, oil and gas, represents a significant obstacle in Canada's ability to secure a competitive position in the global economy. Further, failure to develop these projects leads to negative impacts on Canadian businesses and ultimately their families.

Background

In 2023, Canada imported $57.9 billion worth of energy products,[160] while producing nearly twice as much energy as it used.[161]

Canadian energy resulted in approximately 697,000 jobs across the country in 2023 and contributed $279 billion to Canadian GDP.[162] This highlights the importance of the energy industry for the wellbeing of Canadians.

Traditionally, the United States has been Canada's largest buyer, but their supply surplus has positioned them to energy independence and exportation, in addition to becoming continually economically nationalistic. This means that Canada is finding itself in an increasingly competitive and contentious relationship with its biggest trade partner. In fact, U.S. energy imports represent 78% of Canada's energy imports by value, and 8% of Canada's total U.S. goods imports.[163]

Regardless of its current price of oil, Canada still has to sell its oil and gas at a discount due to the lack of market access. Loss of this revenue puts severe pressure on all Canadians, as evidenced by job losses and strain on social services currently being experienced across the nation.

Despite economic uncertainty, Canada has been unable to complete several major pipeline projects. In particular, Trans Canada's Energy East and Mainline projects were cancelled due to significant regulatory hurdles. Moreover, the Trans Mountain Expansion Project which was completed in 2024 faced significant delays related to market uncertainty, environmental regulatory concerns, and political opposition.

Energy East-West, and Arctic energy corridors will be vital to securing Canada's energy future and supplying Canada with Canadian energy.

The completion of TMX has created market access for 590,000 barrels per day for Alberta exports,[164] but does little to put Canada on the road to energy independence. With erratic threats of U.S. tariffs, and a growing push for economic protectionism from our biggest trading partner, the time is now to revisit

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[160]Natural Resources Canada, "Energy Fact Book, 2024-2025: Key energy, economic, and environmental indicators," Canadian Centre for Energy Information (CCEI), https://energy-information.canada.ca/sites/default/files/2024-10/energy-factbook-2024-2025-section1.pdf.
[161] Canada Energy Regulator, "Market Snapshot: Crude oil imports rose slightly in 2023, for the first time since 2019," June 12, 2024, https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-crude-oil-imports-rose-slightly-2023-first-time-since-2019.html.
[162] Natural Resources Canada, "Energy Fact Book."
[163] Ibid.
[164] Reuters, "First Canadian oil export cargo from expanded Trans Mountain pipeline set to load," BOE Report, May 20, 2024, https://boereport.com/2024/05/20/first-canadian-oil-export-cargo-from-expanded-trans-mountain-pipeline-set-to-load/.

increasing market access within our own country to provide energy independence for Canada, and reduce our reliance both on imported US energy, but also exporting these valuable energy resources.

Ultimately, in an increasingly competitive global energy market, Canada needs to take action. The United States has moved from becoming a reliable customer, to threatening tariffs which would greatly damage the industry in our country. This is why Canada needs to develop its own reliable infrastructure to make sure all Canadians have access to a stable supply of energy.

Recommendations

That the Government of Canada:

1. Prioritize supplying all Canadians with a secure and stable source of Canada’s natural resources.
2. Support projects which ensure market access, whether national or international, for Canada’s natural resources. Remove any barriers to the trade of electricity and fossil fuel trade between provinces to improve energy security, increase affordability, and realize the full value of energy resources.

31. From Ore to Opportunity: Building Canada's Critical Minerals Advantage

Description

Canada's vast reserves of critical minerals, essential for clean energy, advanced manufacturing and national security, position the country to lead the global green economy. However, fragmented regulations, infrastructure deficits and slow permitting processes are stalling development. To unlock Canada's full potential, a coordinated national strategy is needed to streamline regulatory frameworks, invest in enabling infrastructure, support domestic processing and build a skilled workforce. This will ensure Canada transitions from a raw material exporter to a value-added leader in the global critical minerals supply chain.

Background

Canada holds significant reserves of critical minerals, including lithium, nickel, cobalt, copper, graphite and rare earth elements, that are essential to the global transition toward clean energy, advanced manufacturing and digital technologies.[165] These minerals are foundational to electric vehicles (EVs), solar panels, wind turbines, semiconductors, defence systems and smart technologies. As the global economy accelerates toward electrification and decarbonization, demand for these resources is expected to increase sixfold by 2040, according to the International Energy Agency.[166]

Despite its geological advantage and strong environmental standards, Canada faces significant barriers in realizing its full potential as a global leader in critical minerals.

Regulatory Complexity and Delays

Canada's permitting timeline for major mining projects averages 15 to 17 years, substantially longer than in jurisdictions such as Australia (14.5 years) and the U.S. (13 years).[167,168] Proponents face complex, sequential reviews and redundant data requirements across all jurisdictions.[169]

While the federal government has committed to streamlining project approvals through a major projects office and the development of a "one-window" approach,[170] implementation remains slow and inconsistent. Several provinces are also developing parallel one window frameworks, but without alignment and system integration across jurisdictions, these efforts will contribute to further fragmentation rather than solving it.

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[165] Natural Resources Canada, "The Canadian Critical Minerals Strategy," Government of Canada, last modified September 12, 2023, accessed August 18, 2025, https://www.canada.ca/en/campaign/critical-minerals-in-canada/canadian-critical-minerals-strategy.html.
[166] IEA, "The Role of Critical Minerals in Clean Energy Transitions," May 2021, https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions.
[167] Natural Resources Canada, "Canadian Critical Minerals Strategy Annual Report 2024," last modified September 25, 2024, accessed August 28, 2025, https://www.canada.ca/en/campaign/critical-minerals-in-canada/canadas-critical-minerals-strategy/canadian-critical-minerals-strategy-annual-report-2024.html.
[168] Ontario Mining Association, "Mining 101," accessed August 28, 2025, https://oma.on.ca/en/ontario-mining/Mining101.aspx.
[169] World Bank, "Doing Business 2020: Comparing Business Regulation in 190 Economies," October 24, 2019, https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf.
[170] Intergovernmental Affairs, "One Canadian Economy: An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act," last modified June 6, 2025, accessed August 18, 2025, https://www.canada.ca/en/intergovernmental-affairs/news/2025/06/one-canadian-economy-an-act-to-enact-the-free-trade-and-labour-mobility-in-canada-act-and-the-building-canada-act.html.

The one-window approach must be developed as a centralized, user-friendly digital interface that enables project proponents to submit documentation and engage regulators through a single access point. At the backend, the system must enable secure, automated data sharing across government jurisdictions, and Indigenous platforms. This will reduce duplication, improve transparency, and shorten timelines.

To succeed, this regulatory framework must be developed in partnership with Indigenous rights holders, industry, and all levels of government. It must uphold strong environmental safeguards, ensure meaningful Indigenous engagement that respects self-determination, and deliver predictable, efficient outcomes for major project approvals.

Infrastructure Deficits

The future of Canada's mining industry lies increasingly in remote and northern regions, where infrastructure gaps — such as limited access to all-season roads, reliable energy, and broadband — significantly increase project costs and environmental impacts. The Mining Association of Canada's research shows that it costs 2–2.5 times more to build the same precious or base metal mine in the North (off-grid) and 70% of this cost differential is attributed to infrastructure.[171,172] These heightened costs also curtail attractiveness for exploration investment that is critical to filling the pipeline with the future Canadian mining operations on which continued economic, social and sovereignty benefits are contingent.

The Government has responded to the call for action through the creation of the Critical Minerals Infrastructure Fund for clean energy and transportation infrastructure projects necessary to enable the sustainable development and expansion of critical minerals in Canada, and the Critical Minerals Research Development and Demonstration Program that aims to advance the commercial readiness of processing and other technologies to support critical minerals value chains. While the recent volatility in the prices of critical minerals may have delayed private sector investments that are urgently required for new mines, strong, consistent support from government investment can increase certainty that is needed for long term success.

In addition to greater investment in enabling infrastructure for key mining projects across the nation, better coordination of that spending is needed to make these investments effective. Infrastructure planning should be coordinated between all levels of government, industry, and local communities as well as other economic development projects to ensure synergies and the opportunity to multiply benefits amongst all groups.

Processing and Value-Added Manufacturing

Canada continues to export raw minerals while importing processed goods, missing out on value-added opportunities. Battery cell manufacturing alone is projected to account for up to 40% of battery industry value creation by 2030.[173] Investments like the LGES-Stellantis NextStar Energy plant in Windsor and

[171] The Mining Association of Canada, "The Mining Story – Facts and Figures of the Canadian Mining Industry Highlights State of Canada's Mining Industry," May 20, 2025, https://mining.ca/resources/press-releases/the-mining-story-facts-and-figures-of-the-canadian-mining-industry-highlights-state-of-canadas-mining-industry/.
[172] The Mining Association of Canada, "Levelling the Playing Field: Supporting Mineral Exploration and Mining in Remote and Northern Canada," April 2015, https://mining.ca/resources/reports/levelling-the-playing-field/.
[173] Nicolò Campagnol, Alexander Pfeiffer, and Christer Tryggestad, "Capturing the battery value-chain opportunity," McKinsey & Company, January 7, 2022, https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/capturing-the-battery-value-chain-opportunity.

innovations by companies like FVT Research demonstrate Canada's potential to lead in battery and clean-tech manufacturing.

Scaling this capacity requires federal support for refining, cell production and downstream industries. A focus on "Buy Canadian" procurement frameworks and international strategic stockpiling agreements could boost domestic manufacturing resilience and economic growth.

Labour and Skills Shortages

The mining sector supports over 430,000 direct jobs and 281,000 indirect jobs, including more than 12,000 Indigenous workers.[174] Yet, persistent labour shortages, an aging workforce and inadequate training pipelines threaten future growth.[175] Advanced processing technologies and automation require a highly skilled workforce in fields like metallurgy, environmental management and digital systems.

Without strategic action, labour and skills shortages will limit Canada's ability to capitalize on its critical minerals potential and undermine long-term economic and social benefits. Targeted investments in education, training and workforce development are key to building a resilient, inclusive labour force.[176] Collaborations between government, industry, educational institutions, and Indigenous rights holders are critical to building a diverse and resilient workforce.[177] These partnerships can develop curricula aligned with industry needs, create pathways for underrepresented groups, and support lifelong learning initiatives.

Global Competition and Strategic Positioning

Canada's allies, including the U.S., EU,[178] and Australia,[179] are aggressively streamlining permitting, investing in domestic supply chains and securing raw material access. Canada is falling behind unless it accelerates its own efforts. Strategic partnerships, such as the Canada–EU Raw Materials Agreement and U.S.–Canada supply chain cooperation, offer opportunities to strengthen Canada's global position.

A national branding strategy that highlights Canada's ESG leadership and innovation can attract investment and enhance social licence. Adopting a 'Canada Critical Minerals Innovation' brand that promotes Canada as a global leader in innovative and responsible mineral development, can help de-risk investments, attract global partners, and improve social license at home. Coupled with a coordinated national infrastructure strategy, these measures will build a skilled, inclusive workforce, enhance infrastructure capacity, and strengthen the value chain from extraction to green technology manufacturing.

With the right investments and reforms, Canada can lead the global energy transition not just as a resource provider, but as a hub of innovation, sustainability, and economic leadership.

[174] The Mining Association of Canada, "The Mining Story."
[175] Mining Industry Human Resources Council (MiHR), "Canadian Mining Outlook: 2024," April 2024, https://mihr.ca/wp-content/uploads/2024/04/Mihr-Outlook-2024-EN.pdf.
[176] Natural Resources Canada, "The Canadian Critical Minerals Strategy."
[177] Varun Srivastan, "Building Together: How Indigenous economic reconciliation can fuel Canada's resurgence," RBC, April 22, 2025, https://www.rbc.com/en/thought-leadership/indigenous/building-together-how-indigenous-economic-reconciliation-can-fuel-canadas-resurgence/.
[178] European Union, "Critical Raw Materials Act," accessed August 18, 2025, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en.
[179] Department of Industry, Science and Resources, "Critical Minerals Strategy 2023–2030," Australian Government, last modified July 7, 2023, accessed August 18, 2025, https://www.industry.gov.au/publications/critical-minerals-strategy-2023-2030.

Recommendations

That the Government of Canada:

1. Streamline regulatory processes through a harmonized federal-provincial and territorial framework and centralized one-window digital interface, supported by Shared Services Canada, that enable a 'one project, one review' model with clear timelines, transparency, and interjurisdictional coordination. Embed international best practices and ensure early, meaningful, and ongoing consultation with Indigenous rights holders in line with self-determination and free, prior, and informed consent.

