CBTU SMCC
CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA
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BUDGET 2026 BACKGROUNDER

BUILDING ON PREVIOUS COMMITMENTS

Since spring 2026, we've seen historic funding commitments delivered from the federal government to support Canada's skilled trades.

These include:

- **Team Canada Strong: $6 billion** to recruit, train, and hire up to 100,000 Red Seal workers by 2030-31, including investments to expand pre-apprenticeship and technical training capacity.
    - $430 million over five years for the Union Training and Innovation Program (UTIP), including brick-and-mortar training infrastructure, innovation, apprenticeship funding, and training equipment.
    - $5 million over five years for the Labour Mobility Tax Deduction.
        - Budget 2026 provides $5 million over five years to simplify the Labour Mobility Deduction for Tradespeople.
        - Eligible workers can continue to claim up to $10,000 in eligible temporary relocation expenses in 2026, subject to the existing income limit, or choose a new optional flat-rate deduction of $1,500 instead of itemizing expenses.
    - $30 million over five years for Apprenticeship Incentive and Completion Grants.
    - $331 million over five years and $18 million ongoing for Modernizing and Improving Certifications.
- **Defence Industrial Strategy:**
    - The budget sets out $7.7 billion for the Defence Industrial Strategy, which aims to expand Canada's defence industrial capacity, strengthen domestic supply chains, and increase the share of defence acquisitions awarded to Canadian firms to 70%.
    - The government aims to grow the defence workforce from 38,000 to 89,000.

WHAT'S NEW IN BUDGET 2026

- **National Electricity Strategy**:
    - The National Electricity Strategy represents more than $50 billion in investment. Budget 2026 includes several measures to support electricity infrastructure and generation, including:
    - $26.4 million over 10 years for electricity system data and modelling.
    - $1.6 billion over 10 years for northern energy reliability, including renewable energy projects and upgrades to aging electricity infrastructure.

  - $6 billion over six years for emerging electricity-generation technologies.
- **Workforce Tariff Response:**
  - $170 million in 2027-28 to support targeted training and employment services delivered in partnership with provinces and territories for workers affected by trade disruptions
- **TFW Program:**
  - Reforming the Temporary Foreign Worker Program to better align with regional labour market needs, in collaboration with provinces and territories, while improving processing time and strengthening employer compliance.
  - Budget 2026 proposes to provide $151.5 million over five years, starting in 2026-27, to Employment and Social Development Canada to implement these reforms.
- **Investment Tax Credits:**
  - Extending Clean Technology and Clean Electricity ITC to 2040 to strengthen Canada's investment hub.
  - Expanded to qualifying highest-voltage intra-provincial electricity transmission lines.
- **Critical Mineral Strategy:**
  - $424.4 million over four years to renew the Canadian Critical Minerals Strategy, alongside extensions to mineral exploration tax credits. These measures are intended to support domestic mining, processing, and critical minerals supply chains, creating potential opportunities for construction workers.
- **Build Homes Canada Needs:**
  - $44.7 billion over 11 years to expand housing construction, affordable housing, and supporting infrastructure.
  - The Build Communities Strong Fund is expected to support approximately 42,000 jobs annually over the next 10 years
- **Trade Diversification and Infrastructure Strategies:**
  - $6.6 billion to strengthen trade infrastructure, expand transportation capacity and diversify Canadian export markets. Investments in trade-enabling infrastructure are expected to create an average of 4,800 construction jobs annually.
- **Partnerships for Indigenous Workforce Readiness Fund**
  - $451.8 million over four years, starting in 2027-28, and $48 million in ongoing funding to support Indigenous employment, foundational skills, and training aligned with national economic priorities. This funding includes both new and existing commitments.

OUTSTANDING PRIORITIES FOR CBTU

Budget 2026 includes significant investments in infrastructure and workforce development. But funding commitments alone do not guarantee that projects will create good jobs, provide apprenticeship opportunities, or have the skilled workers needed to get them built.

CBTU continues to advocate for **three** outstanding recommendations:

1. **Prevailing wages and apprenticeship requirements:** Implement prevailing wages and minimum apprenticeship requirements on Major Projects Office projects to ensure public investments support good-paying jobs and opportunities for the next generation of skilled tradespeople.
2. **Better construction workforce forecasting:** Establish a CBTU Labour Demand Advisory Committee to improve labour-market information and workforce planning. Canada needs to connect the supply of skilled trades workers and apprentices with the demand created by major projects, and make sure projects are planned around the workers available to build them.
3. **Canadian labour pension fund eligibility:** Make Canadian Labour Pension Funds eligible under the Clean Electricity Investment Tax Credit to encourage more Canadian investment in electricity infrastructure.

CBTU will also be pressing for meaningful labour representation in the six Workforce Alliances announced by the government, and a role in shaping how major workforce and infrastructure commitments are delivered.