

**Newfoundland and Labrador**

Summary of Annual Plan for Canada-Newfoundland and Labrador Workforce Tariff  
Response 2025/26 Canada-Newfoundland and Labrador Labour Market Development  
Agreement

## **EXECUTIVE SUMMARY**

The Canada-Newfoundland and Labrador Workforce Tariff Response provides \$10,612,127 in time limited federal funding over three years to complement existing Labour Market Development Agreement (LMDA) programming and strengthen workforce resilience in the steel, softwood lumber, and other sectors directly or indirectly affected by tariffs and related economic pressures. The initiative is expected to support approximately 1,206 participants, including unemployed individuals, Work-Sharing participants, and employed workers at risk of job loss resulting from supply chain disruptions, market uncertainty, and evolving trade conditions.

## **STRATEGIC INTRODUCTION**

Newfoundland and Labrador is currently experiencing minimal direct workforce impacts from tariff measures; however, employers are reporting of indirect impacts such as. material shortages, supply chain delays, market uncertainty, hesitation to bid on new projects, rising costs for businesses and consumers, and other pressures. Tariff conditions can shift rapidly, and these evolving challenges underscore the need for flexible, responsive programming to meet existing challenges as well as being capable of adapting to changing circumstances and supporting employers and workers as conditions develop.

Due to the short timelines between the signing of the federal/provincial agreement and the end of the fiscal year, the 2025-26 tariff annual plan has been intentionally designed to remain highly adaptable. This flexibility will allow the province to adjust programming and shift priorities as new needs emerge throughout the year and beyond.

## **DESCRIPTION OF PLANNED PROGRAMS/ACTIVITIES**

### **Leveraging Existing Labour Market Development Agreement (LMDA) Programming**

The province anticipates leveraging its existing suite of LMDA programs to support eligible clients under the federal tariff response (Self-Employment, Skills Development, Wage Subsidies and LMPs). Those who meet the eligibility criteria for Federal Tariff Response Funding will be flagged within the system accordingly. Given the uncertainty surrounding future tariff related impacts, it is not yet possible to establish specific targets or expenditure forecasts.

Ongoing outreach and consultation will continue to ensure that programming remains responsive and aligned with evolving workforce needs. Targeted clients include unemployed workers, individuals participating in Work-Sharing arrangements, and employed workers at risk of layoff from companies directly or indirectly affected by tariffs, global market fluctuations, supply chain disruptions, or from communities that rely heavily on those employers, such as single industry communities.

## **Planned Outcomes**

**The 2025-26 Tariff Annual Plan aims to achieve the following outcomes:**

### **Strengthened Employer Awareness**

- Provides employers awareness of the supports available to better navigate shifting Tariff pressures through access to training, upskilling and workforce retention supports

### **Responsive and Flexible Program Delivery**

- Ensure that labour market programming can be adjusted quickly as tariff impacts evolve, allowing the province to target resources to areas of emerging need.

### **Improved Understanding of Tariff related Workforce Challenges**

- Use early program participation, consultation findings, and employer feedback to strengthen the province's understanding of workforce risks and supports required if tariffs impacts intensify.

### **Efficient Use of Existing LMDA Resources**

- Leverage existing LMDA programming to support eligible clients, ensuring timely service delivery while minimizing duplication and maximizing program efficiency.

### **Enhanced Collaboration with Employers and Stakeholders**

- Maintain strong engagement with employers, industry associations, and community partners to ensure programming remains aligned with real-time labour market pressures.

Although no amended tariff agreement had been finalized, Newfoundland and Labrador introduced the Workforce Relief Fund (WRF) in August 2025 to immediately help employers navigate the ongoing uncertainty created by the quickly evolving tariff environment. The process provided valuable insight into the challenges businesses are experiencing and the types of support that can assist them to begin strengthening workforce resilience through training, upskilling and employee retention activities related to global tariff pressures. The above noted consultation process provided valuable insight that businesses were not experiencing a significant impact. The WRF projects approved in fiscal 2025/26 were funded via the Labour Market Development Agreement allocation (Labour Market Partnerships). Newfoundland and Labrador will not be charging it under the amended agreement as these were already supported federal labour market partnership funds during fiscal year 2025-26.

In completing the consultations and developing an annual plan, considerable administrative resources were expended to prepare and deliver tariff relief support in the 2025/26 fiscal year and are expected to consume the full 20% administration cost allowed under the Amending Agreement. Additionally, those resources focused on the administrative preparations for program delivery over the duration of the Amending Agreement such as systems and reporting enhancements.

It is expected that any projects funded in the future will meet all Amending Agreement reporting requirements.