2. Invest in Strategic Infrastructure by:
   a) Leveraging the National Trade Corridors Fund and Canada Infrastructure Bank financing to integrate transportation, energy, critical minerals, and broadband, thereby strengthening capacity in communities near designated national interest and priority projects.
   b) Ensuring strong, consistent support through the Critical Minerals Infrastructure Fund for critical minerals development, specifically in economically challenged areas, through government investment in needed transportation, energy, housing, social, and information infrastructure (including the Geological Survey of Canada)
   c) Consulting with provincial/territorial governments, private industry, and Indigenous rights holders to better coordinate infrastructure spending by aligning infrastructure planning with community and industry needs as well as other economic development projects.
   d) Continuing, promoting, and maintaining stability of federal support or programs for electrification and clean energy transitions at remote mining sites, including emissions benchmarks, capital grants for infrastructure, through collaboration with Crown utilities to build cleaner energy corridors and capital raised through green bonds to support sustainable investments. This aligns with the federal Clean Technology and Clean Technology Manufacturing Investment Tax Credits (ITCs), which provide up to 30% refundable credits to accelerate the process of making remote mining sites less reliant on traditional diesel-powered electricity.

3. Strengthen Domestic Supply Chains by:
   a) Expanding program activities and eligibility criteria of the Strategic Innovation Fund and similar programs to support Canadian mining, processing and manufacturing firms impacted by tariff disruptions.
   b) Supporting refining, battery cell manufacturing, and downstream clean-tech industries by encouraging cross-sector collaboration through national forums and partnerships.
   c) Establishing 'Buy Canadian' procurement policy frameworks, exploring research into strategic stockpiling, binational supply agreements and continuing international investment attraction.

4. Invest in Talent and Innovation by:
   a) Expanding support for technical education, R&D in low-emission mining technologies, circular economy practices and mineral processing innovation by coordinating funding priorities across federal agencies and the Critical Minerals RD&D Program.
   b) Facilitating collaboration through national forums and partnerships to connect sectors, accelerate technology adoption, and grow a skilled, inclusive workforce aligned with the future of mining and processing.

5. Promote Responsible Development Leadership by:
   a) Launching a “Canada Critical Minerals Innovation” brand that highlights international leadership in responsible extraction, innovative processing and ESG excellence, through Global Affairs Canada’s export and investment programs to position Canada as a secure, sustainable supplier and strengthen Canada’s critical minerals value chain.
   b) Aligning Canadian financial and trade tools with our global allies to protect mineral access and support the diversification of our exports.

32. Powering Canada, Our Economy and the World: A Pan-Canadian Energy Corridor

Description

Canada's economic future depends on its ability to move energy reliably and efficiently across regions and to global markets. This resolution calls on the Government of Canada to collaborate with provinces, territories, and Indigenous partners to establish a nation-building, Pan-Canadian energy corridor. Such a corridor would connect producers to tidewater, enable clean energy transfers across provincial grids, and ensure strategic infrastructure investments like dredging and intertie restoration are nationally prioritized.

Background

Canada's prosperity is tightly linked to its capacity to move energy efficiently across its vast geography. In 2016, natural resource sectors directly or indirectly provided 1.7 million jobs and accounted for 16% of Canada's GDP.[180] Electricity trade between provinces is a critical component of clean, reliable, and affordable power delivery. However, key interties such as the B.C.–Alberta intertie currently operate at well below capacity due to internal contingency policies. Though physically rated for 1,200 MW west-to-east and 1,000 MW east-to-west, commercial capacity is often restricted to 40–60% of that rating. Alberta legislated a restoration to 950 MW by 2026, but implementation is still pending.[181]

Enhancing this intertie and others like the Atlantic Loop (connecting Quebec, New Brunswick, and Nova Scotia) would reduce regional reliance on fossil fuels, lower emissions, and increase system reliability. Interties allow provinces with complementary energy assets (such as hydro and gas) to support each other, particularly in emergencies or peak demand periods. Investment in this infrastructure aligns with federal priorities laid out in Budget 2023 and Natural Resources Canada's Pan-Canadian Grid initiatives.[182]

Canada's constrained fossil fuel infrastructure limits its ability to access global markets. Western producers rely heavily on the United States, often selling at a discount of up to 20% compared to international prices.[183] Pipeline congestion and regulatory uncertainty have undermined confidence and investment.

Several major interprovincial pipeline projects have failed in the last two decades: including the Energy East pipeline, a proposed $12 billion investment, which would have transported diluted bitumen from Alberta and Saskatchewan to refineries and port terminals in New Brunswick and Quebec. The Eastern Mainline pipeline was included in the project scope, a 279 km new natural gas pipeline to help meet growing demand for natural gas in Ontario and Quebec. This project was cancelled in 2017 due to

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180 Natural Resources Canada, "10 Key Facts on Canada's Natural Resources," Government of Canada, August 2017, https://publications.gc.ca/collections/collection_2017/rncan-nrcan/M4-113-2017-eng.pdf.
181 BC Hydro, "B.C.-Alberta Intertie Workshop," January 27, 2025, https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/regulatory-planning-documents/regulatory-matters/bc-alberta-intertie-workshop-presentation.pdf.
182 Department of Finance Canada, "Budget 2023," Government of Canada, last modified March 28, 2023, https://www.budget.canada.ca/2023/report-rapport/toc-tdm-en.html.
183 John Low and Carlo Dade, "From Shovel Ready to Shovel Worthy: The Path to a National Trade Infrastructure Plan for the Next Generation of Economic Growth," Canada West Foundation, May 9, 2022, https://cwf.ca/wp-content/uploads/2022/05/CWF_ShovelReadytoShovelWorthy_Report_WEB.pdf.

regulatory uncertainty. Similarly, the Northern Gateway project was cancelled in 2016 after legal challenges citing inadequate consultation with Indigenous communities.[184]

Moreover, Canada's energy commodities continue to face challenges once they reach tidewater. As one example, tankers carrying product from the Trans Mountain pipeline have been limited to 80% capacity due to bridge clearance. Additional dredging work needs to be completed to allow the tankers to pass at full capacity under the Second Narrows Bridge after filling at the Westridge Marine Terminal in Burnaby. Completing this project will improve the efficiency of Canada's existing pipelines by maximizing terminal throughput.[185]

Coordinated federal leadership is needed to ensure future export infrastructure projects avoid past pitfalls and reflect shared jurisdiction, Indigenous rights, and environmental stewardship.

Clean energy infrastructure, such as smart grids, carbon capture, and small modular reactors, is emerging as a pillar of Canada's energy future. A national corridor strategy must support these industries by streamlining permitting, standardizing interprovincial approvals, and integrating clean energy priorities into all infrastructure investments.

Projects like hydrogen hubs, transmission modernization, and low-emissions fuel export terminals will benefit from predictable regulatory processes and corridor-based planning. Eastern Canada's LNG proposals and clean electricity exports to New England, along with Alberta and Saskatchewan's growing interest in carbon storage, illustrate that opportunities exist across the country.

Furthermore, coordinated infrastructure planning can strengthen Indigenous economic participation. Federal strategies, including Natural Resources Canada's departmental plan, highlight the importance of equity partnerships, joint governance, and long-term community benefits. Ensuring Indigenous communities are partners in planning, revenue-sharing, and stewardship is essential to building public trust and unlocking national potential.[186]

Recommendations

That the Government of Canada:

1. Work with provinces, territories, and Indigenous Peoples to complete a Pan Canadian energy corridor framework, enabling coordinated development of interprovincial pipeline, electricity, and port infrastructure to secure domestic resilience and global market access.
2. Prioritize restoration and expansion of strategic energy infrastructure, including completion of dredging projects in Burrard Inlet and upgrades to other export gateways, to improve shipping efficiency and maximize utilization of Canada's existing energy pipeline network.
3. Ensure Indigenous economic participation in corridor development, through equitable consultation, revenue sharing, ownership stakes, and joint stewardship of permitting and environmental monitoring processes.

[184] Malcolm Lavoie, "The Northern Gateway Pipeline and the purpose of 'duty to consult'," Fraser Institute, July 27, 2016, https://www.fraserinstitute.org/commentary/northern-gateway-pipeline-and-purpose-duty-consult.

[185] The Canadian Press, "Port says dredging of Vancouver's Burrard Inlet underway," CityNews, May 20, 2025, https://vancouver.citynews.ca/2025/05/20/port-says-dredging-of-vancouvers-burrard-inlet-underway-a-project-touted-by-carney/.

[186] Natural Resources Canada, "Natural Resources Canada 2024-25 Departmental plan," last modified May 21, 2025, https://natural-resources.canada.ca/corporate/planning-reporting/departmental-plan/nrcan-2024-25-departmental-plan/natural-resources-canada-2024-25-departmental-plan.

33. Strengthening Canada's Regulatory Framework for Economic Competitiveness and Resource Development

Description

World demand for Canada's natural resources is rising and will continue to rise in the coming years. However, the federal government's cap on emissions and imbalanced carbon levy on large emitters are not globally competitive and are preventing our producers from seizing the opportunity, and the *Impact Assessment Act* (2019) is stifling the progress of important projects. To maximize the opportunity for Canada's economic growth, these regulations need to be revisited.

Background

Critical Minerals

The current *Impact Assessment Act* (introduced as Bill C-69) was designed to improve project approvals. Despite this, vital and important nation-building infrastructure projects continue to be painfully stalled in the review process. In an extreme example, one project spent up to 693 days in step one of the four-step review process. Twenty-five further proponents have submitted projects for review, and they remain stuck in the initial two phases of the four-step process after several years. This is worse than the previous process it was designed to streamline, where average project could expect approval after 3.5 years.

Under the *Impact Assessment Act* (IAA), Section 92 allows a proponent to request that the Impact Assessment Agency of Canada (IAAC) consider a Regional Assessment for a defined geographic area (e.g., a corridor). Section 93 requires the IAAC to assess the completeness of that submission and, if it meets statutory requirements, formally initiate a Regional Assessment. To date, any corridor proposal that is technically complete and demonstrably in Canada's economic and environmental interest should be eligible for Regional Assessment. However, proponents — including those seeking to connect western Canada to ports like Churchill — have experienced denials of their Regional Assessment requests, creating regulatory uncertainty and impeding potential investment. With no time to lose, the Government of Canada must expedite review of corridor submissions already on file that meet IAA completeness requirements — any further delay undermines investor confidence and Canada's ability to seize near-term economic and environmental opportunities.

The IAA also governs how projects in Canada are assessed for environmental and other impacts. Specific criteria, as outlined in the Physical Activities Regulations (commonly known as the "Project List"), are the triggers for when federal oversight applies.[187] These criteria include thresholds based on factors like production capacity or project size. For instance, under the current regulations a new metal mine with a production capacity of 5,000 tonnes per day or more would require a federal assessment, but one producing 4,900 tonnes per day would remain subject to provincial criteria.

In response to these thresholds, many critical mineral mining companies in Canada are strategically designing their projects to remain below the levels that would trigger a federal impact assessment under the IAA. This is because the approval process through provincial assessments can be more predictable,

[187] Minister of Justice, "Physical Activities Regulations (SOR/2019-285)," Government of Canada, last modified August 11, 2025, https://laws.justice.gc.ca/PDF/SOR-2019-285.pdf.

faster, and better tailored to regional contexts. The federal government should build on this demonstrated corporate preference, while also removing pressure from its own stretched assessment capacities. Provinces, with their localized expertise and established regulatory systems, are well-positioned to take on a greater share of project assessments. Allowing more projects to proceed through provincial processes can reduce duplication, increase efficiency, and maintain strong environmental standards. To support this shift, the thresholds within the IAA should be re-evaluated and increased to ensure that only the most significant projects — those with clear, transboundary, or national implications — fall under federal review.

Canada's provinces have a long-standing and robust history of effectively regulating mining activities, with some frameworks dating back more than a century. Their regional proximity and familiarity with local environmental, economic, and Indigenous contexts allow for responsive and efficient oversight. Leveraging this capacity — rather than attempting to duplicate it — is essential if Canada is to meet its strategic goals in critical mineral development and climate leadership.

Energy

The Government of Canada introduced an unlegislated cap on emissions solely focused on the energy sector that is due to be implemented in 2026 and phased in over a four-year period between 2026 and 2029.[188] This cap is redundant to other measures and will undoubtedly create uncertainty on several fronts. First and foremost, it will hurt Canada's competitiveness in the global energy market.[189] This decreased competitiveness will be due to the energy sector being forced to absorb higher costs leading to reductions in production, demand, and infrastructure investments.[190] Removing this cap will simplify the regulatory regime and create an attractive investment environment with carbon policies that protect our competitive advantage while still being environmentally responsible.

