CBTU SMCC
CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA
Value on Display. Every Day. Valeur sûre à tous les jours.

PRE-BUDGET CONSULTATION | 2026 FEDERAL BUDGET RECOMMENDATIONS

Recommendation 1: Enhance Union Training and Innovation Program with 'Brick and Mortar' funding to scale training opportunities for tradespeople.

Recommendation 2: Implement Bill C-5, with prevailing wage and mandatory minimum apprentice requirements on projects approved by Major Projects Office and Cabinet.

Recommendation 3: Increase the Labour Mobility Tax Deduction to $10,000, Reduce Travel Zone to 120 km, and indexed annually it to inflation.

Recommendation 4: Support the next generation of skilled tradespeople by reinstating the Apprenticeship Incentive Grant and the Apprenticeship Completion Grant.

Recommendation 5: Create a labour demand advisory committee with Canada's Building Trades Unions to help facilitate the collection of sophisticated construction labour market demand data to adequately resource infrastructure projects with Canadian tradespeople.

Recommendation 6: Adjust the Clean Electricity Investment Tax Credit so that Canadian Labour Pension Funds are deemed eligible for investment purposes.

BACKGROUND

Canada's Building Trades Unions (CBTU) are the national voice of over 500,000 Canadian skilled trades construction workers — members of 14 international unions who work in more than 60 different trades and occupations, generating seven per cent of Canada's GDP. Each year our industry – through our members and signatory contractor partners – invests over $300 million to fund and operate 195 apprenticeship training and education facilities across Canada. Since 1908, our members have built the roads, bridges, dams, factories, hospitals, schools, and green projects that benefit communities and Canadians from coast to coast.

From the Gordie Howe Bridge to LNG Canada Kitimat Phase 1, our dedicated tradespeople are building Canada and its economy, putting value on display, every day.

THE CHALLENGE AHEAD

Canada's Building Trades Unions is proud to have been a Day 1 supporter of Bill C-5, the One Canadian Economy Act, and the opportunity it presents for Canada's unionized skilled trades. We welcome its focus on advancing major projects of national interest and strengthening Canada's economic resilience.

We are grateful for the Government of Canada's continued support for the skilled trades. Notably, the Clean Economy Investment Tax Credits and measures in Budget 2024 have positioned our members to build a cleaner, more secure economy, grounded in strong wages, high labour standards, with real apprenticeship opportunities.

But delivering on the government's infrastructure and energy agenda starts with people. Alongside ensuring that the promise of jobs becomes the reality of jobs for Canadian workers, it is critical we ensure there is a strong skilled workforce to build these projects.

Meeting this moment will require a highly skilled, mobile construction workforce. Targeted investments in labour conditions including paying the union prevailing wage with mandatory minimum apprenticeship hours and expanding the Union Innovation and Training Program to Brick and Mortar are essential to ensuring Canada has the skilled workforce it needs.

At this pivotal moment, Canada's need for skilled tradespeople has never been greater. Our submission delivers clear, practical measures to drive major projects, accelerate housing, and advance a clean economy, while ensuring the jobs created are high-quality, well-paid, and built by Canadian construction workers.

SUPPORTING THE SKILLED TRADES IN BUILDING A BETTER CANADA

Canada's Building Trades Unions is putting forward six targeted recommendations to ensure Canada is successful in its infrastructure ambitions. This includes measures to better align labour supply with demand, removing barriers to labour mobility, and advancing strong labour conditions nationwide. Together, these measures will build on

past investments while supporting the skilled workforce needed to deliver Canada's current and future economic goals.

RECOMMENDATION 1: ENHANCE UNION TRAINING AND INNOVATION PROGRAM WITH 'BRICK AND MORTAR' FUNDING TO SCALE TRAINING OPPORTUNITIES FOR TRADESPEOPLE.

