



PROGRESSIVE
CONTRACTORS
ASSOCIATION
OF CANADA

2026 ONTARIO PRE-BUDGET SUBMISSION

Standing Committee on
Finance and Economic
Affairs

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ABOUT PCA

PCA is a national construction association representing more than 150 contractors who employ over 40,000 skilled workers that belong primarily to the CLAC union. We act as the advocate for our members and conduit between government, industry and their affiliated unions to help our members access opportunities and grow their business.

PCA has been at the forefront of the construction industry, representing a collective group of contractors, entrepreneurs, and business owners whose workforces have chosen the progressive unionized model.

We provide our members with action-based advocacy, labour management advice, business-to-business networking opportunities and resources to help them access workers and opportunities to build and maintain capital and infrastructure projects across Canada.



INTRODUCTION

The current trade tensions between Canada and the United States are exposing a number of economic weaknesses that have grown more acute in recent years; notably the divergence in the standard of living that is correlated with Canada's faltering productivity.

When the per capita GDP of the provinces is adjusted for purchasing power, or what a dollar will buy you in each country, Ontario is basically tied with Alabama, based on an analysis of state and provincial economic data by Trevor Tombe, a professor of economics at the University of Calgary.

Fortunately, Ontario has a number of advantages that the province can lean into. For instance, record numbers of young people are entering in-demand jobs like the skilled trades. Ontario needs to ensure that funding and support for college-based skills training keeps up with both industry and student demand for in-class training. It's also important to ensure that our publicly funded infrastructure projects are built by using tax dollars efficiently.

The province has an obligation to act as a catalyst to increase productivity, modernize the apprenticeship system, and increase competition in construction procurement whenever provincial tax dollars are used. Decisions made today will have ramifications for generations. Tens of billions of dollars in capital works funding is budgeted for the construction of crucial public infrastructure from new hospitals; energy transmission and generation; roads and transit to schools; as Ontario builds for a record population and job growth. Now is the time for bold action to ensure Ontario spends wisely, and trains and retains the best workers, by modernizing its training and apprenticeship system.

The following policy recommendations are focused to help address the province's lagging productivity so that Ontario's construction industry can be a national and global leader and in turn attract private investment to spur economic growth.

COMPETITIVE PROCUREMENT: ONTARIO'S ENERGY SECTOR

The construction of publicly funded energy projects at OPG, Bruce Power, and Hydro One properties are limited to select contractors, employing only one type of labour model. This applies to even minor work, such as paving a road or installing toilets. PCA contractor members and non-union contractors are not able to bid or work on any of these construction projects, thereby substantially limiting competition, limiting the availability of skilled trades and increasing costs.

The Electrical Power Systems Construction Association (EPSCA) was established in 1972 and negotiates construction trade collective agreements on behalf of employers performing construction industry work on Ontario Power Generation Inc., Bruce Power and Hydro One property. EPSCA's membership includes 18 international building trades unions along with Bruce Power, Ontario Power Generation and Hydro One. In order to bid on any construction work in the energy market, construction contractors must be members of EPSCA and adhere to EPSCA Collective Agreements. This effectively prevents all non-union and non-building trades union companies from participating in almost all energy-related construction work in Ontario.

This restrictive model is unique in Canada. All other provinces have energy procurement models that are competitive, and not based on union affiliation. While PCA members currently work on similar energy construction projects in other provinces, they are barred from doing so in Ontario.

SOLUTION:

While maintaining strict pre-qualification standards, Ontario should legislate changes similar to Bill 66 (Restoring Ontario's Competitiveness Act 2018), which would prompt OPG, Bruce Power and Hydro One to opt-out of legacy collective agreements which currently prohibit all CLAC and non-union contractors and their workers from bidding and working on their projects.

CITY OF TORONTO: REQUIRE CONSTRUCTION COMPETITION

The City of Toronto is bound to nine province-wide collective agreements in the Industrial, Commercial and Institutional (ICI) sector of the construction industry. This means that all construction work that is tendered by the City in the ICI sector – from repairs at the Toronto Community Housing Corporation (TCHC) to construction of new libraries – can only be bid on and awarded to contractors that are affiliated with select unions. When the province made changes to the Ontario Labour Relations Act in 2019, it gave municipalities the option to end these agreements so they would be able to receive bids from all contractors and give all local workers the chance to work on their tax-dollar funded projects.

