WESTAC

Highlights of Budget 2026

The federal government's Budget 2026 advances measures to expand investment, diversify trade, and improve the infrastructure and systems connecting Canadian businesses to markets. For WESTAC members, the main areas of interest are transportation project approvals, digital trade processes, investment incentives, northern infrastructure, and workforce development. Several measures build on announcements made earlier this year or in Budget 2025. Proposed funding and legislative changes remain subject to the applicable approval and implementation processes.

Some key points (excerpts) for WESTAC members are below. Click here to access Budget 2026.

Modernising trade and transportation systems

Budget 2026 proposes $55.3 million over two years on a cash basis, starting in 2026–27, for Transport Canada to advance digital trade processes. The work would bring government and industry together to update legislation and regulations, test digital tools, and help businesses adopt them.

These systems support electronic documentation, shipment tracking, customs compliance, financing, and insurance. For transportation providers and shippers, the initiative could help reduce administrative friction and improve coordination across supply chains. ***Budget reference: page 174.***

The budget also confirms the launch of the $5 billion Trade Diversification Corridors Fund and $1 billion Arctic Infrastructure Fund announced in Budget 2025. These existing commitments support trade capacity, northern connections, and the removal of transportation bottlenecks. ***Budget reference: page 174.***

Proposed changes to transportation approvals and labour relations

The budget highlights Bill C-39, the Building Canada Strong Act, introduced in September 2026.

The proposed legislation would:

- Formally designate strategic trade corridors.
- Establish a Transportation Projects Office to coordinate federal approvals for priority transportation projects.
- Modernise port governance and transportation rules.
- Expand digital trade processes and reduce administrative burdens.
- Support earlier collective bargaining, negotiated settlements, and dispute resolution in federally regulated industries, while protecting the right to strike.
- Strengthen workplace safety enforcement and action against worker misclassification and wage theft.

For members, the implications extend to project timelines, port operations, supply chain reliability, and employer–worker relations. These are proposed legislative changes, rather than measures already fully in effect. ***Budget reference: page 160.***

Consolidating oversight of federally owned bridges and crossings

Budget 2026 confirms the government's intention to bring oversight of federally owned bridges and crossings under a single ministerial portfolio. The stated objectives are to reduce duplication, strengthen asset management, and support a more strategic approach to maintaining and renewing nationally significant trade and transportation infrastructure.

The budget explicitly identifies the New Westminster Rail Bridge among Canada's nationally significant crossings. For WESTAC members, the consolidation is relevant to future accountability and planning for this important rail connection. The announcement does not include dedicated funding, a replacement commitment, or a construction schedule for the bridge. *Budget references: pages 307–309.*

Encouraging investment in transportation assets

The Productivity Mega Deduction, announced in September 2026 and incorporated into the budget, builds on last year's Productivity Super Deduction. It would allow businesses to immediately deduct the full cost of a broader range of eligible capital assets on a permanent basis.

The budget identifies potential transportation investments including vessels, docks, rail track, rail cars, locomotives, bridges, roads, aircraft, and freight trucks. Eligibility and applicable tax rules will determine the treatment of individual investments.

For capital-intensive transportation businesses, this is a significant measure to assess when planning equipment replacement, infrastructure expansion, and productivity improvements. *Budget references: pages 111–112 and 236.*

Strengthening northern transportation connections

Budget 2026 proposes to fully fund construction and certain maintenance costs of the Mackenzie Valley Highway. The project would create an all-season corridor between Wrigley and Inuvik, improving access for northern communities and supporting economic development.

The budget does not disclose a funding amount in this announcement. *Budget reference: page 162.*

Expanding export financing tools

The government proposes legislative amendments to increase the Canada Account limit and modernise its governance, with the aim of streamlining approvals and supporting strategic export transactions.

It also intends to make the Canadian Commercial Corporation a subsidiary of Export Development Canada, bringing together export financing and government-to-government contracting support.

These changes could help Canadian businesses pursue international opportunities and diversify their markets. *Budget reference: page 175.*

Supporting workforce development

Budget 2026 proposes:

- $451.8 million over four years beginning in 2027–28, and $48 million ongoing, including new and existing funding, for a Partnerships for Indigenous Workforce Readiness Fund. The fund would support foundational skills, employment training, and alignment with major projects and national economic priorities.
- $170 million in 2027–28 through the Workforce Tariff Response to continue targeted training and employment services delivered with provinces and territories.

These measures are relevant to members facing changing trade patterns, skills shortages, and workforce requirements associated with major projects. ***Budget reference: page 215.***

Updating tax rules for containers and railway equipment

The budget proposes technical GST/HST changes relevant to international transportation, including:

- Expanding relief for qualifying cargo containers to those with a minimum internal volume of one cubic metre and extending the export window to 365 days.
- Maintaining relief for railway equipment used in international service while updating outdated references.
- Simplifying partial relief for certain railway equipment temporarily diverted into, or entering, domestic service.

These proposals warrant review by affected members' tax and operations teams. ***Budget references: pages 416–418.***

Supporting passenger rail connections

Budget 2026 proposes $1.2 billion over three years on a cash basis, starting in 2027–28, for VIA Rail operations and maintenance.

The budget also reiterates the September 2026 announcement of more than $6.6 billion to acquire and maintain new passenger rail cars and locomotives for long-distance, regional, and remote services. ***Budget references: pages 235–236.***