Canada's Building Trades Unions are grateful for the ongoing support of our union training centres provided by the Government of Canada through the *Union Training and Innovation Program* (UTIP) and the Canadian Apprenticeship Strategy (CAS). These critical funding streams have allowed our union training centres to substantially improve our already word-class training for apprentices, and improve diversity and inclusion in the skilled trades, driving higher the numbers of women, Indigenous, and members of equity-seeking groups who are finding life-long careers in the skilled trades. While these programs have been very successful, a major bottleneck in the ability for our union training centres to expand and extend training capacity remains support for building and classroom infrastructure.

Canada's Building Trades Unions recommends that the Government of Canada expand eligibility and flexibility to the existing UTIP fund. We recommend the government develop a 70/30 funding model alongside a 50/50 partnership funding model for investments in classroom infrastructure that recognizes the diversity and size of communities served across all of Canada's regions.

Funding 'Brick and Mortar' in this manner would amplify our union affiliates' own $300 million annual commitments, enabling our union training centres to maximize the existing UTIP investments and expanding training capacity to meet the forecasted labour demands expected through the transition to a net-zero economy, and national housing construction targets. Canada's Building Trades Unions has identified more than 24 'shovel ready' classroom expansion and training facility construction projects that could benefit from such funding, significantly expanding training capacity across Canada.

RECOMMENDATION 2: IMPLEMENT BILL C-5, WITH PREVAILING WAGE AND MANDATORY MINIMUM APPRENTICE REQUIREMENTS ON PROJECTS APPROVED BY MAJOR PROJECTS OFFICE AND CABINET.

Canada's Building Trades Unions commend the historic inclusion of language in the preamble of Bill C-5, explicitly recognizing that major national projects must prioritize the creation of good-paying, unionized jobs. This milestone represents a significant achievement for the unionized skilled trades and marks a profound moment for Canada's

Parliament. It reinforces a unified commitment to advancing critical infrastructure and energy projects across the country. These projects will strengthen our economy, safeguard our sovereignty, and enhance our security, and will be achieved by promoting good-paying, unionized jobs.

We recommend that all projects under the purview of the Major Projects Office and **either partially or fully funded** through federal tax dollars, must include labour requirements to **pay prevailing wages** and support the next generation of Canada's skilled tradespeople by including **apprenticeship requirements**.

CBTU recommends replicating the Prevailing Wage Requirements from Bill C-59, the Fall Economic Statement Implementation Act 2023's provisions for Clean Economy Investment Tax Credits (ITCs). This would stipulate that the prevailing wage requirements for Bill C-5 be met by paying "covered workers" either in accordance with the terms of an "eligible collective agreement" or at a level at least equivalent to the value of compensation (including benefits) provided to similar workers under such an agreement. To meet the recommended apprenticeship requirements, project owners must ensure that at least **10%** of the labour performed by workers in a Red Seal trade is performed by registered apprentices.

By using the most recently negotiated multi-employer collective bargaining agreement for the applicable trade, and in the particular region, as the baseline for the prevailing wage requirement, the government will be ensuring that when federal dollars are allocated towards projects, that Canadians are paid competitively. These collective bargaining agreements are freely negotiated by employer associations and trade unions, which means that they are a reflection of the market value of the applicable work. This requirement promotes stability within the sector and prevents potential incentive claimants from underbidding their competitors solely by planning to pay workers less, thereby maintaining fair wages for those who secure federally funded projects.

RECOMMENDATION 3: INCREASE THE LABOUR MOBILITY TAX DEDUCTION TO $10,000, REDUCE TRAVEL ZONE TO 120 KM, AND INDEXED ANNUALLY IT TO INFLATION.

For decades, Canada's Building Trades Unions has been fighting to achieve tax fairness for skilled trades workers who must travel to distant jobsites to earn an income. Business executives, sales professionals, and a variety of others have benefited for years from tax deductions allowing them to deduct the cost of travel, lodging, and meals when they work away from home.

In Budget 2022, the Government of Canada introduced the *Labour Mobility Deduction*

for Tradespeople. This measure allowed up to $4,000 in deductions annually for skilled trades workers travelling more than 150 kilometers from home to perform work.