Every other Ontario municipality caught in a similar, complex arrangement chose to embrace competition and fairness so that all contractors could bid on the work. This resulted in a higher number of bidders, more local workers and significant cost reductions for these municipalities.

However, the City of Toronto is the outlier. It is the only municipality in Ontario that chose to maintain a decades old 'closed system' of tendering. As a result, its capital budget is increasing exponentially and the state of infrastructure across the city has never been worse. Opening up Toronto's closed tendering system and encouraging competition, would allow the city to get the best value for money, and build more of the infrastructure it desperately needs.

The Region of Waterloo and the cities of Hamilton and Sault Ste. Marie are now benefitting from a competitive procurement process, which is lowering capital costs and providing value for taxpayers. Based on data from the Region of Waterloo and Hamilton they achieved an average savings of 14-21% on their construction projects after they embraced competition. The Region of Waterloo cited an estimated \$24 million annually in cost savings, from 2019-2020, immediately after the legislative change.

While the special interests that benefit from the current closed arrangement argue that wages, safety and diversity requirements would be negatively impacted by construction competition, nothing could be further from the truth.

The City of Toronto already requires that only the safest contractors can bid and work on City of Toronto construction sites by requiring a Certificate of Recognition (COR) certification for all contractors. The COR program is a comprehensive health and safety audit tool with an accredited certification program granted by the provincial Infrastructure Health and Safety Association (IHSA). Only a handful of municipalities require this rigorous certification. Toronto can maintain this requirement to ensure robust health and safety on sites.

The City of Toronto has a Fair Wage Office and Policy – and fair and open tendering will not change this. This policy regulates that all city contracts meet the requirement of Fair Wage in the construction industry. So, all workers will be enumerated per the Fair Wage grid, but they won't need to be part of a select group of unions to work on a project.

The City establishes many diversity initiatives through the community benefits office. This would not change contractor obligations to meet diversity initiatives established by the City. There is a real shortage of workers in the trades, making it critical and an obvious necessity to attract more people from underrepresented communities.



TORONTO DISTRICT SCHOOL BOARD PROCUREMENT

TDSB is facing a \$58-million deficit for 2025-2026 and has contemplated closing pools and other facilities to address the shortfall.

The TDSB's current labour conditions, tied exclusively to only specific unionized workers through the Maintenance and Construction Skilled Trades Council (MCSTC), limit competition and drive-up construction costs. This arrangement effectively means that only companies affiliated with American Building Trade Unions can bid and work on the majority of the \$370 million annual capital budget, largely paid for directly by the Province.

By reforming these conditions to allow more contractors to bid on projects, the TDSB can achieve significant cost savings of over \$77 million annually which will enable it to better allocate funds to critical school infrastructure.

According to independent research by Cardus, the City of Toronto could save about \$347 million in 2023 (or 21% of their total capital budget) if these construction projects were tendered in a manner consistent with the best practices that procurement experts recommend to achieve the best value for public expenditures.

If TDSB were to recognize similar savings, there should be fiscal improvements of at least \$77 million annually to the budget.

SOLUTION:

While maintaining strict pre-qualification standards, Ontario should legislate changes similar to Bill 66 (Restoring Ontario's Competitiveness Act 2018), which would provide the City of Toronto and the TDSB the ability to opt-out of legacy collective agreements which currently prohibit all CLAC and non-union contractors and their workers from bidding and working on most City of Toronto and TDSB projects.

SKILLED TRADES MODERNIZATION: SUPPORTING APPRENTICE GROUP SPONSORSHIP

In Ontario, group sponsorship for apprenticeships refers to an arrangement where a group of employers (often small to medium-sized businesses) collaborate to sponsor apprentices. Rather than each business individually overseeing the entire training process, these employers share the responsibility for training and supporting apprentices.

Group sponsors can be industry associations, unions, or organizations that coordinate apprenticeship opportunities across multiple employers. This model is particularly useful for smaller businesses that may not have the resources or consistent workload to provide a full apprenticeship program on their own. Through group sponsorship, apprentices can gain diverse experiences by working with various employers while completing their training requirements, leading to well-rounded skills in their trade.