Secondly, the current federal carbon levy pricing strategy has resulted in a significant competitive disadvantage for Canada's energy industry against its global competitors. This uniform federal approach was originally implemented to create consistency across different connected carbon markets across jurisdictions, but any potential advantages have not materialized. The energy sector needs clear and durable regulatory frameworks that are globally competitive to incentivize and secure investment capital. The solution is to revert to a previously well-functioning system where provinces can administrate their own carbon pricing policies that enable investments in emissions reductions, improve emissions performance, and maintain competitive pricing.

If these regulatory burdens are addressed, Canada stands to be a global leader in supplying demand for energy, increasing government revenue, jobs for workers, and overall economic prosperity across the country.

188 Blakes, "Emissions Cap: Government of Canada Introduces Draft Regulations for Oil and Gas," accessed June 3, 2025, https://www.blakes.com/insights/emissions-cap-government-of-canada-introduces-draft-regulations-for-oil-and-gas/.

189 Government of Alberta, "Alberta's Response to the draft federal Oil and Gas Emissions Cap," accessed June 3, 2025, https://open.alberta.ca/dataset/4ec900c2-5ded-4d33-95d2-3573c4dfc261/resource/c2a28ae7-0606-4265-822d-28ab04f87c0f/download/epa-alberta-response-to-draft-federal-oil-and-gas-emissions-cap-regulations.pdf.

190 Amanda Stephenson, "Oil and gas sector warns emissions cap could lead to production curtailments," The Canadian Press, December 7, 2023, accessed June 3, 2025, https://www.cbc.ca/news/canada/calgary/emissions-cap-production-cuts-oil-gas-federal-reaction-1.7052310.

Recommendations

That the Government of Canada:

1. Direct the Impact Assessment Agency of Canada (IAAC) to accept and assess the completeness of any corridor submission under Sections 92 & 93 of the *Impact Assessment Act* that:
    a. Is accompanied by a technically complete application package (e.g., detailed route alignment, environmental baseline data, economic rationale); and
    b. Demonstrably aligns with national economic, security, and environmental interests.
2. Amend the *Impact Assessment Act* to raise the project size thresholds that trigger federal review for critical mineral developments.
3. Ensure a one-project, one-review approach by recognizing, aligning, or substituting federal reviews and permitting with provincial processes as the preferred or primary approach.
4. Eliminate the proposed unlegislated emissions cap immediately, simplifying the regulatory environment to restore investor confidence, stimulate infrastructure investments, and safeguard Canada's position as a globally recognized ESG leader.
5. Repeal or substantially reform the federal carbon levy on large emitters. Allow provincial governments, drawing on successful models such as Alberta's Technology Innovation and Emissions Reduction (TIER), to establish regionally tailored, globally competitive carbon pricing frameworks that encourage investment and improve emissions performance.

SPECIAL ISSUES

34. Growing Canada's Aerospace Sector Through Strategic Investment, Regional Expansion, and Defence Procurement

Description

Canada's aerospace industry is a strategic economic and security asset. It drives innovation, supports high-value jobs, powers exports, and underpins Canada's role in both civil aviation and defence. However, it faces urgent challenges: skills shortages, uneven regional development, global tariff risks, and slow-moving defence procurement processes that limit opportunities for domestic firms.

A renewed, coordinated aerospace strategy — one that integrates regional development, flight training expansion, and defence procurement modernization — can position Canada to lead in the next era of aviation, space, and security.

Background

- Economic footprint: Canada's aerospace sector exported over $19B in 2023, with 75% of revenues export-oriented, and ranks #1 in R&D intensity among Canadian manufacturing sectors.[191]
- Regional imbalance: 61% of manufacturing jobs are in Quebec, but Western Canada has high growth potential. De Havilland Canada's Calgary expansion and Fort Erie integration is a model for distributed economic development.[192]
- Flight training & workforce challenges:
    - Canada needs 7,300 new pilots by 2025.[193]
    - Aircraft Maintenance Engineers (AME) shortages are constraining maintenance and repair operations.[194]
    - Immigration bottlenecks and regulatory changes (e.g., duty hour rules) have worsened availability.[195]
- Geopolitical and trade risks:
    - 60% of aerospace exports go to the U.S.[196]

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[191] Innovation, Science and Economic Development Canada (ISED), "State of Canada's Aerospace Industry," 2024, https://ised-isde.canada.ca/site/aerospace-defence/en/state-canadian-aerospace-industry.
[192] Western Economic Diversification Canada and De Havilland Aircraft of Canada Ltd., "Calgary Aerospace Campus Development Update," 2023, https://avitrader.com/2025/04/02/de-havilland-canada-acquires-fleet-canada-to-expand-manufacturing-capabilities/.
[193] Canadian Council for Aviation and Aerospace (CCAA), "Labour Market Information Report," 2023. https://avaerocouncil.ca/assets/pdf/ccaa-0150-lm_report-eng-online.pdf.
[194] Derek Costanza et al., "Not Enough Aviation Mechanics: How the industry can address this decade's shortage in aircraft maintenance workers," Oliver Wyman, 2022, https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2023/jan/Not%20Enough%20Aviation%20Mechanics%20-%20AMT%20report.pdf.
[195] Canadian Transportation Agency, "Pilot Fatigue and Duty Hour Regulations: Sector Impact Report," 2023, https://tc.canada.ca/en/binder/58-fatigue-management-transportation-sector.
[196] Unifor, "Unifor Aerospace Council statement on U.S. Tariffs," April 17, 2025, https://www.unifor.org/news/all-news/unifor-aerospace-council-statement-us-tariffs.

- Tariff threats and buy-American rules highlight Canada's vulnerability to supply chain disruptions.[197][198][199] For example, the combined total effect of the U.S. of applying aerospace tariffs to Canada, Mexico and China is around $5.3 billion USD (only counting single border crossings; the real estimated cost likely far higher).[200]

Defence and Space: An Untapped Catalyst

- Defence procurement is an underleveraged tool to drive Canadian aerospace growth. Canada's military modernization plans — including fighter jet replacement, surveillance aircraft, and NORAD modernization — represent billions in potential investment.
- Delays and lack of domestic content requirements have allowed many of these contracts to flow abroad without leveraging Canada's existing aerospace base.
- MDA Space, Telesat, and Canada's role in the Artemis Moon mission show our potential in space innovation and dual-use technologies.

Canada's recent commitment to increase defence spending (to 5% of GDP) must be tied to clear industrial benefit strategies, with more procurement going to Canadian suppliers, including SMEs.

A strong, regionally diverse aerospace sector is key to Canada's economic resilience and national security. Aligning defence procurement, regional growth, workforce development, and export strategy will not only support thousands of high-quality jobs but also ensure Canada remains a leader in civil aviation, defence technology, and space exploration in a geopolitically volatile world.

Recommendations

That the Government of Canada:

1. Accelerate Regional Aerospace Expansion
    a. Fund infrastructure and workforce development in all regions in Canada, to support aerospace manufacturing, maintenance, repair and overhaul (MRO), and training facilities in high-potential areas. This initiative should be funded either through the Strategic Innovation Fund (SIF) or targeted funds from the Canada Growth Fund.
    b. Leverage underused regional airports, as logistics and training hubs.
    c. Fund regional and national drone test areas – to support Beyond Visual of Sight (BVLOS) and Visual Line of Sight (VLOS) operations, training and research.
2. Modernize Defence Procurement to Support Industrial Growth
    a. Adopt a "Defence Procurement for Economic Growth" framework that:
        i. Mandates domestic industrial participation in major aerospace and defence contracts (e.g., offset requirements)
        ii. Prioritizes domestic firms in competitive bidding for MRO, simulation, avionics, and training contracts.

[197] Global Affairs Canada, "Canada's State of Trade 2023: Inclusive trade," June 2023, Government of Canada, https://international.canada.ca/en/global-affairs/corporate/reports/chief-economist/state-trade/2023.
[198] Aerospace Industries Association of Canada (AIAC), "AIAC Statement on U.S. Tariffs and Canada's Response," March 6, 2025, https://aiac.ca/aiac-statement-on-u-s-tariffs-and-canadas-response/.
[199] Government of Canada, "Question Period Note: CANADA'S AEROSPACE SECTOR - IMPACT OF U.S. TARIFFS," May 30, 2025, https://search.open.canada.ca/qpnotes/record/ic%2CIND-2025-QP-00002.
[200] Kevin Michaels, March 12, 2025, "Tariffs and a Trade War Are Not Good for Aerospace," Aviation Week, March 12, 2025, https://aviationweek.com/aerospace/manufacturing-supply-chain/opinion-tariffs-trade-war-are-not-good-aerospace.

        iii. Accelerates timelines for awarding contracts tied to NORAD modernization, maritime patrol, Intelligence, Surveillance and Reconnaissance (ISR), and support aircraft.
3. Integrate Aerospace SMEs into Defence and Security Supply Chains
    a. Double down on BOREALIS, with a focus on cutting edge technology from established multi-national firms and Canadian SMEs and entrepreneurs who have novel technologies that ought to be considered for part or all of a defence need.
4. Address Pilot and AME Shortages
    a. Reform skilled immigration programs focused on aviation trades.
    b. Fund regional pilot training centres and simulators through partnerships with airports, colleges, and Indigenous training organizations and government support programs, such as the Union Training and Innovation Program (UTIP) for skilled trades training, the Strategic Innovation Fund and the Indigenous Skills and Employment Training (ISET) Program.

35. Integrating Economic Stewardship into the Public Service Values and Ethics Code

Description

Canada's federal public service plays a critical role in shaping and implementing policies that directly impact the nation's economic well-being. However, the current "Values and Ethics Code for the Public Sector"[201] do not explicitly recognise fiscal responsibility or economic stewardship as guiding principles. In an era of increasing fiscal pressures and economic uncertainty, embedding these values into the ethical framework of public service is essential.

Background

The "Values and Ethics Code for the Public Sector" was introduced by the Government of Canada in 2003 as a foundational document to guide the conduct of federal public servants. It was developed in response to growing public expectations for transparency, accountability, and ethical governance, and it reflects a shift from rule-based compliance to a values-based culture in public administration.

The Code outlines five core values — Respect for Democracy, Respect for People, Integrity, Stewardship, and Excellence — which serve as a compass for public servants in their daily responsibilities. These values are intended to ensure that public servants act in the public interest, uphold democratic institutions, and maintain public trust in government.

The inclusion of these values was a response to several decades of evolving public service ethics, including the 1996 Task Force on Public Service Values and Ethics, which emphasized the need for a more principled and professional public service. The Code was later updated in 2011 to align with the Public Servants Disclosure Protection Act, reinforcing its role in promoting ethical conduct and whistleblower protection.

However, while the Code emphasizes stewardship — defined as the responsible use of resources — it does not explicitly address economic stewardship or fiscal responsibility as standalone ethical imperatives. In today's complex economic environment, where governments face mounting fiscal pressures, rising public debt, and increasing demands for efficient service delivery, this omission represents a critical gap.

Economic considerations are essential to:

- Ensure long-term fiscal sustainability, accountability, transparency and responsible budgeting.
- Promote innovation and efficiency in public service delivery.
- Maximise the economic impact of government programs and investments.
- Align public sector decision-making with long-term economic goals.
- Support national competitiveness and sustainable economic growth.

By embedding "Economic Values and Impact" into the Code, the Government of Canada can reinforce a culture of fiscal prudence, economic foresight, and value-for-money thinking across the public service.

[201] Kenneth Kernaghan, "A special calling: values, ethics and professional public service," Government of Canada, last modified June 19, 2007, https://www.canada.ca/en/treasury-board-secretariat/services/values-ethics/code/special-calling-values-ethics-professional-public-service.html.

This would not only enhance public confidence in government operations but also align public sector ethics with the economic realities and aspirations of Canadians.

Recommendations

That the Government of Canada:

1. Integrate economic considerations into the Public Service Values and Ethics Code by amending the Values and Ethics Code of the Public Service to include "economic values and impact" to:
    a. Promote Fiscal Responsibility – Ensure efficient use of public resources, aiming for cost-effective solutions and prudent financial management.
    b. Support Economic Growth – Encourage policies and practices that foster sustainable economic development, innovation, and competitiveness.
    c. Enhance Public Value – Strive to maximise the economic benefits of public services and

36. Investment in Affordable Housing Partnerships

Description

Canada is currently in need of 4.4 million homes.[202] This includes a deficit of 3 million homes for low- and very low-income households, and an additional 1.4 million homes for moderate-income households. Amid a national housing crisis, further investment is urgently needed to address this gap.

Background

The Canada Mortgage and Housing Corporation (CMHC) plays a critical role in supporting affordable housing across Canada. As the federal government's housing agency, CMHC provides funding and low-cost financing to help build, preserve, and improve affordable homes. Under the National Housing Strategy, CMHC supports partnerships with non-profits like Habitat for Humanity, helping address housing gaps and ensuring more Canadians have access to affordable housing.

