Canadian Union of Public Employees

Submission to the Consultation on Major Projects Changes

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CUPE

About CUPE

The Canadian Union of Public Employees (CUPE) is Canada's largest union, representing over 800,000 workers in eleven sectors across the country, including but not limited to energy, health care transportation, communications, and municipalities. Our members deliver vital public services. Major infrastructure projects will affect our members' communities, working conditions, and some may be tasked with working on major projects themselves.

CUPE welcomes the opportunity to share our views on these proposals. We have outlined opportunities, concerns and recommendations below.

Question 1 – What opportunities do you see emerging from these proposals to improve the assessments and permitting processes related to building major projects?

We believe a streamlined process for major projects could pave the way for badly needed public infrastructure, provided it does not compromise on labour and environmental standards or Crown obligations to Indigenous peoples.

There is an opportunity for the Major Projects Office (MPO) to expand the scope and type of projects it oversees. To date, the MPO has only accepted projects in energy, mining, electricity and transport. However, many infrastructure projects for public service delivery (e.g., health care facilities, child care centres, community housing, schools, colleges and universities) meet the MPO's criteria for consideration. They strengthen Canada's autonomy and resilience by providing the services Canadians rely on, which are vital during recessions and economic downturns and contribute to clean growth by providing low-carbon jobs.

Like other projects already referred to the MPO, public service infrastructure crosses jurisdictions, is capital-intensive to adopt at scale, and has measurable economic benefits. For instance, Canada's community housing stock is half the Organization for Economic Co-operation and Development (OECD) average – it's estimated that bridging that gap would increase productivity in the economy by 5.7% to 9.3%, adding $67 to $136 billion to our GDP by 2030.[1]

The Canada-wide Early Learning and Child Care program was estimated to have boosted GDP by $32 billion in 2024, creating up to 40,000 jobs and helping the country avoid a technical recession the previous year.[2] Building more child care centres could help realize the full economic potential of the program insofar as increasing access to affordable child care enables greater workforce participation among parents. Moreover,

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[1] Deloitte on behalf of Canadian Housing and Renewal Association (CHRA) et al (Nov 17, 2023). *The Impact of Community Housing on Productivity*, p. 4.

[2] Jim Stanford with Centre for Future Work (Nov 2024). *Powering Growth: Economic Benefits from Canada's $10-per-day Early Learning and Child Care Program*.

building additional colleges and universities would expand access to training in sectors where there are workforce shortages and skills gaps.

Even for projects that are in line with the MPO's apparent existing priorities (e.g., energy, electricity, mining and transport), there is unrealized potential to initiate and build publicly owned infrastructure. Most of the projects referred to the MPO so far have private sector proponents. Of the fifteen projects, three are public-private partnerships: the Contrecoeur Container Terminal Project, Ksi Lisims LNG, and the Grays Bay Road and Port. Only five of the projects have public sector proponents.

All the projects rely heavily on private financing, and, in most cases, private investors have been significantly shielded from risk. Public ownership would minimize the risk of investor pull-out, maximize public benefit and minimize costs by cutting out profit motives. We encourage the government to adopt and prioritize projects that are socially necessary, publicly owned, and which generate value for workers and communities.

Without prioritizing public ownership, this is little more than a red carpet for investors looking to exploit and profit from Canadian infrastructure and resources – an arrangement where they get VIP access to Canadian infrastructure, resources, labour, and logistical support, to the detriment of the public good.

Question 2 – What are your views/general impressions on these proposals to improve regulatory efficiency related to building major projects faster in Canada?

Opportunities exist to build nation-building infrastructure that serves the public good, as mentioned above, but we have concerns about the proposals regarding federal review timelines, economic zones and regional impact assessments, and a streamlined regulatory environment that grants additional authority to individual cabinet ministers.

I. Rushed timelines

The target to have federal review and decision-making in no more than one year seems arbitrary. CUPE is concerned it will lead to hasty decisions and limit the government's ability to carry out sufficient consultation.

We're also concerned these changes allow for major decisions to move forward without complete information. They would, for example, allow the Governor in Council to label a pipeline "in the public interest" before the Canada Energy Regulator has finished reviewing conditions and routing details and allow "early construction activities" to start before an impact decision is made. These are key details needed to assess costs, benefits, and community impacts. We believe it's inappropriate to label projects "in the public interest" before all relevant information has been gathered and the assessment concluded.

II. Insufficient information

The paper gives assurances that project and decision timeline changes will not change the government's obligations to Indigenous communities, and that "extra care will be taken" to fulfill its duty to consult – but there are very few details outlining how this will be carried out. We would like to remind the government that its duty to obtain free, prior, and informed consent from Indigenous peoples is not a platitude; it is a legal obligation outlined in the UN Declaration on the Rights of Indigenous Peoples and subsequent legislation.

