

POLICY PROPOSAL

A Fully Funded Trades Training Program for Canada

Building the workforce Canada needs to build the country it has promised.

Submitted to: The Government of Canada and Provincial / Territorial Governments

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Executive Summary

Canada faces a generational labour gap in the skilled trades. Federal projections released in the April 2026 Spring Economic Update warn that the country will need more than 1.4 million additional trades workers by 2033 to meet its housing, infrastructure, and clean-energy commitments. Yet of more than 100,000 new apprentices who registered in 2024, only about 34,000 completed their programs.

On April 28, 2026, the federal government tabled the \$6 billion Team Canada Strong package, including a \$400-per-week apprenticeship training grant of up to \$16,000 per apprentice and a \$5,000 Red Seal completion bonus. These are meaningful steps, but they address income support during training rather than the upfront tuition wall that keeps many Canadians from enrolling in the first place.

This proposal advances a complementary and bolder measure: a fully funded trades training program in which government covers tuition and mandatory fees for accredited apprenticeship and pre-apprenticeship programs, paired with completion-based disbursement and an income-contingent repayment safeguard for non-completion. The result is a program that removes the entry barrier, protects taxpayers, and aligns directly with the federal goal of recruiting, training, and hiring 80,000 to 100,000 new Red Seal workers by 2030–31.

1. Introduction

Canada's prosperity depends on a skilled, resilient workforce. From homebuilding to clean energy, employers are struggling to find qualified workers, and shortages are now severe enough to constrain economic growth, housing affordability, and national competitiveness.

The April 2026 Spring Economic Update was unambiguous: the country faces a persistent gap of more than 20,000 skilled trades workers per year, and the scale of planned investment in housing and major projects will only widen that gap. Government has committed substantial new funding to recruitment, in-class income support, and employer wage subsidies. What remains missing is a measure that directly removes the single largest barrier to entry: the cost of training itself.

This paper proposes that government go one step further by fully funding tuition and mandatory fees for accredited trades programs, supported by safeguards to ensure accountability and responsible use of taxpayer dollars.

2. Background and Rationale

2.1 Labour Market Context

- **1.4 million additional trades workers** will be needed across Canada by 2033 to meet retirement replacement and growth demands, according to the federal Spring Economic Update tabled April 28, 2026.
- **Construction alone faces hiring requirements approaching 380,500 workers by 2034**, with retirements accounting for the majority of openings, per BuildForce Canada's most recent national forecast.
- **Approximately 263,400 construction workers — roughly 21% of the current labour force — are projected to retire by 2033**, leaving a recruitment-retirement gap that historic intake patterns alone cannot fill.
- **Housing targets demand a step-change in supply.** Canada Mortgage and Housing Corporation has indicated that approximately 5.8 million new homes are required by 2030 to restore affordability — an objective that is impossible without a substantially larger trades workforce.
- **The clean-energy transition will require electricians, pipefitters, insulators, and other skilled workers in unprecedented numbers**, including the 29,000 Red Seal workers the federal Sustainable Jobs stream is expected to support over five years.

2.2 Barriers to Entry

- **Tuition and mandatory fees** for trades programs typically range from approximately \$5,000 to \$15,000, an amount that is prohibitive for many young people, career-changers, and applicants from rural or low-income communities.
- **Existing grants and loan programs are fragmented** across federal, provincial, and union streams, leaving many would-be apprentices unsure of what they qualify for.
- **Completion is the central failure point.** In 2024, only about 34,000 of more than 100,000 newly registered apprentices completed their programs — a roughly one-in-three completion rate that the federal government itself has identified as a structural problem.
- **Under-representation persists.** Women still account for only about 6% of tradespeople in British Columbia's construction industry, and similar gaps exist for Indigenous peoples and newcomers in many regions, despite their growing share of Canada's working-age population.

2.3 Alignment With Current Federal Direction

The Government of Canada's April 28, 2026 Spring Economic Update committed approximately \$6 billion over five years to Team Canada Strong, with the goal of recruiting, training, and hiring 80,000 to

100,000 new skilled-trades workers by 2030–31. Headline measures include a \$400-per-week apprenticeship training grant totalling up to \$16,000 per apprentice, a \$5,000 Red Seal completion bonus, up to \$10,000 in employer wage subsidies through the Build Canada Apprenticeship Service, and modernization of the Red Seal certification process.

These measures address income support during training and incentives for employers and completers. They do not directly address the upfront cost of enrolling. A fully funded tuition program is the natural complement: it removes the barrier at the front door of the system that the existing federal package improves once apprentices are inside it.