Despite significant efforts under the National Housing Strategy, housing affordability remains out of reach for many Canadians, particularly in major urban centres. In Toronto, the minimum down payment for a median-priced home increased from 239% of median income in 2019 to 417% in 2023.[203] In Vancouver, it rose from 233% to 441% over the same period.[204] This impacts the ability of businesses to retain workers. If people cannot afford to live in where there are job opportunities, this impacts the workforce supply for businesses who depend on a workforce. Investment in attainable housing addresses this gap in allowing workers to be situated in the area their workplace is located.

In Ontario, the HST on new builds averages approximately $50,000, yet only about $24,000 is recoverable through available rebates.[205] Unlike purpose-built rentals, which are provided rebates from HST/GST, affordable homeownership projects have not been granted the same relief.[206] This tax burden limits the capacity of non-profit builders like Habitat for Humanity to maximize their impact forcing them to absorb costs that could otherwise be reinvested into building additional homes for families in need.

Now from a government expenditure perspective, the estimated cost of exempting affordable homeownership builds from HST/GST is relatively modest. Based on an estimated 400 Habitat for Humanity homes built annually across Canada, and an average unrecoverable tax burden of $26,000 per home, the federal government would forgo approximately $10.4 million per year in tax revenue (2024).[207]

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[202] Office of the Federal Housing Advocate (OFHA), "New report reveals that Canada is missing 4.4M affordable homes for people in housing need," Canadian Human Rights Commission, November 2, 2023, https://www.chrc-ccdp.gc.ca/resources/newsroom/new-report-reveals-canada-missing-44m-affordable-homes-people-housing-need.

[203] Duffie Osental, "CMHC: Restoring pre-COVID housing affordability should be the goal," Canadian Mortgage Trends, December 9, 2024, https://www.canadianmortgagetrends.com/2024/12/cmhc-restoring-pre-covid-housing-affordability-should-be-the-goal/.

[204] Habitat for Humanity Canada, "2024 Impact Report," 2024, https://habitat.ca/en/reports/2024-report.

[205] Canada Mortgage and Housing Corporation (CMHC), "Canada extends partnership with Habitat for Humanity to build more affordable housing," March 3, 2023, https://www.cmhc-schl.gc.ca/media-newsroom/news-releases/2023/canada-extends-partnership-habitat-humanity-build-more-affordable-housing.

[206] Canada Revenue Agency (CRA), "GST/HST rebate for purpose-built rental housing," Government of Canada, May 13, 2024, https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/purpose-built-rental-housing.html.

[207] Habitat for Humanity Canada, "Habitat for Humanity: Deloitte Economic and Social Impact Study Press Release," 2024, https://assets.habitat.ca/documents/Habitat-for-Humanity-Deloitte-Economic-and-Social-Impact-Study.pdf?_ga=2.133102414.191405690.1755718079-856512233.1755718079.

Furthermore, renewing the existing CMHC agreement would also represent a fixed cost of $25 million over three years.[208]

Affordable home ownership is not just a housing issue. It is a workforce and economic development strategy. It supports employee attraction and retention, especially in high-cost urban areas, by allowing workers to live closer to their jobs. This can reduce commute times, increase employee output, and provide worker stability.

Background on Habitat for Humanity

Organizations like Habitat for Humanity have played a critical role in making homeownership attainable for thousands of Canadians. Since 1985, Habitat for Humanity Canada has enabled 3,886 families to purchase their own homes.[209] For Habitat, affordable housing refers to homes that are priced below market value and are intended to be accessible to individuals and families with low to moderate incomes.

Habitat is currently supported through a $25 million funding agreement with CMHC to build 500 new affordable homes over three years, an agreement set to expire in 2026.[210] While this is meaningful investment, the funding is spread across all Habitat affiliates in Canada, each facing different regional costs and operational challenges. As a result, the funding does not fully account for the varying financial realities of each project, nor does it consider the burden of GST/HST that Habitat must pay on new home builds.

Habitat for Humanity has become one of the most active homebuilders, creating jobs and economic activity for local builders, contractors, and municipalities. From 2019 to 2023, the construction and renovation of Habitat homes generated an estimated $311 million in economic activity and contributed nearly $40 million in tax revenue to governments.[211] These figures demonstrate that investing in affordable homeownership provides not only a social return but also significant economic payback as well.

Habitat homeowners have also collectively earned an additional $64.8 million more in income relative to what they would have earned if they had remained renters.[212]

To meet Canada's growing housing needs, it is critical that the federal government leverage CMHC's leadership and build on successful partnerships with organizations like Habitat for Humanity.

While there is an estimated cost for the HST rebate of $10.2 million in lost revenue for the federal government, it is anticipated that the economic activity of the additional homebuilding and increasing purchasing power of new homeowners will more than make up for this budget expense. The federal government can include this in the same part of the budget that covers HST rebates for affordable rental units.

We ask that CMHC funding of approximately $8.3 million per year continue from the same budget allocation it is currently funded through.

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[208] Deloitte, "Building Homes, Communities and Hope: A Social and Economic Impact Study of Habitat for Humanity's Affordable Homeownership Program," Habitat for Humanity Canada, March, 2025, https://assets.habitat.ca/documents/Building-Homes-Communities-and-Hope-A-Social-and-Economic-Impact-Study-of-Habitat-for-Humanity's-Affordable-Homeownership-Program.pdf.
[209] Habitat for Humanity International, "Where we build: Canada," 2025, https://www.habitat.org/where-we-build/canada.
[210] CMHC, "Canada extends partnership."
[211] Deloitte, "Building Homes."
[212] Ibid.

Recommendations

That the Government of Canada:

1. Renew and expand CMHC programs to be more inclusive of and encourage non-profit partnerships that are sustainable in assisting with more affordable home ownership.
2. Exempt affordable homeownership builds from HST/GST to improve project viability.

37. Modernization of the Boards of Trade Act (BOTA)

Description

All chambers of commerce, whether registered under Part I or Part II of the *Boards of Trade Act* (BOTA), require by-laws to establish the rules of governance and operation for the chamber. However, if the chamber of commerce is registered under Part II, the application for incorporation must include a copy of the by-laws, which are to be approved by Corporations Canada on behalf of the Minister of Industry.

This act is outdated and must be modernized to reflect the evolving model of chambers of commerce in the 21st century.

Background

The needs of an existing chamber of commerce can evolve over time. Consequently, the chamber may wish to amend its existing by-laws to better meet its current objectives. Amendments to the by-laws of a chamber registered under Part II must also be approved by Corporations Canada on behalf of the Minister of Industry. Changes to the by-laws are not in effect and cannot be implemented until the Minister's approval has been obtained. Ministerial approval will typically be granted as of the date the acceptable application is received by Corporations Canada.

That said, the officials responsible for reviewing the by-laws submitted by chambers of commerce to Corporations Canada use a checklist that applies to an outdated law not adapted to today's reality.

The *Boards of Trade Act* was created in 1874 and revised in 1985. Amendments were made in 1992, 1995, 2002, 2011, and 2015. Certain obsolete provisions remain in 2022, including the following verbatim sections from the Act:

> 11 The officers of every board of trade shall be a president, vice-president and secretary, who, together with at least eight other members, shall constitute a council of the corporation, which shall be called “The Council of the Board of Trade of (adding the name of the district)”, and who shall have the powers and perform the duties set out in this Act.
>
> 12 (1) At the first quarterly meeting held in each year, the members of a corporation present, or a majority of them, shall elect, in the manner prescribed by the by-laws of the corporation, from among the members thereof, a president, vice-president and secretary, and at least eight other members, who, with the president, vice-president and secretary, shall form the council of the corporation.
>
> The resolution also refers to the one-year term limit for council members.
>
> 17 (1) The members of a corporation shall hold general quarterly meetings in each year at any place within the district in respect of which the corporation was incorporated.
>
> Amendments to the act are necessary for the legislation to reflect the realities of 21st-century chambers of commerce and to streamline the by-law approval process.

Recommendations

That the Government of Canada:

1. Work with the relevant governed entities and associated associations to amend and modernize the *Boards of Trade Act* to reflect current and future operational and governance models and needs.

2. Specific areas could include the following amendments:

    - Amend Part 1, Section 3.1, to replace specific references with more current business language regarding who is eligible to form a chamber of commerce;
    - Amend Part 1, Section 11, so that the board of directors is composed of at least five members, including the president, vice-president, secretary, and at least two other directors, thereby replacing the current requirement of eleven members;
    - Amend Part 1, Section 12.2, to increase the term of office for board members from one year to two years, with the possibility of renewal, thereby replacing the current requirement for annual elections;
    - Amend Section 17.1 to replace the requirement to hold four quarterly general meetings with the requirement to hold a minimum of one annual general meeting, while allowing chambers to hold additional meetings as needed;
    - Introduce new language into the Act to establish financial reporting requirements proportional to the size of the chambers, replacing the current one-size-fits-all approach.

38. Unrealistic Targets in Canada's Federal Zero-Emission Vehicle (ZEV) Mandate

Description

The current federal Zero-Emission Vehicle (ZEV) mandate imposes aggressive and unrealistic targets for ZEV sales that are not achievable under current market and infrastructure conditions and should be repealed.

Background

To accelerate the decarbonization of Canada's transportation sector, the federal government mandated that 100% of new light-duty vehicle sales must be zero-emission vehicles (ZEVs) by 2035, with interim targets of at least 20% by 2026 and 60% by 2030. This policy was part of Canada's broader 2030 Emissions Reduction Plan and is enforced through the Electric Vehicle Availability Standard finalized in December 2023.[213]

These targets are widely seen as unachievable under current market conditions, leading to significant concerns about the compliance pathways available to Original Equipment Manufacturers (OEMs) and the resulting economic consequences.

Challenges to Achieving ZEV Sales Targets

1. Mixed Policy Signals and Incentive Uncertainty

The introduction of a federal ZEV sales mandate coincides with the announced end of the federal Incentives for Zero-Emission Vehicles (iZEV) program.[214]

This sends mixed signals to consumers and automakers, reflecting incoherent policymaking and undermining market confidence and the predictability needed for industry investment.

The compliance guidelines available to Original Equipment Manufacturers (OEMs) are limited to either paying substantial penalties for non-compliance, purchasing credits from a small number of ZEV-only manufacturers, or restricting the availability of internal combustion engine (ICE) vehicles in the Canadian market.

a. Compliance Pathways and Penalties

OEMs that cannot meet the mandated ZEV sales targets have limited options:

- Paying Penalties: Under the Canadian Environmental Protection Act (CEPA), non-compliance with the ZEV mandate exposes OEMs to severe penalties, including fines up to $1 million per day and even jail sentences for individuals.[215] There is also discussion of administrative fees per

[213] Transport Canada, "Canada's Zero-Emission vehicle sales targets," Government of Canada, October 28, 2024, https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/canada-s-zero-emission-vehicle-sales-targets.
[214] Transport Canada, "Temporary reimbursement process for unsubmitted claims: Questions and answers," Government of Canada, July 11, 2025, https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/incentives-zero-emission-vehicles/questions-answers.
[215] Brian Livingston, "Time to Reboot: The Federal ZEV Mandate Requires Flexibility," C.D. Howe Institute, January 25, 2024, https://cdhowe.org/publication/time-reboot-federal-zev-mandate-requires-flexibility/.

credit shortfall, modeled after California, B.C., and Quebec, which could be as high as $20,000 per credit.[216]

- Buying Credits: OEMs can purchase ZEV credits from manufacturers with excess credits, typically those who exclusively sell ZEVs.[217] However, the market for these credits is limited, as only a few OEMs (notably, Tesla) consistently generate surpluses and may not be willing to sell at scale.[218]
- Restricting ICE Vehicle Sales: To comply, OEMs may have to reduce the number of internal combustion engine (ICE) vehicles they sell, effectively limiting the total number of vehicles available to Canadian consumers.[219]

2. Charging Infrastructure Gaps

The rapid scaling of ZEV adoption requires a vast, reliable network of charging stations across municipalities and rural areas.

Without adequate charging infrastructure, enabled by a robust and expanded Canadian electricity grid, drivers will not be able to effectively or reliably charge their vehicles.[220]

Current investments, while significant, are not yet sufficient to meet the anticipated demand, especially outside major urban centers.