Canada's Building Trades Unions is supportive of all tax measures that provide relief for skilled trades workers' unique contributions to the Canadian economy and enhance labour mobility. Labour mobility is essential to the construction sector: unlike other sectors, our workforce is always mobile, moving from jobsite to jobsite as projects are started and completed. Financial barriers to workforce mobility, such as travel costs, lodging, and meals disincentivize skilled trades workers from travelling further to find work. The Labour Mobility Deduction is an essential tax relief and fairness measure, and both the current version found in the Income Tax Act and the proposed legislation ought to be aligned to ensure tax fairness for construction workers.

In the current legislation, the upper limit for deductions is $4,000 – an amount that is fixed and not indexed to inflation and is subject to a 150-kilometer limit, while C-241 did not propose a limit, and is subject to a 120-kilometre distance. The current $4,000 cap in the Income Tax Act is currently not indexed to the Consumer Price Index, and thus it's nominal value to taxpayers will erode over time, particularly due to the high inflation rates seen in the economy over the last few years.

Canada's Building Trades Unions recommends that the government adjust the Income Tax Act to increase the limit to $10,000 and index the cap amount to the rate of inflation measured by the Consumer Price Index for each tax installment year beyond 2025. We also recommend the lower, 120-kilometer limit be adopted in the income tax act. Refining these tax measures will ensure that skilled trades workers are able to better access the benefit, ensure the value of the deduction is not eroded over time through inflation and keeps pace with real travel costs, and raises the limit to reflect the higher costs associated with travel since the original introduction of the legislation in 2022.

RECOMMENDATION 4: SUPPORT THE NEXT GENERATION OF SKILLED TRADESPEOPLE BY REINSTATING THE APPRENTICESHIP INCENTIVE GRANT AND THE APPRENTICESHIP COMPLETION GRANT.

Canada's Building Trades Unions strongly urge the federal government to promptly reinstate the Apprenticeship Incentive Grant, and the Apprenticeship Completion Grant, as these remain critical components of Canada's skilled trades infrastructure. These commitments were clearly articulated during the recent general election campaign and reflect a shared promise to support apprenticeship pathways and grow the skilled workforce.

CBTU has long called on the government to reconsider these misguided cuts and to reinstate a robust, accessible, and well-funded apprenticeship support framework. For tradespeople and the broader construction sector, this issue transcends administrative details; it directly impacts our ability to attract, train, and retain the skilled workforce necessary to meet Canada's increasing infrastructure and energy needs.

The government's announcement in July 2024 to phase out these indispensable grants by March 2025, a decision made without prior consultation with key stakeholders, raises serious concerns. Such a decision risks destabilizing the apprenticeship system, undermining the support that current and future apprentices rely on, and jeopardizes achieving the robust set of goals laid out by this government.

Fulfilling campaign promises to strengthen support for skilled trades apprentices is crucial for Canada's infrastructure goals. A thriving apprenticeship ecosystem is essential to developing the skilled workforce needed for national progress.

RECOMMENDATION 5: CREATE A LABOUR DEMAND ADVISORY COMMITTEE WITH CANADA'S BUILDING TRADES UNIONS TO HELP FACILITATE THE COLLECTION OF SOPHISTICATED CONSTRUCTION LABOUR MARKET DEMAND DATA TO ADEQUATELY RESOURCE INFRASTRUCTURE PROJECTS WITH CANADIAN TRADESPEOPLE.

The recent passage of Bill C-5 marks a significant shift in Canada's approach to building critical infrastructure by streamlining regulatory processes and fast-tracking the approval and delivery of major industrial projects in the national interest. As the federal government moves to accelerate the construction of energy facilities, transportation corridors, and manufacturing hubs, it must also address a key operational challenge: labour mobility. Without a modern, data-driven understanding of construction workforce availability, Canada risks running into acute, temporary skilled labour shortages that could delay or derail these nation-building efforts.