3. Policy Objectives

1. **Increase access.** Remove cost barriers for all Canadians pursuing the skilled trades, with particular focus on those for whom upfront tuition is decisive.
2. **Improve completion.** Tie funding disbursement to verified progression and certification, so that public investment translates into qualified journeypersons rather than enrolment statistics.
3. **Meet labour-market needs.** Align program intake with priority shortage areas identified by BuildForce Canada, provincial labour-market data, and federal infrastructure priorities.
4. **Ensure accountability.** Implement a transparent, income-contingent repayment mechanism for non-completion to protect taxpayers.
5. **Promote equity.** Target outreach and wraparound supports to women, Indigenous peoples, newcomers, youth, and rural and remote communities, all of whom remain under-represented in the trades.

4. Program Design

The program is intentionally designed to layer onto, not duplicate, the federal Team Canada Strong measures and provincial apprenticeship systems.

Element	Description
Coverage	100% of tuition and mandatory fees for accredited apprenticeship and pre-apprenticeship programs in Red Seal and provincially designated trades.
Eligibility	Canadian citizens and permanent residents enrolled in a recognized program at a public college, polytechnic, union training centre, or approved private institution.
Completion-Based Funding	Funding released in stages tied to verified program milestones, with a final tranche on Red Seal certification or equivalent provincial credential.

Element	Description
Repayment Safeguard	Tuition converts to a repayable income-contingent loan if a participant withdraws without cause or fails to complete within an agreed timeframe. Hardship and medical exemptions apply.
Equity Stream	Targeted outreach, wraparound supports (childcare, transportation, mentorship) and dedicated seats for women, Indigenous peoples, newcomers, youth, and rural/remote applicants.
Industry Alignment	Annual seat allocation guided by BuildForce Canada and provincial labour market data, prioritising trades with documented shortages.

5. Accountability and Safeguards

The proposal recognizes that public funding requires public assurance. Three safeguards keep the program disciplined:

- **Milestone-based disbursement.** Tuition is paid in tranches tied to documented progression, not a single upfront cheque.
- **Income-contingent repayment for non-completion.** Participants who withdraw without cause repay covered tuition through the existing student-loan repayment infrastructure, with payments scaling to income and standard hardship and medical exemptions.
- **Annual public reporting.** Enrolment, completion, demographic, and labour-market outcomes are reported annually by trade and by jurisdiction, allowing Parliament, provinces, and the public to assess return on investment.

6. Implementation Pathway

1. **Federal-provincial agreement.** Negotiate a cost-shared framework under existing Workforce Development Agreement architecture, leveraging the same delivery infrastructure that supports the Union Training and Innovation Program.
2. **Pilot phase.** Launch in two to three provinces across a defined set of priority Red Seal trades, with rigorous evaluation of enrolment, completion, and labour-market placement.
3. **National scale-up.** Following successful pilot evaluation, expand nationally with seat allocation calibrated annually to BuildForce Canada and provincial forecasts.
4. **Integration with Team Canada Strong.** Coordinate intake, certification modernization, and reporting with the federal apprenticeship grant, the Build Canada Apprenticeship Service, and the Red Seal completion bonus to create a single navigable pathway for participants.

7. Expected Outcomes

Indicator	Expected Outcome
Apprenticeship Enrolment	Sustained year-over-year increases, with measurable gains among under-represented groups.
Completion Rate	Improved nationally from the current ~one-in-three baseline toward best-in-class jurisdictions.
Domestic Workforce	Expanded capacity to deliver housing, infrastructure, and clean energy commitments.
Foreign Labour Reliance	Reduced over the long term as domestic supply meets a greater share of demand.
Fiscal Accountability	Repayment safeguards limit cost exposure for non-completion; investment is tied to measurable workforce outcomes.

8. Conclusion

The skilled trades are the foundation of Canada's economy and the precondition for every major commitment the country has made on housing, infrastructure, and the energy transition. The federal government has rightly recognized this with Team Canada Strong. The next logical step is to remove the upfront tuition barrier so that every Canadian who is willing and able to enter a trade can do so, regardless of their bank balance.

A fully funded trades training program, balanced with completion-based disbursement and income-contingent repayment safeguards, is a cost-effective and forward-looking investment in Canada's workforce resilience. It is a measure that complements rather than competes with the announced federal package, and it is precisely the kind of structural reform the moment requires.

— End of Proposal —

Source Notes

Statistics in this proposal are drawn from the following publicly available sources:

- Government of Canada, Spring Economic Update, April 28, 2026 — figures on the 1.4 million worker need by 2033, 100,000 / 34,000 apprentice registration and completion in 2024, the \$6 billion Team Canada Strong package, the \$16,000 apprenticeship training grant, and the \$5,000 Red Seal completion bonus.
- BuildForce Canada, national construction labour market forecasts (most recent 2024 and 2025 releases) — figures on construction sector hiring requirements, retirements, and demographic trends.

- Employment and Social Development Canada, news releases of February 6, 2026 — figures on Union Training and Innovation Program participation and the Sustainable Jobs stream.
- Canada Mortgage and Housing Corporation — projections on housing supply needed by 2030.