3. Supply Chain and Critical Minerals Bottlenecks

Achieving even the interim target of 20% ZEV sales by 2026 is unrealistic without a corresponding increase in domestic mining, processing, and supply of critical minerals essential for EV batteries (e.g., lithium, nickel, cobalt).[221]

Canada possesses the necessary mineral resources, but scaling mining and refining operations, as well as building out battery and vehicle manufacturing capacity, is a complex, long-term process.[222]

The supply chain is highly integrated with the U.S., and any disruption or lag in one part of the chain (mining, processing, manufacturing) risks derailing the overall transition timeline.[223]

4. Economic and Industrial Transition Risks

The current structure of Canada's ZEV mandate, with its aggressive targets and limited, punitive compliance pathways, risks forcing OEMs to pay substantial penalties or buy credits from a small pool of ZEV-only manufacturers. This approach is likely to reduce the availability of vehicles Canadians want and need, increase prices, lead to job losses, and discourage investment in Canada's automotive sector. The

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[216] Daniel Breton et al., "Comments and Recommendations on Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations," Electric Mobility Canada, March 15, 2023, https://emc-mec.ca/wp-content/uploads/2023/06/2023-03-15_EMC-on-Canada-s-proposed-ZEV-Regulation-Final-EN.pdf.
[217] Ibid.
[218] Richard J. King et al., "Zero-emission vehicles regulation under the Canadian Environmental Protection Act," Osler, January 2, 2024, https://www.osler.com/en/insights/blogs/energy/zero-emission-vehicles-regulation-under-the-canadian-environmental-protection-act/.
[219] Livingston, "Time to Reboot."
[220] Ibid.
[221] Shahir Guindi et al., "Canada emerging as a powerhouse in the global EV supply chain," Osler, December 11, 2023, https://www.osler.com/en/insights/updates/canada-emerging-as-a-powerhouse-in-the-global-ev-supply-chain/.
[222] Invest in Canada, "EV battery supply chain," accessed July 2025, https://www.investcanada.ca/industries/ev-battery-supply-chain.
[223] Gracelin Baskaran, "U.S.-Canada Mineral Cooperation for a Competitive Domestic Automotive Industry," Center for Strategic & International Studies (CSIS), February 28, 2025, https://www.csis.org/events/us-canada-mineral-cooperation-competitive-domestic-automotive-industry.

resulting economic repercussions could be grave unless the policy is adjusted to better align with market realities and consumer demand.[224,225]

Recommendations

That the Government of Canada:

1. Immediately repeal the zero-emission vehicle (ZEV) mandate.
2. Focus on the existing greenhouse gas (GHG) regulations that will naturally drive ever-increasing levels of electrification while supporting Canada's environmental goals and help Canadian consumers and business owners though the transition.
3. Pursue a coordinated, market-driven approach that reflects economic realities and supports long-term industry growth.

[224] Livingston, "Time to Reboot."
[225] King et al., "Zero-emission vehicles regulation."

TRANSPORTATION AND INFRASTRUCTURE

39. A Centralized Transparency Portal to Support and Monitor the Implementation of Bill C-5

Description

Despite the adoption of the Canadian Free Trade Agreement (CFTA) in 2017, internal trade barriers continue to impose significant costs on Canadian businesses by limiting access to interprovincial markets and creating a patchwork of compliance requirements. These barriers contribute to estimated economic losses of up to $80 billion annually which, if resolved, could result in a gain of approximately 3.8% to national GDP.[226]

For small and medium-sized enterprises (SMEs) in particular, navigating regulatory differences across provinces remains prohibitively complex due to the absence of a centralized, authoritative source of information.

Background

With the passage of the Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act (a.k.a. the One Canadian Economy Act or Bill C-5), Canada has committed to eliminating internal trade barriers through automatic recognition of goods, services, and qualifications across jurisdictions. While Bill C-5 provides a legal framework for harmonization, achievement of the results it aims for will depend upon practical tools.

The CFTA came into force on July 1, 2017, as a successor to the 1995 Agreement on Internal Trade. Its stated purpose is to reduce and eliminate barriers to the free movement of persons, goods, services, and investments within Canada.[227] These barriers show themselves in duplicative compliance requirements, differing licensing frameworks, and inconsistent standards, especially in critical sectors such as construction, interprovincial logistics, and agriculture.

This issue is compounded by the current opacity of the reconciliation process under the CFTA, where neither the status of negotiations nor the specifics of regulatory differences are consistently available to businesses or the public. A 2021 report by Deloitte noted this problem and specifically recommended the creation of "a public repository of information about trade barriers in Canada."[228]

In response to demand for improved trade data, Statistics Canada launched the Canadian Internal Trade Data and Information Hub. This tool provides aggregated economic statistics on interprovincial trade volumes and patterns, aimed primarily at policymakers and analysts.[229] However, it is not designed to assist operational decision-making by businesses. What is needed is a complementary, user-oriented platform, hosted by a credible federal agency such as Innovation, Science and Economic Development

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[226] Deloitte Canada, "The Case for Liberalizing Interprovincial Trade in Canada," November 2021, https://www.deloitte.com/content/dam/assets-zone3/ca/en/docs/services/financial-advisory/2024/ca-en-the-case-for-liberalizing-interprovincial-trade-in-canada-aoda.pdf.
[227] Canadian Free Trade Agreement (CFTA), "The Canadian Free Trade Agreement," last updated June 2, 2025, https://www.cfta-alec.ca/canadian-free-trade-agreement/.
[228] Ibid, Article 4.
[229] Government of Canada, "Committee on Internal Trade breaks down barriers to internal trade," February 28, 2025, https://www.canada.ca/en/intergovernmental-affairs/news/2025/02/committee-on-internal-trade-breaks-down-barriers-to-internal-trade.html.

Canada (ISED) or Statistics Canada, that offers real-time access to information about current trade restrictions, the status of mutual recognition agreements, and progress on regulatory reconciliation.

A centralized portal would not only lower compliance costs for SMEs but also increase pressure on provinces and territories to fulfill their commitments under the RCT. Public accountability, when paired with better information infrastructure, has the potential to accelerate regulatory convergence and remove longstanding internal trade barriers.

To maximize the impact of Bill C 5 and maintain public and business confidence in its effectiveness, a Centralized Transparency Portal should be developed as an implementation support tool. This portal would serve as the single authoritative, publicly accessible source of information on:

- the current regulatory status of goods and services under mutual recognition,
- the phase in timelines and exceptions granted under Bill C-5, and
- progress on enforcement actions and compliance by provinces and territories.

By providing real time, plain language information and clear guidance, the portal will operationalize Bill C-5 for businesses and enable federal and provincial governments to track and report on implementation progress and gaps.

This portal would provide the implementation infrastructure necessary for Bill C-5 to succeed. While the Act resolves the legal barriers to internal trade, its full benefits depend on businesses' ability to understand and rely on the new rules. Without a centralized, transparent information system, the risk remains that businesses will continue to incur unnecessary costs due to outdated or inconsistent regulatory guidance.

This proposal helps turn Bill C-5 from legislative intent into economic reality by ensuring businesses and governments alike have a clear, accessible view of progress and obligations.

Recommendations

That the Government of Canada:

1. Develop and maintain a Centralized Transparency Portal, hosted by Innovation, Science and Economic Development Canada or Statistics Canada, explicitly tied to the reporting and enforcement provisions of Bill C-5.
2. Ensure the portal integrates:
    a. a public dashboard tracking jurisdictions' compliance with Bill C-5 mandates,
    b. an updated repository of permitted exceptions or transitional measures,
    c. plain language sector by sector summaries of rights and obligations under the Act.
3. Use the portal as a monitoring and grievance tracking mechanism, enabling businesses to flag inconsistencies, request clarifications, and support dispute resolution and compliance by all participating jurisdictions.

40. Bridging the Infrastructure Gap: An Innovative Federal Approach to Support Industrial Growth

Description

Canada's long-term prosperity hinges on the expansion of its industrial base. However, municipalities face mounting challenges in funding the infrastructure needed to support job-creating development. Municipalities require predictable revenue to fund growth-related infrastructure without resorting to unsustainable tax-funded exemptions. Industrial developers deserve access to flexible cost recovery mechanisms just as residential developers now do under recent legislative changes.

Background

Municipalities are no longer just service providers — they are Canada's economic engines, managing critical infrastructure, housing, public safety, and more. Yet they do so with "outdated fiscal frameworks." As noted by Federal of Canadian Municipalities (FCM) CEO Carole Saab, municipalities are "operating with 19th-century fiscal models and delivering 21st-century services."[230] According to the Municipal Growth Framework, local governments manage over "60% of Canada's public infrastructure," but receive just "8–10 cents" of every tax dollar.[231]

Since 2016, municipal revenue from property taxes has declined by 1.1% annually in real terms, while federal and provincial income and sales tax revenue has grown by 3.5%.[232]

Despite growing responsibilities, municipalities remain constrained, and as provincial legislation allows for revenue through the Development Charges Act in Ontario, development charges (DCs) have become one means to fund infrastructure. Some communities waive these costs as a competitive advantage to support growth, understanding how DCs place disproportionate costs on new developments and may deter investment, but there is a cost to growth.

As infrastructure demands increase, many are beginning to consider implementing DCs to recover growth-related costs. This trend reflects the need for broader fiscal tools to meet local infrastructure obligations.

Municipalities like Belleville, Ontario, which waived over $14.4 million in industrial DCs between 2021 and 2025, are undertaking steps to develop a Community Improvement Plan, which counters the current waiver of development charges and could transition to selective, case-by-case incentives under through the CIP.[233]

[230] Bea Vongdouangchanh, "'If we're serious about economic growth, municipalities need to be seen as partners in the national growth model': Saab," Means & Ways, June 6, 2025, https://www.meansandways.ca/news-articles/if-were-serious-about-economic-growth-municipalities-need-to-be-seen-as-partners-in-the-national-growth-model-saab.
[231] Federation of Canadian Municipalities (FCM), "Municipal Growth Framework," accessed June 2025, https://fcm.ca/en/focus-areas/municipal-growth-framework.
[232] Ibid.
[233] Watson & Associates Economists Ltd., "2025 Development Charges Update Study," City of Belleville, downloaded June 2025, https://forms.belleville.ca/Planning/2025-Development-Charges-Update-Study.

Meanwhile, Ontario's Bill 17 (2025) reformed residential DCs by allowing deferred payments, eliminating interest, and increasing infrastructure funding.[234] Yet no equivalent program exists for industrial development, despite its essential role in job creation and supply chain resilience.

The Canada Infrastructure Bank (CIB) offers a viable federal mechanism to address this gap. As a federally funded Crown corporation, CIB is mandated to support infrastructure with public benefit.[235] It cannot override provincial legislation, but it can work within it. An innovative model would:

- Allow businesses to access CIB financing for industrial expansion.
- Use a portion of the **interest paid** on those loans to remit development charge payments to municipalities.
- Preserve full municipal cost recovery.
- Avoid placing upfront infrastructure burdens on businesses.
- Use Section 27 of Ontario's DCA or equivalent provisions in other provinces to formalize third-party payment agreements.

This proposal aligns with FCM's call for a new Municipal Growth Framework that enables predictable, fair, and sustainable infrastructure funding.[236] It also supports national objectives for economic growth, regional development, and investment attraction. The model leverages existing federal tools to drive outcomes aligned with both local development needs and broader policy ambitions.

Recommendations

That the Government of Canada:

1. Encourage the Canada Infrastructure Bank to Pilot a Development Charge Remittance Model
    a. Work with eligible municipalities to explore a model where the CIB remits a portion of interest collected from business loans to municipalities to satisfy development charge obligations.
        i. Eligibility should be limited to municipalities with commercial and industrial DCs in line with federal expectations for competitiveness and growth-aligned outcomes.
2. Collaborate with Provincial Governments to Enable Third-Party Payment Arrangements
    a. Advocate for provinces to enable third-party remittance agreementsthat allow infrastructure partners (e.g., CIB) to fulfill development charge obligations on behalf of businesses under formal municipal agreements.
3. Explore Creation of a Growth-Enabling Employment Infrastructure Fund
    a. Study the feasibility of a dedicated federal or cost-shared fund focused on servicing industrial employment lands, particularly in high-growth or underutilized regions, with clear eligibility criteria and performance accountability.

[234] Ontario Home Builders' Association (OHBA), "Member Update: Bill 17 Receives Royal Assent," June 6, 2025, https://www.ohba.ca/member-update-bill-17-receives-royal-assent/.
[235] Canada Infrastructure Bank (CIB), "Frequently asked questions," accessed June 2025, https://cib-bic.ca/en/about-us/faq/.
[236] Vongdouangchanh, "Serious about economic growth."

41. Clearing the Runway: Addressing Delays in Pilot Medical Certification

Description

Nationwide delays in civil aviation medical certification constrain Canada's pilot training system, drive up costs, weaken industry competitiveness, and pose long-term risks to workforce readiness and national air transportation resilience.

Background

Canada's aviation sector significantly contributes to employment, trade, and regional connectivity. Persistent delays in processing civil aviation medical certifications create systemic bottlenecks, particularly affecting Category 1 and 3 medical certificates. These delays increase operational costs for training institutions and limit industry capacity. Although Transport Canada has introduced measures such as expanding Category 4 medical certification eligibility[237] and foreign pilot license validation,[238] significant implementation gaps remain, especially regarding immediate certification delays and transparency in application tracking.