It should be noted that organizations like the Assembly of First Nations and Assembly of Manitoba Chiefs have expressed alarm about the government's proposals, citing "a pattern of exclusion", the weakening of existing rights and environmental protections.[3]

We have seen the consequences of insufficient analysis and consultation before. For instance, in 2024, three Indigenous groups accused Transport Canada of covering up contamination at a dock in Fort Chipewyan.[4] A major point of contention was the government's 2017 report that found no threat to human health – in part because, according to affected community leaders, they did not account for how local residents used the space.[5]

Impact assessments need to be completed carefully, with complete information, to inform evidence-based decisions. The government wants to expedite assessments, while at the same time reducing their capacity to make decisions in a way that is fully informed. Departmental plans indicate the Impact Assessment Agency of Canada (IAAC) is cutting $15.8 million and 54 FTEs in 2028-29.[6] If the government does not renew funds for the IAAC set to expire in 2028, staff undertaking assessments will be more than halved from 413 FTEs in 2026-27 to 145 FTEs in 2028-29.[7] Other departmental cuts could affect access to and production of internal research used to inform decisions, like the 15% cuts planned at Innovation, Science and Economic Development, Environment and Climate Change, and Statistics Canada.[8]

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[3] The Canadian Press in CTV News (May 15, 2026). *AFN chief warns against changes to major projects development rules, calls for debate*.
Assembly of Manitoba Chiefs (May 8, 2026). *Assembly of Manitoba Chiefs Responds to Canada's Proposed Fast-Tracking of Major Projects*.
[4] Dennis Kovtun in CBC News (Oct 2, 2024). Alberta First Nations leaders say federal government hid contamination at local dock.
[5] Witness testimony at House of Commons Standing Committee on Transport, Infrastructure and Communities (Dec 3, 2024). *TRAN Committee Meeting: Evidence*.
[6] Impact Assessment Agency of Canada (Feb 3, 2026). *Impact Assessment Agency of Canada's 2026-27 Departmental Plan*.
[7] Ibid., Table 12.
[8] Department of Finance Canada (Nov 4, 2025). *Budget 2025 Annex 3: Comprehensive expenditure review: Planned reductions by organisation*.

We caution the government against lowering its evidentiary bar, omitting public input, and over-relying on project proponents who have a financial interest in the project – especially for large, complex initiatives.

III. Impact Assessments and Accountability

Some of these proposals (e.g., condensed timelines, retroactive changes to project conditions) may pose a risk to the health and safety of workers. Furthermore, we believe these proposals pose significant risks to the environment and create room for political interference in what is supposed to be an evidence-based, consultation-driven process.

Dominic LeBlanc, the one Canadian economy minister, has already bragged about using major projects designations to exert political pressure in the media, expressing confidence that doing so would "unlock private investment".[9] Speaking to CTV News, he stated:

> *Often just the sheer threat of, 'Hey, we're going to designate the project,' suddenly an authorization – which a particular federal department had been taking six or seven years doing water samples all over the place – all of a sudden, when I stood in that city, at that port and said: 'Guess what? We're going to actually expand this port, then a month later, the authorization showed up.*
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> *So, we didn't have to go to the juridical step of designating it, but we will. There are some examples coming very soon.*[10]

Beyond changes to when or what order decisions are made in, we are concerned by the level of discretionary authority being given to individual ministers. These proposals would allow them to adjust environmental requirements and conditions imposed as part of the impact assessment process. They would transfer unspecified "decision-making powers" from the Governor in Council (GIC) to individual ministers to speed up decision-making.

Workers who build and operate major projects will be among those most vulnerable and directly affected by the consequences of inadequate assessment. Compressed timelines increase pressure on workers. When hazard identification is rushed and environmental requirements are not fulfilled before work begins, it increases exposure to occupational hazards. CUPE knows from experience that cutting regulatory corners in the name of speed increases the risk of workplace injury, sickness, and death.

Section 5 of the government's plan would create "federal economic zones" where unspecified forms of development are pre-approved, and where impact assessments are done on a regional level. It stresses the need for provincial-federal cooperation to

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[9] Rachel Aiello in CTV News (Feb 26, 2026). *CUSMA review 'is not a renegotiation,' Canada-U.S. trade minister says ahead of trip to D.C.*

[10] Ibid.

fast-track projects and "make these zones work effectively". This raises serious questions about feasibility, accountability, and the application of federal standards.

It's unclear how regional assessments would account for changing or diverse circumstances across communities and jurisdictions, and what the scope of pre-approved activities would be. If the federal government presses on with these proposals, we urge that the scope of these activities is limited, time-bound, and developed after real consultation with Indigenous peoples and the public, not just industry.

Furthermore, we encourage the government to consider the legal implications of these changes, related to our country's trade deals. Canada is bound to "non-derogation" clauses under CUSMA and other agreements, meant to prevent states from lowering labour and environmental standards to attract or maintain investment. These 'economic zones' would be legal exceptions, creating room for current and future trade partners to file disputes. This may lead to significant costs, delays, and greater uncertainty that undermines investor confidence, and trust with Canada's trade partners.