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| <b>Tariff Response</b>                                                            | <b>(Preparations/Administration)</b> |
| Projected <u>new</u> Expenditures from the Tariff Response funding: \$178,007.60. |                                      |

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| <b>Projected Total Expenditures:</b> \$ 178,007.60 (Administrative)                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Planned description of program (including relevant projects and activities) - Areas of focus:</b> For 2025-26 work focused on administrative preparations and employer contact. Administrative preparations included system enhancements, employer/stakeholder consultations and client outreach (using TRF client data).                                                                                                                                                            |
| <b>Target Client Groups/Recipients:</b> <ul style="list-style-type: none"> <li>X Unemployed</li> <li>X Work-Sharing</li> <li>X Employed</li> </ul>                                                                                                                                                                                                                                                                                                                                      |
| <b>Planned Benefits of future programming:</b> <ul style="list-style-type: none"> <li>• Preparation to facilitate increased workforce stability among employers and/or employees affected by tariffs</li> <li>• Employer awareness of available resources to enhance worker skills through targeted training and upskilling</li> <li>• Improved employer capacity to adapt to changing market conditions</li> <li>• Strengthened business resilience and reduced layoff risk</li> </ul> |
| <b>Planned Expected Results (including targeted number of clients served):</b> <p>Administrative costs for 2025/26 will contribute to the program through its completion in 2028/29.</p>                                                                                                                                                                                                                                                                                                |
| <b>Additional Information/Comments:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## WAGE SUBSIDIES

The existing program structure related to wage subsidies will be utilized in future years under the Amending Agreement, and individuals or employers that meet the eligibility criteria for Federal Tariff Response Funding will be appropriately tagged within our system.

Targeted Wage Subsidies (TWS) for insured participants will continue to be available. Wage

subsidies will not be offered in support of work-share agreements as this is prohibited under the federal TWS rules.

Under the Labour Market Partnerships (LMP) program, wage subsidies may be provided to support employed workers where a clear and well-documented rationale demonstrates the need for assistance to help employees retain employment or avoid job loss. For example, wage subsidies may be used to support reskilling or upskilling activities that enable a company to pivot to new business opportunities, thereby preventing potential layoffs. Wage subsidies will not be used solely to offset a business's operational costs.

## **ENGAGEMENT/CONSULTATION PLANS AND RESULTS**

Newfoundland and Labrador's engagement approach is focused on maintaining ongoing, inclusive dialogue with a wide range of stakeholders to ensure tariff-related workforce programming remains responsive and evidence-informed. Engagement to date occurred from late 2025 to early 2026.

The province is in the process of engaging with Indigenous Governments and Organizations (IGOs) to understand potential impacts and ensure Indigenous perspectives are meaningfully reflected. Engagement will also continue with government departments, employers, industry associations, unions, employees, persons with disabilities, and other underrepresented groups to gather insights into emerging labour market pressures, training needs, and potential barriers.

This continuous engagement cycle, including targeted outreach, regular stakeholder check ins, and formal consultations will support the development of future Annual Plans and ensure programming remains aligned with evolving economic and workforce conditions.

**Steel Employers** were engaged and most employers contacted indicated they have not experienced direct layoff impacts as a result of the tariffs. The primary challenges reported included material shortages, supply delays, uncertainty regarding material availability, rising costs, and the postponement or cancellation of projects. Among the businesses that provided input, the majority noted minimal to no direct impact from the U.S. steel tariffs at this time. Additionally, there has been no identified need for retraining, upskilling, or work-sharing measures.

Because Newfoundland and Labrador is not currently experiencing job losses as a direct impact of the Tariffs, the plan will focus on sharing information on available federal and provincial supports with employers and workers that respond to both direct and indirect impacts. The current engagement process establishes a foundation for ongoing communication with stakeholders. This engagement has opened two-way communication channels, which may facilitate faster and more responsive support should future impacts arise. It will also support the

effective dissemination of information on available services.

**Softwood Lumber Employers** were engaged and Employers reported rising costs for supplies and fuel but were unable to confirm whether these increases were tariff related or reflective of broader cost of living pressures. Some indicated that higher supply costs have led to increased prices for customers. Several key operators also noted financial strain, market uncertainty, and reductions in production or hiring activity. It was noted that there is increased competition from other provinces selling more wood in NL due to loss of USA sales. At this time, no need for retraining, upskilling, or work-sharing has been identified.

As Newfoundland and Labrador is not currently experiencing job losses, the plan will focus on providing employers and workers with information on available federal and provincial supports. The current engagement process establishes a foundation for ongoing communication with stakeholders. By opening clear two-way communication channels, it enables timely and responsive support where needed. Furthermore, these strengthened relationships will facilitate the effective sharing of information about available programs and services.

**Employer Associations/Groups** were engaged and to date, feedback indicates that while some businesses have experienced price increases, no direct layoffs have occurred. Several employers reported hesitancy in bidding on new projects due to ongoing commodity price volatility, which may carry broader economic implications for their businesses and the province. Supply chain disruptions are also contributing to delays, uncertainty, and increased costs as companies seek alternative suppliers. At this time, employers have not identified retraining, upskilling, or work-sharing as a significant need. Feedback regarding seafood indicated no tariffs on seafood into the US, but Chinese tariffs are a concern. Canada's recent announcement is that it expects China to lift tariffs by March 31, 2026.

As Newfoundland and Labrador is not currently experiencing job losses, the plan will focus on sharing information on available federal and provincial supports with employers and workers. The current engagement efforts have established a foundation for ongoing stakeholder contact. By fostering clear two-way communication channels, these engagements enable timely and responsive support as needed. Additionally, strengthened relationships will support the effective dissemination of information on available programs and services.