Temporary or provisional licenses in Canada, successfully used in healthcare and commercial transportation, mitigate workflow disruptions during certification delays. Internationally, the U.S. Federal Aviation Administration (FAA) effectively issues temporary student pilot certificates, significantly reducing training delays and administrative backlogs. Implementing a similar temporary authorization in Canada would directly address short-term delays without compromising safety.[239]

In regions with limited access to Civil Aviation Medical Examiners (CAMEs), pilots often experience extended wait times. The Foreign Credential Recognition Program (FCRP) successfully integrates internationally educated professionals in sectors facing workforce shortages. Utilizing this proven framework to expand CAME ability strategically addresses this systemic bottleneck, especially in underserved areas.

Additionally, transparency and tracking of medical certification applications are still inadequate. Proven digital portals used in immigration (IRCC) and tax administration (CRA) significantly enhance transparency and reduce administrative burdens. Implementing a comparable digital portal for medical certification tracking would facilitate immediate relief and long-term operational improvements.

These recommendations are consistent with calls from major industry stakeholders — including the Air Line Pilots Association (ALPA), Canadian Business Aviation Association (CBAA), and Canadian Owners and Pilots Association (COPA) — who have similarly emphasized the need for reduced certification delays, expanded medical examiner capacity, and improved system transparency.

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[237] Government of Canada, "Canada Gazette, Part II, Volume 159, Number 5: Index," February 26, 2025, https://gazette.gc.ca/rp-pr/p2/2025/2025-02-26/html/index-eng.html.

[238] Transport Canada, "Briefing on Infrastructure in Canada – Pilot Shortages," Government of Canada, March 21, 2024, https://tc.canada.ca/en/binder/20-pilot-shortages.

[239] Transport Canada, "Transport Canada 2024-2025 Departmental Plan," last modified March 15, 2024, accessed August 18, 2025, https://tc.canada.ca/en/corporate-services/transparency/corporate-management-reporting/departmental-plans-dp/transport-canada-2024-2025-departmental-plan.

Collectively, these measures complement and enhance existing governmental initiatives, addressing critical implementation gaps, reducing operational costs for businesses, and strengthening Canada's global aviation competitiveness.

Recommendations

That the Government of Canada:

1. Establish a national service standard with defined timelines for processing civil aviation medical certificates, including both standard and complex cases.
2. Implement a temporary student pilot authorization program to allow supervised training while full medical certification is pending.
3. Expand the number and scope of Civil Aviation Medical Examiners (CAMEs), funded through Transport Canada's operational budget, given that current CAME capacity cannot meet processing demands with applications experiencing significant delays beyond established service standards.
4. Develop a centralized, digital portal to track medical certification applications with real-time status updates and queue transparency.

42. Establishment of a Pre-Approved National Trade Corridor for Economic Growth and Investment

Description

Canada's largest export market is the United States of America for raw materials, manufactured goods, and many other products. Canada was caught flat-footed when our largest trading partner in the United States threatened to place severe tariffs on our exports entering their country. Our over-reliance on one trading partner was exposed as such tariffs would cripple American buying power and by extension demand for Canadian products. Canada must diversify its export customer base by building the infrastructure required to ship in greater volume to other markets in the Asia-Pacific and Europe to be better insulated against any singular, large customer taking their business elsewhere.

Background

Canada relies heavily on the United States as a market for its exported goods. In 2024, 75.9% of Canada's exports were sent to the United States.[240] This is even more so the case in certain industries, such as energy, where 97% of Canada's crude exports go to the United States.[241]

When the President of the United States recently announced plans to place tariffs on Canadian imports,[242] our national reliance on the United States as a trading partner threatened to significantly cripple and hamper our national economy and the economic health of each Canadian province. The proposed tariffs would make Canadian products more expensive for American consumers and with our largest customer base buying less of our goods, it is predicted that if tariffs are implemented, exports to the United States would fall by 8.5% and Canadian companies would decline their investments by 12% in 2026.[243] A trade conflict would also increase inflation as approximately 13% of Canada's CPI basket is American imported goods.[244]

There are other markets who need and would purchase Canadian goods. At present, only 9% of Canadian exports and trade are with faster-growing emerging economies such as China, India, South Korea, Mexico, and Brazil.[245] Canada is getting outpaced by its peers who are exporting between 20–40% to these countries.[246] It is seemingly imperative that Canada diversify its customer base to include more of these emerging markets, so we are not at the mercy of such a large trading partner.

To do this, trade infrastructure needs to be built to get Canadian products to ports on the east, west, and arctic coastlines to access emerging markets. Canada's economic future is increasingly dependent on its

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[240] Government of Canada, "Canada-United States Relations," accessed February 25, 2025, last modified June 2, 2025, https://www.international.gc.ca/country-pays/us-eu/relations.aspx?lang=eng.
[241] Canada Energy Regulator, "Market Snapshot: Almost all Canadian crude oil exports went to the United States in 2023," August 21, 2024, accessed February 25, 2025, https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-almost-all-canadian-crude-oil-exports-went-to-the-united-states-in-2023.html.
[242] John Paul Tasker, "Trump says he'll hit Canadian goods with 25% tariff next week after month-long pause," Canadian Broadcasting Corporation (CBC), February 24, 2025, accessed February 25, 2025, https://www.cbc.ca/news/politics/trump-tariffs-next-week-1.7467202.
[243] Tiff Macklem, "Tariffs, structural change and monetary policy," Bank of Canada, February 21, 2025, accessed February 25, 2025, https://www.bankofcanada.ca/2025/02/tariffs-structural-change-and-monetary-policy/.
[244] Ibid.
[245] Rotman Insights Hub, "The urgent need for Canada to diversify its trade," November 2018, accessed February 25, 2025, https://www-2.rotman.utoronto.ca/insightshub/economics-trade-policy/urgent-need-for-canada-diversi.
[246] Ibid.

ability to efficiently and increasingly move energy, raw materials, and manufactured goods to new domestic and international markets. Simply put, Canada needs to establish a national Pre-Approved Trade Corridor consisting of pipelines, railways, transmission lines, and expanding highways. This Trade Corridor will ensure raw materials and products get increased access to ports on all coasts of Canada, allowing us to diversify our customer base outside of our biggest trading partner in the United States of America. To be effective, all regulatory requirements for the Pre-Approved Trade Corridor development will be pre-established, consultation will be concluded, and associated projects and operations can be effectively fast tracked.

Establishing a national Pre-Approved Trade Corridor will create tens of thousands of jobs, attract billions in private sector investment, increase tax revenues for all jurisdictions of government, and boost real GDP by 2.5% over the long term.[247]

Recommendations

That the Government of Canada:

1. Map out a multi-modal national Pre-Approved Trade Corridor in collaboration with the provinces and territories that will provide Canadian raw materials and products such as crude oil, hydrogen, electricity, water, access to ports on the east, west, and arctic coasts, to facilitate access to diverse markets outside of North America. This corridor would include pipelines, highways, railways, and transmission lines.
2. Leverage and potentially expand existing infrastructure programs, such as the National Trade Corridors Fund, to support this initiative.
3. Collaborate with all provincial and territorial governments to ensure products can move through the newly built corridor freely, without interprovincial tariffs, and pre-approved for all environmental, land use, and interprovincial requirements with a single-window regulatory framework.
4. Ensure that consultation with Indigenous communities, municipalities, and other key stakeholders regarding the Pre-Approved Trade Corridor is concluded at the outset, creating certainty for project proponents.
5. Diversify Canada’s customer base and market access by promoting its products and establishing trade relationships in the Asia-Pacific, Europe, and expanded and new U.S. markets, reducing over-reliance on any single market.

[247] Bank of Canada, “Tariffs.”

43. Floods–An Emerging Economic Threat Requiring Action

Description

Canada has several thousand kilometres of coastline along which communities are located. For example, the Fraser River and other rivers flow through British Columbia (B.C.) and communities that are vulnerable to flooding. Floods from rivers and oceans could destroy or affect residential, commercial, industrial, and agricultural properties as well as affect transportation means (roads, highways, bridges) and cause widespread disruption to day-to-day living requiring significant expenditure to restore areas back to pre-flood conditions.

The threat is real across Canada from the 2019 Spring Floods in Ontario, New Brunswick and Quebec to the 2024 Don River Floods in Toronto. According to Statistics Canada, 1 in 10 Canadian households are highly exposed to flooding.[248]

The damage to the economy and businesses due to floods is significant, in the hundreds of million dollars. The Fraser Valley has already experienced two catastrophic floods within a 20-year span (1990 & 2021). Flood protection structures, measures such as dikes and associated infrastructure (pump stations, flood boxes, rip rap and relief wells) throughout B.C. need to be upgraded to combat the threat of sea level rise of up to 1m by 2100.[249] Significant time-bound expenditures are needed to upgrade flood protection infrastructure throughout B.C. and Canada.

Background

Climate change leading to melting ice caps in the North and South poles is causing sea level rise. The B.C. Ministry of Environment and Climate Change Strategy has directed cities to prepare for a 1m rise in sea levels by 2100. Extreme weather events such as atmospheric rivers causing significant rainfall/snowfall and river levels rising beyond diking or natural levels are being seen in communities across Canada. Forest fires and heat domes that are experienced more often across Canada further challenge the environment and predispose land to flooding by destroying trees and vegetation that normally play a water absorption role. This can cause significant flooding of rivers flowing through highly productive agricultural and employment areas across Canada. Flooding poses catastrophic risks to Canada's economic vitality, competitiveness, the reliability of supply chains, and food security for businesses and communities.

The Federation of Canadian Municipalities estimated in 2020 that avoiding the worst impacts of climate change at the municipal level will cost an estimated $5.3 billion per year.[250]

Although cities have been directed to prepare for sea level rise and river body risks, there remains the need for significant dollars to upgrade dikes and associated infrastructure over the coming years to prepare adequately for such flooding events. There is a 0.5% chance of an extreme flood today while

[248] Statistics Canada, "Another year of catastrophic weather in Canada," October 16, 2024, https://www.statcan.gc.ca/o1/en/plus/7165-another-year-catastrophic-weather-canada.
[249] The Arlington Group Planning + Architecture Inc. et al., "Sea Level Rise Adaptation Primer: A Toolkit to Build Adaptive Capacity on Canada's South Coasts," British Columbia Ministry of Environment, 2013, https://www2.gov.bc.ca/assets/gov/environment/climate-change/adaptation/resources/slr-primer.pdf.
[250] Federation of Canadian Municipalities (FCM), "Investing in Canada's Future: The Cost of Climate Adaptation at the Local Level," February 2020. https://fcm.ca/en/resources/investing-in-canadas-future.

there is a 50% chance of an extreme flood by 2100.[251] Complete restoration of coastal and river boundary communities and infrastructure following a major flood event could take several years causing severe disruption to the economy resulting in losses of several hundreds of millions of dollars.

To help prevent damage and losses, flood prevention infrastructure across Canada must be upgraded in a timely manner and in a priority sequence.

A Community Example

The City of Abbotsford in British Columbia has long been advocating for upgrades to diking and drainage infrastructure and more predictable funding arrangements with the province and federal government, given historical flooding vulnerability from the Nooksack River and major flooding events, more recently in 1990 and with the 2021 disaster. The City of Abbotsford's key focus in the months ahead is to ensure federal and provincial support is provided to upgrade the Sumas and Matsqui dikes.

Former Abbotsford Mayor Henry Braun has warned that the disaster in Sumas Prairie will pale by comparison if the Matsqui dike breaches. The Fraser River is 10 times larger and more powerful than the Nooksack River and will wreak havoc on our economy and infrastructure if it overtops the substandard dikes that are in place. The Fraser Basin Council estimates that the economic impact of a Fraser River flood event on Matsqui Prairie to be approximately $30 billion.[252]

Current drainage infrastructure urgently requires upgrading given the time-sensitive implications with respect to sea level rise. A report (2015) released by the B.C. Ministry of Forests, Lands and Natural Resources found that 71% of lower mainland dikes were vulnerable to failure by overtopping, where floodwaters breach the top of the dike resulting in a flood.[253] Directing water out of the farmland, and out of the region depends on the effectiveness of regional drainage systems, requiring the province to approach upgrading from a regional perspective, working with municipalities. Only 4% of dikes in B.C. met provincial standards.[254]

With a focus on food security and the protection of food sources, federal and provincial governments must rethink infrastructure investments to prevent a greater disaster that may be just around the corner. Abbotsford is one of the most intensely farmed areas in North America and has the highest farm sales per hectare of any other City in Canada, directly contributing to the economy, creating jobs, and food security in the province and country.[255] In a recent report, Abbotsford agriculture was found to be responsible for $3.83. billion in economic activity, up from $1.8 billion in 2008.[256] As one of the primary employment drivers for the region, agriculture accounts for over 16,000 full-time jobs, equating to 23% of all jobs in the city. The Abbotsford case illustrates the importance of protecting our food supply and major supply chain routes against natural disaster in the interests of the entire province and country.

