

IGR Subcommittee Briefing: Federal Political Scan

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VAUGHAN CITY HALL

Federal Landscape: Background

- In April of 2025, Liberal Leader Mark Carney secured a minority government. With a series of MPs crossing the floor to the governing Liberals, and three by-elections, PM Carney may be poised to secure a 1-seat majority (172 seats).
- Like the Ontario provincial election in 2025, the campaign focus was on the tariff and sovereignty threat from US President Donald Trump.
- Prime Minister Carney outlined his priorities for implementing his mandate in the May Speech from the Throne, with his focus on rebuilding the economy by removing federal interprovincial trade barriers, expanding trade relationships internationally and building housing.
- The Prime Minister also stressed that he is focused on increasing community safety through bail reform for car and home theft, toughening sentencing for repeat offenders and increasing border security.

Federal Landscape: Budget 2025

- On Tuesday, November 4, 2025, Federal Minister of Finance François-Philippe Champagne presented the Federal Budget – the first budget for Prime Minister Mark Carney – entitled [Canada Strong](#)
- The budget provided an unfavourable economic outlook for Canada, with an increase in unemployment, business uncertainty, weak productivity and economic growth over the next two years at about 1%.
- To counter the economic downturn, the government proposed massive investments in infrastructure, housing, and the military, along with tax changes to spur business development.

Federal Landscape 2026: International

- In January 2026, Prime Minister Carney provided an address to the Davos conference.
- The speech was blunt in stating that the era of dependable U.S.-led globalization has ended.
- He emphasized that smaller and middle-power countries (such as Canada) must band together to manage global dynamics and push back against hard-power rivalry.
- Carney projected Canada as a stable, proactive partner focused on building a more resilient, just, and cooperative system.
- Building off this speech, Prime Minister Carney issued several foreign policy, defence, and economic cooperation announcements such as
 - Deepening cooperation with Nordic countries in defence, Arctic security, and critical minerals;
 - A plan to defend, build, and transform the North;
 - International partnerships forged with Japan, Australia, and India on defence, energy, trade, and technology

Federal Landscape 2026

- Domestically, as outlined in Budget 2025, the government is shifting its priorities toward infrastructure, clean energy, and productivity measures away from operational spending.
- This will also include the downsizing of the federal government by 40,000 positions by the end of 2028-2029.
- In early 2026, an agreement-in-principle was signed with Alberta to accelerate major project construction.
- In March 2026, the government announced legislation on affordability measures, which will include:
 - The ***New Canada Groceries and Essentials Benefit***, which will increase the former GST Credit by 25% for five years starting July 2026, plus a one-time payment in spring 2026.
 - Cap on NSF bank fees to a maximum of \$10.
 - Reinforced the middle-class tax cut benefits from 2025.

Federal Landscape 2026: Public Safety

- A priority for the City of Vaughan is public safety. Canada has experienced an increase in violent crime, hate-motivated incidents, and antisemitism.
- The federal government has responded with some legislative and policy measures, including the Bail and Sentencing Reform Act, National Action Commitments to Combat Antisemitism, and new funding and enforcement tools to address hate and violent extremism.
- Key measures include:
 - ***Bail and Sentencing Reform Act:*** The Bail and Sentencing Reform Act (Introduced October 23, 2025) is intended to strengthen bail laws and sentencing provisions. The legislation introduces new reverse-onus provisions for violent and repeat offenders. In addition, it includes mandatory consecutive sentences for violent auto theft, break and enter, extortion, arson, and certain repeat violent offences.
 - ***National Action Commitments to Combat Antisemitism:*** The federal government committed up to \$10 million in funding through the Community Resilience Fund to support grassroots organizations working to prevent hate, violent extremism, and early-stage threat identification. An additional \$26.8 million over four years was allocated to train provincial and municipal police forces in hate-crime identification and response, delivered through national police colleges. Federal agencies are partnering with Jewish community-led security networks to enhance local readiness, situational awareness, and protective measures.

Federal Landscape 2026: Public Safety (cont'd)

- Combatting antisemitism is of paramount concern to Mayor Del Duca, Council and the City of Vaughan and the City of Vaughan was a leader in protecting vulnerable social infrastructure, with the approval of the [Protecting Vulnerable Social Infrastructure By-law 143-2024](#) at the Council Meeting on June 25, 2024. Other municipalities across Canada followed suit thereafter.
- In 2025, the federal government introduced Bill C-9, the Combatting Hate Act, which aims to strengthen hate crime legislation in Canada. The legislation will create a stand-alone hate-motivated crime offence, ban public display of terrorist or hate symbols used to promote hatred, and, like the City of Vaughan by-law, criminalize intimidation or obstruction of access to places of worship, schools, and community centres.
- Following the March 7, 2026, violent antisemitic attack on Beth Avraham Yoseph of Toronto synagogue in Vaughan, Mayor Del Duca wrote an op-ed in the [Toronto Star](#) inviting the Prime Minister to meet with members of the Jewish community, as well as asking the Prime Minister for help in combatting antisemitism and increasing public safety measures.
- This includes calling on the Senate to pass Bill C-9 and do more to combat antisemitism.

Alignment with City of Vaughan Priorities

- Strong collaboration and alignment between federal, provincial, and local governments is essential to secure infrastructure funding and advance projects.
- The City of Vaughan's economic development team has been focused on increasing international trade avenues with Europe, as well as solidifying new relationships in the US with the signing of a Sister-City agreement with Grand Rapids, Michigan. These economic development measures align with the federal government's prioritization of investments in productivity, trade, and supply chain resilience.
- Mayor Steven Del Duca is focused on making life more affordable for Vaughan residents. Mayor Del Duca unveiled the City of Vaughan's 2026 Budget, with no property tax increases, making Vaughan the only municipality with a proposed or approved zero per cent tax rate increase in York Region and the Greater Toronto Area. This is aligned with the federal government's affordability initiatives outlined in Budget 2025 and 2026 affordability legislation.
- The City of Vaughan has made affordable housing a priority and has made efforts to reduce the cost of housing and spur development with a reduction of development charges. This is in line with the federal government's elimination of the GST for first-time home buyers on new homes at or under \$1 million and its reduction for first-time home buyers on new homes between \$1 million and \$1.5 million.

Analysis/Next Steps

- Looking ahead, Strategic Initiatives will continue to monitor the activities of the federal government and identify alignment opportunities with the City of Vaughan.
- Strategic Initiatives will update the Mayor and Members of Council on post-spring economic statement funding for announcements.
- Strategic Initiatives will also attend the FCM conference in 2026, and report back on key federal initiatives and opportunities