It's also unclear what level of authority and oversight the federal government would delegate, but CUPE is concerned that, in practice, the federal government may stoop to the lowest common denominator among the provinces–enabling a race to the bottom. Notably, the proposal appears to mirror the idea of "special economic zones" under Ontario Bill 5 – which allow for the wholesale neglect of provincial labour and environmental regulations.[11] We believe widespread exemptions like these are reckless, and while federal measures should provide safeguards in multi-jurisdiction projects, that means little if a federal minister can unilaterally remove them.

These are dangerous precedents to set. They weaken safeguards that hold corporations accountable. They allow politicians to change or annul conditions based on subjective political considerations instead of evidence. Even if this government holds itself to a high standard, these changes could be abused by less responsible ministers in future.

It's worth noting that three former Liberal environment ministers have denounced the proposals:

- Steven Guilbeault said they were "extremely risky" and would "take us back decades".[12]
- Catherine McKenna, who helped create the modern IAAC, compared the approach to Stephen Harper's, saying it would erode trust and cause lawsuits.[13]

[11] CUPE Ontario (May 9, 2025). *Ford and Bill 5's "special economic zones" bring worst US-style labour practices to our province*.
[12] Kate McKenna and David Thurton in CBC News (May 8, 2026). *Ottawa proposes suite of measures to streamline project approvals, complete review process within 1 year*.
[13] The Canadian Press in CTV News (May 15, 2026). *AFN chief warns against changes to major projects development rules, calls for debate*.

- David Anderson, who introduced the Species at Risk Act, called the changes "morally wrong".[14]

The government must not conflate public interest with shareholder interest, and it must not jeopardize labour rights, employment standards, health and safety, or the environment in the name of expediency.

Question 3 – What do businesses and Indigenous Peoples require to advance major projects within a shorter timeframe under these proposals?

If projects move forward on a shorter timeline, we need the government to maintain robust labour and environmental protections and evidence-based, transparent decision-making.

Giving new and unprecedented powers to individual ministers also gives business groups more opportunities to influence a project. It means companies can focus on swaying a single politician, instead of making their case to the whole cabinet or technical experts who recommend decisions. It means political considerations can more easily outweigh evidence.

Streamlining corporate access may enable further privatization of public services, removal of key regulations, increased pressure to pursue public-private partnerships, and more, as businesses push to maximize profits–leading to worse outcomes for workers.

We also believe the government must demonstrate clear value for money and social benefit with the projects it supports. We urge them not to overpromise support or public resources to private companies – and we worry that expedited project timelines may compel them to do so.

Speed should not be equated with value. We maintain that private financing schemes will ultimately increase borrowing costs and funnel public money into boosting corporate profits. Our communities deserve publicly owned infrastructure that is built for the public interest rather than private profit. We deserve transparency about how major project decisions are made – why they're labelled public interest, what conditions are imposed, what exemptions are granted and why, who was involved in decision-making, and how individuals, families and workers might be impacted.

It is concerning that these changes are being proposed at a time when both provincial and federal governments are looking at restricting access to information. The federal government is actively reviewing freedom of information rules in another consultation – proposing restricted access to "transitory records" like texts and emails.[15] We urge the government to uphold transparency and accountability in decision-making for major

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[14] Sarah Cox in The Tyee (May 20, 2026). *Even Harper 'Did Not Put Extinction on the Table.'*

[15] Treasury Board of Canada Secretariat (Mar 23, 2026). *2025 review of the Access to Information Act: Policy approaches*.

projects, particularly where it comes to exemptions and the exercise of discretionary authority by ministers.

CUPE believes the government should prioritize public sector projects – including but not limited to those outlined in response to Question 1. Public nation-building projects hold tremendous economic potential. They will ensure value for money, foster socially necessary outcomes, and are the best way to create good-paying, union jobs.

Recommendations

1. Major projects should include and prioritize projects that are socially necessary, publicly owned, and which generate value for workers. Projects should not be limited to energy, electricity, mining, and transport. The MPO must recognize the nation-building potential of housing, health care facilities, child care centres, schools, colleges, and universities.
2. Extend and allow flexibility for one-year review targets. Abandon plans to make those targets binding in legislation.
3. Require key assessment details and analysis to be completed and available before declaring whether a project is "in the public interest." Ensure decision-making around major projects and any exemptions granted in relation to them is conducted transparently, with information about decision-making processes available to the public.
4. Limit discretionary authority given to individual ministers, and scrap changes that would allow them to amend environmental and impact assessment conditions.
5. Pause the creation of federal economic zones. Redevelop proposals in active consultation with labour unions, third-party experts, and Indigenous stakeholders to ensure rights, labour, and environmental standards are protected and upheld.
6. Ensure free, prior, and informed consent is obtained from relevant Indigenous entities before a project moves forward in line with commitments under the United Nations Declaration on the Rights of Indigenous Peoples.
7. Reverse the planned, arbitrary cuts to the Impact Assessment Agency of Canada, and other federal departments, as outlined in Budget 2025 and the Comprehensive Expenditure Review.
8. Avoid over-reliance on project proponents for information to inform decisions. Ensure input from the public, third-party experts, workers and Indigenous stakeholders is incorporated and respected throughout the assessment and decision-making process.

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