THE CLAC GROUP SPONSORSHIP PROGRAM SUPPORTED BY PCA MEMBERS

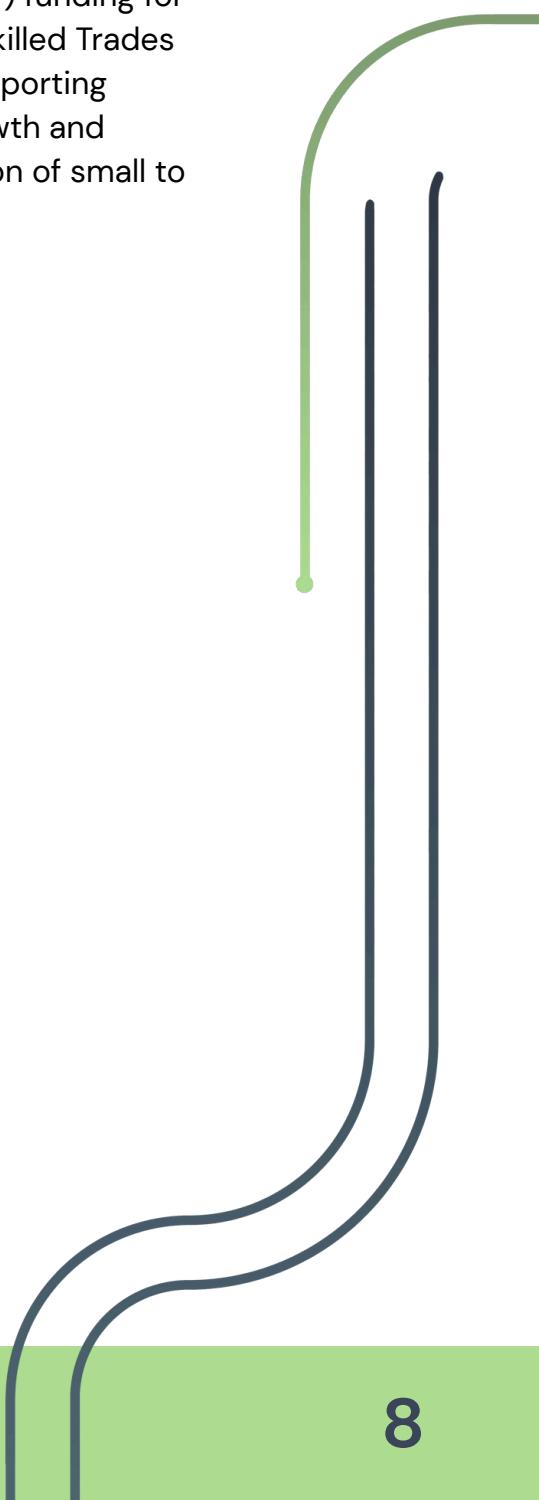
The CLAC Group Sponsorship Program, initiated in 2022 and operational since 2023, provides comprehensive apprenticeship pathway support services for both apprentices and employers in recruitment, intake and assessment, transition between employers, and tracking progress and completion. The program is overseen by a joint employer/union advisory board. It is this combined effort of stakeholders that drives the innovative support program that is enhancing and aiding each apprentice's learning journey.

The program significantly reduces administrative burdens for both employers and apprentices. It maximizes access to grants and incentives, mitigates employment-related barriers to apprenticeship training (recruitment, onboarding, and progression), and provides vital completion support and mentorship for in-class training and Certificate of Qualification exam preparation.

Working with MLITSD, Skilled Trades Ontario, and training delivery agents/in-class training providers, and with the support of our active employer/union advisory board, group sponsors are able to advocate for apprentices and employers, typically resulting in better progression support (i.e. in class training supports) and reduced dropout rates along the entire apprenticeship pathway.

SOLUTION

MLITSD should allocate dedicated, multiyear (e.g. three-to five-year) funding for group sponsorship programs, either through the ministry itself or Skilled Trades Ontario. This will allow group sponsor organizations to continue supporting apprentices and employers effectively, ensuring the continued growth and development of skilled trades in Ontario, enhancing the participation of small to medium-sized employers.



ADDITIONAL FUNDING FOR SKILLED TRADES EDUCATION AT COMMUNITY COLLEGES

In Ontario, apprenticeships have two broad components. The first is on-the-tools training with an apprentice working with an employer on the jobsite under the supervision of a journeyperson. The second is the in-class component. The province accredits only certain educational institutions with the ability to offer in-class apprentice training for a trade.

These institutions are called 'Training Delivery Agencies' (TDAs). There are two types of institutions that act as TDAs – the first is union-based training centres that are affiliated with a labour union and the second is through local colleges, that perform the vast majority of the training (approximately 80 percent).

Although this system has been in place for many decades, funding and availability of seats at TDAs (particularly local public colleges) have not kept pace with demand or inflation.