Local governments simply cannot afford to fund what is needed to upgrade such critical infrastructure. For example, $1 billion is needed to rebuild both dikes in Abbotsford to today's standard.[257] Similar upgrade

[251] Natural Resources Canada, "Case Studies on Climate Change in Floodplain Mapping," Government of Canada, 2018, https://natural-resources.canada.ca/science-data/science-research/natural-hazards/flood-mapping/case-studies-climate-change-floodplain-mapping.
[252] Fraser Basin Council, "Lower Mainland Flood Management Strategy: Phase 1 Summary Report," May 2016, https://floodwise.ca/wp-content/uploads/2020/03/FBC_LMFMS_Phase_1_Report_Web_May_2016.pdf.
[253] Ibid.
[254] Ibid.
[255] Abbotsford Chamber of Commerce, "Canada's Agricultural Hub – An Economic Analysis of Agriculture in Abbotsford," May 25, 2022, https://www.abbotsfordchamber.com/canadas-agricultural-hub-report-2022/.
[256] Ibid.
[257] Global News, "Abbotsford Mayor Warns of Disaster if province and feds don't pitch in for dike repair," December 10, 2021, https://globalnews.ca/video/8442039/abbotsford-b-c-mayor-warns-of-disaster-if-province-feds-dont-pitch-in-for-dike-repair.

requirements and high costs have been identified in municipalities from Richmond to Chilliwack, and in a number of northern communities with similar flood potential.

It is understood that dike inventory maps, designs, etc. have been prepared by the Provincial Government and that funding for upgrades from both the federal and provincial governments has arrived in pockets over the years since at least 2014.

However, as stated previously, long-term funding certainty is required and significant and strategic funding and planning to study flooding patterns of rivers, understand climate change implications with respect to sea level rise especially time sensitivities, as well as improve and upgrade flood protection measures throughout B.C. A report (2015) released by the B.C. Ministry of Forests, Lands and Natural Resources found that 71% of lower mainland dikes were vulnerable to failure by overtopping, where floodwaters breach the top of the dike resulting in a flood.

There is also a significant risk associated with “orphaned” infrastructure. Flood infrastructure currently built and relied upon has no jurisdiction responsible for maintenance or upgrade. Much of the infrastructure built in past flooding emergencies has no “owner” and is still critical to providing flood protection on the Fraser River (and tributaries). Any effective provincial diking program must address the challenge of orphaned infrastructure.

Natural disasters such as floods pose a huge economic risk when key supply chain and transportation routes are impacted. It is of paramount importance to protect our trade-enabling infrastructure as well as the connectivity of people and goods in B.C. and Canada.

The impact of the flooding in Abbotsford, the epicentre of the recent flood disaster in B.C., is a critical example of how, as a result, B.C. and regions within the province were disconnected from each other to agri-foods and the rest of the lower mainland due to the floods. This impacted food security, trade and connectivity among people. With the Lower Mainland being the Asia Pacific Gateway, the consequences of poor infrastructure and emergency preparedness come at a high economic and human cost. The Port of Vancouver trades approximately $200 billion in goods with more than 170 trading economies. The Port of Metro Vancouver is the #1 in Canada and #2 in terms of total foreign exports.

The 2021 Context

B.C. experienced severe weather patterns in 2021 that resulted in devastating flooding across the province. Vital road, rail, and port links were severed for weeks, and farms, homes and businesses were destroyed. It is estimated that 15,000 people were forced to evacuate their homes, countless crops were lost, and over 600,000 farm animals perished. In addition, the Trans Mountain Pipeline was shut down, resulting in a fuel shortage in the Lower Mainland. Sections of Highway 1 and other areas across the province were closed to traffic, supplies and people. Ken Peacock, former Senior Vice-President and Chief Economist at the Business Council of B.C., estimated that the weather disaster resulted in lost economic output for the province ranging from $250 million to $400 million.

In the B.C. flood disaster of November 2021 that impacted communities across the province, the City of Abbotsford’s Sumas Prairie was hardest hit with the impact of a record-breaking atmospheric river that fell on Southern B.C. and caused Washington State’s Nooksack River to overflow across the border into the Sumas Prairie.

Following the 2021 floods, A joint application was submitted for $1.7 billion to the Federal Government Disaster Mitigation and Adaption Fund (DMAF). Abbotsford had applied for $1.6 billion, with Princeton applying for $55 million and Merritt $48 million. Those funds were entirely denied by the federal government, and no funding has been approved to-date.

DMAF is a national, competitive, and merit-based contribution program requiring communities to apply for funding through a competitive applications process

This federal government disaster mitigation program was created in 2018 with $2 billion, and another $1.375 billion was added in 2021. At the end of 2022, Ottawa announced an additional $489 million for the fund.

The economic toll of the major flooding events is still not fully quantified. However, data collected from the Abbotsford flooding disaster from impacted farmers and businesses revealed millions of dollars in damages and long-term damage, particularly in the organics and berry sectors. There was little in the way of a coordinated approach to minimize the damage from the floods. The weaknesses of the flood mitigation strategies have been exposed, and it is evident that when a disaster occurs, a federal-provincial-municipal response is needed.

Recommendations

That the Government of Canada:

1. Increase Disaster Mitigation and Adaptation Fund (DMAF) capacity, given that current $3.9 billion national allocation is insufficient when individual critical projects require over $1 billion.
2. Modernize the federal emergency flood mitigation program by revising DMAF criteria to better accommodate large-scale infrastructure projects, in consultation with local governments, provinces, and the business community.
3. Champion formal discussions with the United States on coordinated cross-border flood risk mitigation.

44. Funding for Critical Long-Term Infrastructure Development

Description

Canada is facing a critical infrastructure gap. Rapid population growth, projected to reach 45.2 million by 2040[258] and a housing target of 5.8 million units by 2030[259] have placed unsustainable pressure on municipal infrastructure. However, current funding is insufficient to meet the growing demand for water and wastewater systems, electrical grids, and roads. The Federation of Canadian Municipalities (FCM) estimates that infrastructure costs for new housing average $107,000 per home[260] Municipalities cannot absorb this cost without compromising housing affordability. Property taxes and development charges are not sustainable as primary revenue tools. While initiatives like Ontario's $600M Ontario Municipal Partnership Fund (2024)[261] are a step in the right direction, they fall short when spread across 390 municipalities. A coordinated national funding strategy is needed to address these growing infrastructure demands.

Background

Aging infrastructure is widespread across Canada.

Water & Wastewater Systems:

- 20% of water, sewer, and stormwater pipes are over 50 years old.[262]
- 41% were built between 1970–1999 at an average of 6,698 km/year.[263]
- FCM reports $26.5 billion is needed over the next 10 years to upgrade these systems.[264]

Electrical Infrastructure:

- 40% of Canada's electrical distribution network is outdated.[265]
- A 15% shortfall in electricity supply is expected by 2035, with projected demand at 875 GWh vs. 750 GWh capacity.[266]
- Investment in modern grids is essential for reliability and climate resilience.

Municipal Roadways:

[258] Statistics Canada, "Population Projections for Canada, Provinces and Territories: Interactive Dashboard," accessed August 18, 2025, https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2022015-eng.htm.
[259] Richard Lyall, "Municipalities Handcuffed When it Comes to Funding Critical Infrastructure," December 15, 2023, https://rescon.com/media/in-the-news/municipalities-handcuffed-when-it-comes-to-funding-critical-infrastructure.
[260] Ibid.
[261] Government of Ontario, "Ontario Increasing Ontario Municipal Partnership Fund to $600 Million," November 22, 2024, https://news.ontario.ca/en/release/1005385/ontario-increasing-ontario-municipal-partnership-fund-to-600-million.
[262] Statistics Canada, "Canada's Core Public Infrastructure Survey: Water Infrastructure, 2020," July 26, 2022, https://www150.statcan.gc.ca/n1/daily-quotidien/220726/dq220726a-eng.htm?utm_source.
[263] Statistics Canada, "Canada's Core Public Infrastructure Survey: Replacement values, 2022," October 21, 2024, https://www150.statcan.gc.ca/n1/daily-quotidien/241021/dq241021b-eng.htm.
[264] Canada Energy Regulator, "Provincial and Territorial Energy Profiles – Canada," last modified September 10, 2024, accessed August 18, 2025, https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-canada.html.
[265] Ibid.
[266] Shaz Merwat, "Power Struggle: How AI is challenging Canada's electricity grid," RBC Climate Action Institute, December 4, 2024, https://www.rbc.com/en/thought-leadership/climate-action-institute/power-struggle-how-ai-is-challenging-canadas-electricity-grid/?utm_.

- Over 25% of roads require urgent repair, with nearly 50% in less-than-good condition.[267]
- Poor roadway conditions increase long-term municipal costs and delay transportation.

Without strategic funding, municipalities cannot maintain or expand infrastructure to meet demand. This puts public health, safety, and economic growth at risk.

Justification for the 25% Increase to the CCBF

- Backed by FCM: The Federation of Canadian Municipalities (FCM) recommends increasing federal transfers by $2.6 billion annually, raising the total to $5 billion, which supports a 25% CCBF boost.[268]
- Strategic Alignment: A 25% increase, from $2.4 billion to $3 billion, is a meaningful step toward FCM's broader funding goals.
- Proven Precedent: The federal government doubled the fund in both 2019 and 2021, showing precedent for significant increases.[269]
- Infrastructure Pressure: Municipalities face rising demands for core infrastructure, and a CCBF increase provides needed, predictable support.

Recommendations

That the Government of Canada:

1. Increase Federal Transfers for Municipal Infrastructure
    a. Boost the Canada Community-Building Fund (CCBF) by 25%.
    b. Aligns with FCM's call for $2.6 billion more annually in federal transfers.
    c. Adjusts for inflation, housing needs, and population growth since the current $2.4 billion baseline.
    d. Allocate based on annual municipal asset conditions and projected growth.
2. Establish a Rural and Remote Infrastructure Enhancement Program
    a. Expand Housing Infrastructure Fund (CHIF) to Create a dedicated program for rural, remote, and Indigenous communities.
    b. This will allow for enhanced funding for critical upgrades in water, wastewater, and road infrastructure.
    c. Ensures equitable access and support for areas with limited local funding capacity.

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[267] Housing, Infrastructure and Communities Canada, "Deputy Minister of Housing, Infrastructure and Communities Transition Binder (2024) – Book 2: State of Housing, Homelessness and Infrastructure in Canada," last modified April 30, 2025, accessed August 18, 2025, https://housing-infrastructure.canada.ca/pd-dp/transition/2024/dm-sm/2/book-cahier-2-eng.html.
[268] Federation of Canadian Municipalities (FCM), "FCM Releases Roadmap to Improve Quality of Life for Canadians by Strengthening Municipal Finances," June 6, 2024, https://fcm.ca/en/news-media/news-release/fcm-releases-roadmap-improve-quality-life-canadians-strengthening-municipal-finances.
[269] FCM, "What FCM has achieved for its members," accessed August 18, 2025, https://fcm.ca/en/about-fcm/membership/results.

45. Harnessing Retail Debt to Accelerate Canadian Infrastructure Development

Description

Canada faces persistent delays and political challenges in developing large-scale infrastructure projects — particularly pipelines, power transmission, and clean energy — despite significant need and public interest. To foster public support and unlock capital, the federal government should enable and incentivize the use of retail debt instruments, allowing Canadians to directly invest in, and benefit from, the infrastructure projects shaping the nation's future.

Background

Canada's infrastructure ambitions are increasingly constrained by financing limitations, political polarization, and regulatory complexity. Major projects like pipelines and electricity corridors often face fierce public opposition and slow progress, even as national demand for energy security and supply chain reliability grows.

Retail debt — publicly available investment vehicles such as infrastructure bonds — can offer a solution by directly involving Canadians in project ownership. Historically, Canadians have responded positively to direct investment opportunities that align with national interests. Examples include the Canada Savings Bonds program (discontinued in 2017), which once attracted over $55 billion in citizen-held investments at its peak,[270] and more recently, the popularity of green bonds in provinces like Ontario.[271]

Retail debt mechanisms could turn NIMBY (Not in My Backyard) resistance into YIMBY (Yes in My Backyard) enthusiasm by giving Canadians "a piece of the action" through project-based bonds, as stated by economist Peter Tertzakian. This democratization of infrastructure finance could broaden public buy-in and reduce opposition.