A primary concern accompanying the fast-tracking of projects is the risk of project stacking—when multiple large-scale construction initiatives move forward at the same time, often in overlapping regions, creating strain on skilled trades construction labour. This can lead to project delays, and cost overruns. To prevent this, the federal government should invest in collecting and maintaining sophisticated construction labour market data that provides insight into regional labour capacity, workforce flows, and training output.

CBTU recommends the establishment of a labour supply advisory committee for the Major Projects that includes representatives from the CBTU, the Federal Government

and Major Project proponents who shall meet regularly to address all labour requirement matters that may arise in connection with a Major Project. This includes but is not limited to matters relating to the training, supply and maintenance of a qualified, competent and mobile tradesperson workforce that includes apprentices and underrepresented groups.

Improved labour mobility depends on clear and timely information. Workers and employers alike require reliable data to plan effectively and to shift resources to where they are most needed. A coordinated national labour market information system would enable policymakers to anticipate labour demand, mitigate bottlenecks, and avoid pitting one project against another in a scramble for the same skilled workforce. This foresight is essential as C-5 accelerates timelines and increases the volume of simultaneous construction activity across provinces.

With advanced labour market analytics, Canada can align workforce development programs, certification standards, and interprovincial labour mobility policies to ensure workers can move efficiently between regions. This is especially critical in the skilled trades, where demand often exceeds supply in remote or rapidly developing areas. Having accurate data on training pipelines, retirements, and regional availability allows governments and industry to better plan for and manage labour deployment over the life cycle of multiple projects.

Canada's Building Trades Unions recommends that the government make significant investments in the collection and mobilization of sophisticated labour market data to help project owners, unions, governments, and other stakeholders make informed decisions on advancing projects and key investments in training and apprenticeship to align with projected labour demand curves.

RECOMMENDATION 6: ADJUST THE CLEAN ELECTRICITY INVESTMENT TAX CREDIT SO THAT CANADIAN LABOUR PENSION FUNDS ARE DEEMED ELIGIBLE FOR INVESTMENT PURPOSES.

Canada's Building Trades Unions support Bruce Power's submission on the Clean Electricity Investment Tax Credit (CE ITC) and echo its recommendation to strengthen and fully operationalize this critical policy tool.

We welcome the federal government's responsiveness in incorporating previous recommendations into the CE ITC, including improvements that enhance investment certainty and better align the credit with federal financing tools. These changes are important for our members, as they help advance large-scale nuclear projects that sustain

thousands of good-paying, unionized jobs while reinforcing nuclear energy's role in ensuring affordability, industrial competitiveness, and long-term planning for Canada.

The CE ITC remains essential to enabling refurbishment programs and future new-build opportunities, work that Canada's skilled trades are ready to deliver. However, we join Bruce Power in highlighting a critical outstanding issue: the exclusion of union investment funds from CE ITC eligibility.

In partnership with Bruce Power, its owners, including OMERS, TC Energy, the Power Workers' Union, and the Society of United Professionals, and labour organizations across the country, CBTU supports targeted amendments to ensure union pension funds are recognized as eligible participants.

Our members play a dual role in Canada's clean energy transition. They are the builders of this infrastructure, and, through union-backed investment vehicles, are increasingly providers of stable, long-term capital. Excluding union pension funds creates a structural inequity among project partners and risks limiting the pool of Canadian capital available for critical energy infrastructure.

Consistent with Bruce Power's submission, CBTU recommends extending CE ITC eligibility to union pension funds.

Doing so would:

- Ensure equitable treatment across project partners;
- Unlock additional Canadian capital for clean electricity investment;
- Strengthen alignment between labour, industry, and public policy objectives; and
- Enable skilled trades workers to share directly in the long-term economic benefits of the projects they help build.

Addressing this issue is not only consistent with the intent of the CE ITC, but also necessary to fully realize its potential for workers, industry, and Canada's clean energy future.