SOLUTIONS:

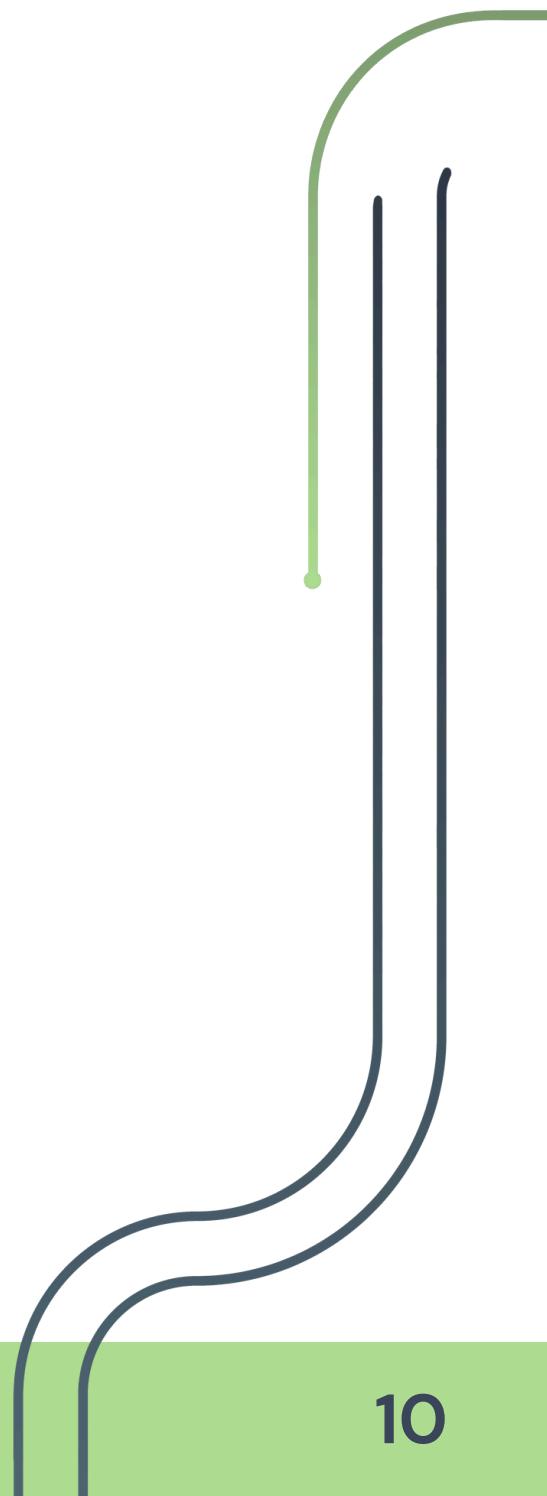
TARGET AVAILABILITY OF APPRENTICESHIP TRAINING FOR ONTARIO'S COLLEGES

The provincial government recently announced \$64.2 million over the next three years to expand in-class apprenticeship training. While this funding is welcome, it should be prioritized towards Ontario's public colleges which predominantly train all PCA member and non-union company workers, as well as workers from all labour models. Ontario's public colleges are the only regionally based trainers, serving all Ontarians, regardless of labour affiliation.

SUPPORTING APPRENTICESHIP AND TRADE PROGRAMS IN RURAL AND NORTHERN ONTARIO

All in-class apprenticeship training for every construction trade should be available at public colleges on a regional basis. Regional gaps exist in the

availability of apprenticeship trade schools – forcing many tradespeople into long commutes or to find short term accommodation to attend trade school for a couple months. Even worse, in some trades there is only one training centre which is run by a building trades construction craft union in the GTA. This makes accessing training a burden for many tradespeople outside of urban centres. This is affecting apprenticeship completion of tradespeople across Ontario, at a time when they are needed more than ever.



CONCLUSION

Ontario is at a pivotal moment. With historic investments in infrastructure underway, and growing pressure on productivity, affordability, and public finances, the province must ensure that every public dollar delivers maximum value. By modernizing procurement practices, expanding fair and open competition, and strengthening apprenticeship and training pathways—particularly through Ontario's public colleges—the government can unlock meaningful cost savings, accelerate project delivery, and build a larger, more resilient skilled trades workforce.

Taking action now will help ensure that Ontario's construction industry becomes more competitive, productive, and capable of supporting long-term economic growth for generations to come.



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