Globally, the concept is gaining traction. In the U.K., the issuance of "green gilts" has allowed the public to invest in climate-resilient infrastructure. In the U.S., municipal bonds fund highways, schools, and water systems, often held in retail portfolios. Canada lags behind on this front, especially at the federal level, where no targeted program exists to facilitate citizen ownership of national infrastructure.

Implementing a national retail debt program would require initial investments by the federal government, estimated between $150 million and $400 million over three years. This may include program administration ($10–20 million/year), digital platform development ($25–50 million one-time), public education ($5–15 million/year), regulatory oversight ($3–8 million/year), and community engagement support ($10–30 million/year). Optionally, federal tax credits, or deferrals on capital gains and interest earned could be explored as incentives ($50–200 million/year in forgone revenue).

Retail bonds can reduce long-term capital costs for infrastructure by 1–4%,[272] representing hundreds of millions in savings over a 30-year project life. For example, on a $10 billion project with a typical 3% interest cost, a 4% relative reduction in borrowing spread could yield approximately $400 million in

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[270] Department of Finance Canada, "Archived – Evaluation of the Retail Debt Program," Government of Canada, May 26, 2015, https://www.canada.ca/en/department-finance/corporate/transparency/audits-evaluations/2015/evaluation-retail-debt-program.html.

[271] Ontario Financing Authority, "Province of Ontario Sustainable Bonds," Government of Ontario, accessed August 18, 2025, https://www.ofina.on.ca/sustainablebonds/.

[272] Peter Tertzakian, "Want to get pipelines built? Let Canadians own a piece of the action," April 25, 2025, The Hub, https://thehub.ca/2025/04/25/peter-tertzakian-want-to-get-pipelines-built-let-canadians-own-a-piece-of-the-action/.

interest savings over 30 years. Infrastructure investments of this type typically yield GDP multipliers of $1.50–$3.00 per dollar invested.[273] Public involvement in financing may also shorten project timelines thanks to enhanced public support and reduced opposition.[274]

Ultimately, retail debt mechanisms represent a high-leverage, low-risk investment in Canada's future infrastructure capacity, economic resilience, and public confidence.

Recommendations

That the Government of Canada:

1. Evaluate the potential effects of a federal framework that issues government-backed retail bonds to finance national infrastructure projects. This could include energy and energy transition projects, Indigenous-led infrastructure projects, and interprovincial trade corridors. It could include:
    a. Partnerships with financial institutions and Crown corporations to build a digital platform enabling Canadians to easily purchase and manage their infrastructure bond holdings, with transparent project updates and performance metrics.
    b. Ability to explore a retail investment option during their financing phase for federally supported infrastructure projects exceeding $500 million, ensuring a share of ownership is available to individual Canadians.
    c. A public education initiative on infrastructure investing, highlighting the personal and national benefits of participating in infrastructure development through retail debt.
    d. Review of the impact of federal tax credits or deferrals on capital gains or interest earned from federally certified infrastructure bonds to improve accessibility and appeal.

[273] Faster Capital, "Fiscal Multiplier Effect The Secret to Boosting Economic Performance," accessed August 18, 2025, https://fastercapital.com/articles/Fiscal-Multiplier-Effect--The-Secret-to-Boosting-Economic-Performance.html.
[274] Public Private Partnership Alliance, "Understanding Public-Private Partnerships," May 1, 2025, https://www.pppalliance.org/blog/understanding-public-private-partnerships.

46. Improving the Visibility, Flexibility, & Reliability of Canadian Supply Chains

Description

Global supply chain disruptions continue to impact businesses and consumers worldwide. While trade and e-commerce have stabilized since the post-pandemic surge, new challenges — such as geopolitical instability, climate-related events, and labour shortages — cause persistent delays across critical sectors. Canadian businesses face mounting pressure to manage these disruptions while maintaining service and cost expectations. These issues are compounded by underinvestment in technologies that provide real-time visibility into supply chain operations, and in contingency planning strategies. Strengthening these areas is essential to ensuring Canada's long-term economic competitiveness and ability to respond to future crises.

Background

The COVID-19 pandemic and ensuing cycle of emergency measures exposed longstanding vulnerabilities across national and international supply chains. In many cases, these disruptions prompted a re-evaluation of risk management strategies and a shift away from just-in-time delivery models. However, supply chains today remain highly susceptible to global crises, climate-related disasters (such as flooding and wildfires), trade tensions, and infrastructure bottlenecks — any of which can impact the flow of goods from resource extraction and manufacturing to distribution centres, warehouses, ports, and final delivery. Recent shifts in our trading relationship with the United States, including challenges in evaluating the impact of foreign-imposed tariffs on domestic industry, further underscore the urgent need for greater supply chain visibility and data-driven risk assessment that support timely and appropriate policy responses.

Persistent challenges include labour shortages in the trucking, warehousing, and logistics sectors; capacity limits in critical trade infrastructure; and growing climate risks. These are compounded by underinvestment in digital tools that provide real-time visibility, predictive analytics, and agile supply chain management — capabilities that are essential for modern resiliency and rapid response.

While no single policy can eliminate supply chain risk, strategic investments can reduce system-wide fragility and better position Canadian businesses to adapt to future shocks. These include efforts to improve infrastructure, build capacity, and integrate digital solutions across all supply chain nodes.

Many businesses — particularly small and medium-sized enterprises — still rely on outdated technologies, or even paper-based systems, to manage complex logistics. Financial setbacks from the pandemic, inflation, and growing uncertainty around tariffs have made it more difficult for these businesses to invest in the upgrades necessary to adopt Industry 4.0[275] standards. To support adoption, targeted federal programs such as grants, loan guarantees, subsidies, and digital incentives are needed to improve traceability, real-time inventory tracking, and operational efficiencies.

Moreover, governments and businesses alike must adopt more innovative risk management strategies. For decades, the focus on cost-efficiency and outsourcing has led to rigid, globally integrated networks

[275] Refers to the fourth and subsequent Industrial Revolutions driven by technological innovation and characterized by the increase in data exchange, automation, and the integration of digital technologies into supply chain and manufacturing processes.

that lack flexibility and redundancy. In today’s environment, supply chains need to be designed with contingency planning and operational flexibility at their core. The lack of visibility beyond first-tier suppliers remains a major barrier and limits the ability of companies to anticipate disruptions or develop and execute effective disaster recovery plans. Over-reliance on single suppliers, customers, or markets further compounds these risks.

The Government of Canada has a responsibility to identify systemic gaps in supply chain infrastructure and to invest in improvements that promote long-term reliability and resilience. Targeted supports for affected businesses and accelerated investments in digitization, risk management, and contingency planning are necessary to secure Canada’s trade competitiveness and economic stability in the face of ongoing global uncertainty.

Recommendations

That the Government of Canada:

1. Expand existing financial support programs such as the Strategic Innovation Fund, Global Affairs Canada’s Trade Commissioner Service, and the National Research Council’s Industrial Research Assistance Program to provide dedicated support for small and medium-sized businesses to adopt risk-management and diversification strategies, and to implement technology that improves visibility, enables predictive analytics, and supports real-time management across their supply chains.
2. Continue collaborating with the private sector to digitize key supply chain components — including infrastructure, air, freight, and sea cargo — to enable system-wide adoption of emerging technologies, real-time product management tools, and automation, while improving efficiency and communication across the entire supply chain network.
3. Work alongside all levels of government and direct funding through federal infrastructure programs to:
    - (a) Help build necessary capacity across all modes and channels of distribution across Canada, while expanding the availability of logistics and warehousing facilities.
    - (b) Urgently identify, protect, and invest in the future of critical trade-enabling infrastructure assets, including ports, rail, roadways, and airports.
    - (c) Expand and strategically target funding through the Federal National Trade Corridor Fund for critical component ports of the global supply chain, including airports with cargo capacity, that can provide increased resilience to the global supply chain network by offering alternative modes of transportation.
4. Explore and develop contingency plans in partnership with key existing and new trading partners to strengthen the resiliency of supply chain networks, ensure rapid response mechanisms to disruptions, and keep supply chains moving.

47. The Road to Better Trade: Reducing Interprovincial Trade Barriers in Trucking

Description

Improved interprovincial trade could result in significant growth opportunities for Canadian business. These improvements can be achieved by removing barriers such as those which add costs and delays to transport trucking. The Government of Canada should work to support and coordinate this harmonization process across all federal partners.

Background

Eliminating interprovincial trade barriers presents a significant opportunity for economic growth in Canada. Studies suggest that removing these obstacles could increase Canada's GDP by up to $161 billion annually.[276] Furthermore, these barriers add between 8% and 14.5% to the price of goods and services,[277] inflating business costs and limiting growth potential.

One particularly critical trade barrier is the misalignment of standards, regulations, and infrastructure governing transport trucking. The commercial trucking industry is a backbone of Canada's national supply chains, with trucks carrying 90% of the country's 72.9 million freight shipments.[278]

Regulatory Harmonization

Each province in Canada exercises jurisdiction over its highway infrastructure and trucking regulations, including driver standards and vehicle requirements. The result is a patchwork of regulations, which imposes additional costs on shippers as they navigate varying provincial rules. While some efforts have been made to harmonize these standards, they have lacked a coordinated approach to fully align trucking governance across all provinces.

The Canadian Trucking Alliance (CTA) has identified specific areas where regulatory alignment could yield the greatest benefits. The Government of Canada should facilitate and support provincial governments in standardizing and harmonizing:

- Driver training requirements
- Permit conditions and licensing for long combination vehicle programs and oversize/overweight equipment
- Minimum clearance requirements in construction zones
- Regulatory definitions, including terms such as "sunrise" and "sunset"
- Spring weight restrictions and road bans

Additionally, for special permit applications — such as those for oversize/overweight equipment — a unified electronic permitting system would expedite approvals. This centralized system would allow

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[276] Christopher S. Cotton and Daniel Teeter, "Breaking Down Canada's Internal Trade Barriers," The John Deutsch Institute for the Study of Economic Policy, Queen's University, *JDI Policy Insight* 25-0301, March 2025, https://jdi.queensu.ca/wp-content/uploads/2025/03/Cotton-Teeter-Interprovincial-Barriers-JDI-Policy-Insight.pdf.

[277] Steven Globerman, "The Growing Imperative to Create a More Integrated Internal Economy in Canada," The Fraser Institute, November 1, 2024, https://www.fraserinstitute.org/sites/default/files/2024-10/growing-imperative-to-create-a-more-integrated-internal-economy-in-canada.pdf.

[278] Statistics Canada, "Commodity flows by mode in Canada: Canadian Freight Analysis Framework, 2017," May 14, 2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200514/dq200514c-eng.htm.

shippers to obtain permits more quickly while enabling provincial authorities to coordinate and regulate these shipments more efficiently. Applicants would request permits from the appropriate province, but the application process would be streamlined through a single platform.

Trucking Infrastructure

Infrastructure inconsistencies across provinces pose further challenges. Many of these issues fall under the jurisdiction of individual provinces, requiring a concerted effort to achieve unified standards. Here again, the Government of Canada has an opportunity to bring provincial administrations together to address these disparities.

The CTA has highlighted that segments of Canada's National Highway System (NHS) lack rest stops at recommended intervals of approximately 80 to 160 km.[279] Given that truck drivers must comply with hour-of-service regulations limiting their daily driving time, insufficient rest stops force them to halt earlier than necessary to ensure access to safe and legal parking. Addressing this gap would improve efficiency and compliance with safety regulations.

Another critical issue is the variation in bridge heights across the country, which complicates long-haul shipping routes. Establishing and enforcing a national minimum standard for new bridge construction would enhance operational predictability and reduce administrative costs associated with route planning around inconsistent bridge clearances.

Conclusion

Addressing interprovincial trade barriers — especially those affecting trucking regulations and infrastructure — would significantly improve supply chain efficiency and bolster Canada's economic growth. By fostering greater regulatory alignment and investing in infrastructure harmonization, policymakers can reduce costs, enhance business operations, and strengthen the country's trade networks.

Recommendations

That the Government of Canada:

1. Promote the creation of harmonized trucking standards and regulations between provinces and territories by facilitating discussions between all provincial/territorial governments in Canada.
2. Develop a national electronic permitting system for oversize/overweight equipment in partnership with provincial governments to create a single application for all provincial permits.
3. Establish a national standard for rest stop intervals and minimum heights for new bridge construction and support the coordination of provincial plans to address highway infrastructural challenges.

[279] Andrea Chiu, "Rerouting reform: Overcoming internal trade barriers in Canada's trucking regulation," Miller Thomson LLP, May 26, 2025, https://www.millerthomson.com/en/insights/transportation-and-logistics/rerouting-reform-overcoming-internal-trade-barriers-in-canadas-trucking-regulation/.