

ALBERTA JOBS TASKFORCE



REPORT

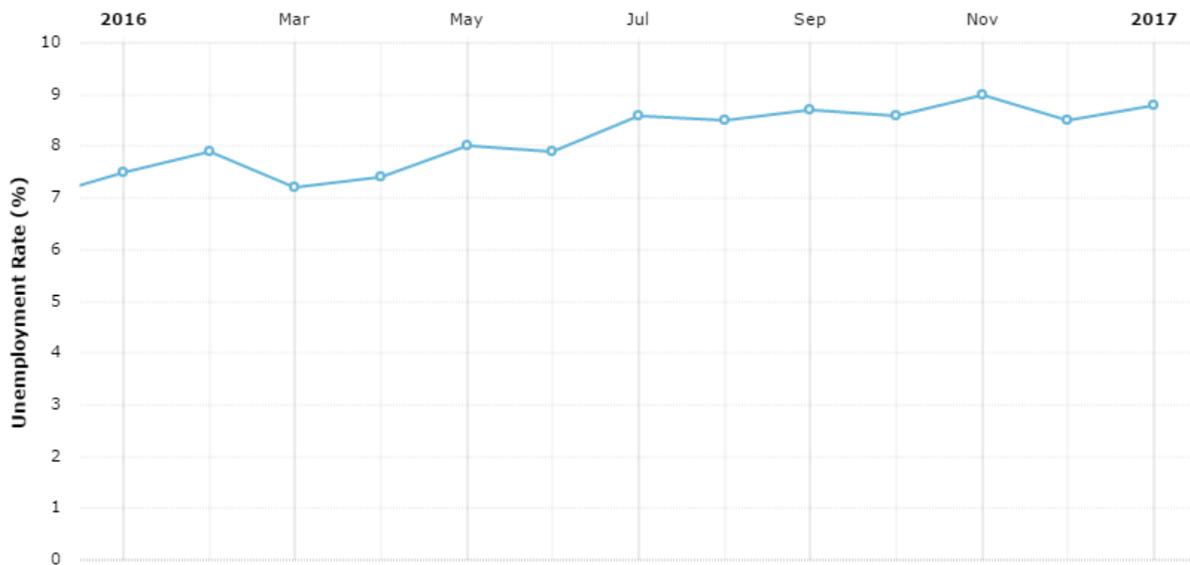
AN ALBERTA-MADE PLAN
FOR JOB CREATION

<u>TABLE OF CONTENTS</u>	PAGE
CHAPTER 1: INTRODUCTION	
1.1 Current Situation	3
1.2 Objective	5
1.3 Themes	6
1.4 Outreach Efforts	6
CHAPTER 2: WHAT CAN THE FEDERAL GOVERNMENT DO TO HELP ALBERTANS GET BACK TO WORK?	
2.1 Reduce Tax Burden	8
2.2 Support Job Creation in the Oil and Gas Industry	9
2.3 Support the Unemployed	11
2.4 Support for Families	14
2.5 Support for Business	16
2.6 Support Youth	18
CHAPTER 3: WHAT CAN THE FEDERAL GOVERNMENT DO TO ENCOURAGE LONG-TERM ECONOMIC PROSPERITY IN ALBERTA?	
3.1 Federal-Provincial Relations	21
3.2 Increase Canada's Competitiveness	23
3.3 Encourage Diversification	26
3.4 Immigration Reform	27
3.5 Balance Federal Budget	29
CHAPTER 4: CONCLUSION	31
LIST OF RECOMMENDATIONS	35

CHAPTER 1: INTRODUCTION

1.1 Current Situation

Alberta has a jobs crisis. Since the beginning of 2015, the unemployment rate in Alberta has risen from 4.6% to 8.8% - an increase of 4.2% (January 2015 - January 2017). There are currently over 220,000 Albertans out of work. Calgary’s unemployment rate is currently the highest in the country at 9.8% in January 2017. Edmonton’s unemployment rate is also among the highest in the country at 8.1%. Youth unemployment in Alberta sits at 13.5% in January 2017 – an increase of 1.4% over one year.



There are fewer available for those looking. Job vacancy in Alberta has dropped from 39,600 in January of 2015 to 26,400 in January of 2017. Although many believe that this jobs crisis is unique to the oil and gas industry, there have been widespread losses across many industries since the beginning of 2015: a 19% decrease in Agriculture jobs, a 18% decrease in forestry, fishing, mining, and oil and gas jobs, and a staggering 26% decrease in manufacturing jobs. As a result of these job losses, the number of employment insurance claimants in Alberta have nearly tripled since 2015. In January of 2015 there were 33,650 EI recipients versus 96,890 in November 2016. This represents a staggering 187% increase.

The jobs crisis in Alberta has had an enormous social cost. It has been linked to an increase in crime in the province. In 2015 Calgarians saw a 29% increase in Crime Severity Index (CSI) and Edmonton saw a 16% increase. Alberta as a whole saw a CSI increase of 18% in 2015 and a rise in violent crime of 12%. The rise in crime has not been limited to one region of the province, nor to major urban centres:

Airdrie: +26%	Medicine Hat: +24%	St. Albert: +41%
Canmore: +20%	Okotoks: +10%	Stony Plain: +15%
Cochrane: +16%	Ponoka: +41%	Strathcona: +21%
Grande Prairie: +19%	Red Deer: +7%	Whitecourt: +31%
Lethbridge: +9%		

In response to the jobs crisis and the problems it is causing for families and communities across the province, Conservative Members of Parliament in Alberta launched the Alberta Jobs Taskforce.

1.2 Objective

Announced on October 3 2016, the Taskforce had two objectives:

- 1) Listen to Alberta employers, workers, families, service providers, community organizations, social assistance organizations and other stakeholders affected by the jobs crisis and collect their feedback and ideas with respect to addressing the crisis.

- 2) Collate the feedback collected into a report containing policy solutions and budget requests to the Government of Canada.

Everyday Albertans, employers, small businesses, social assistance organizations, workers and community leaders have direct experience with the effects this crisis has had on our communities. They also possess knowledge and insight on what tangible solutions are needed to get Albertans back to work. The community outreach sessions organized by Conservative Members of Parliament provided an ideal opportunity to hear their stories and gather their valuable information firsthand.

1.3 Themes

The Taskforce focused on four key areas as part of the outreach effort to Albertans:

- 1) How did Alberta get to where we are today?
- 2) What have been the impacts of this crisis on Albertans?
- 3) What can the federal government do to help Albertans get back to work?
- 4) What can the federal government do to encourage long-term economic prosperity in Alberta?

1.4 Outreach Efforts

The Alberta Conservative Caucus conducted extensive community outreach across the province:

- 1) Town Hall Meetings
- 2) Roundtable Meetings
- 3) Surveys
- 4) Stakeholder Consultations

In addition to the feedback collected from the above activities, many Albertans submitted their thoughts and suggestions via the Taskforce website and their M.P. offices by phone and correspondence.

In total, the Taskforce heard from thousands of Albertans as a part of its outreach activities. Many individuals shared stories of personal hardship and the challenges caused by the jobs crisis: individuals who are struggling with unemployment; families facing unimaginable challenges and decisions with their basic necessities; businesses struggling to survive; and industries crippled by the current economic environment. This report is their voice - their opportunity to have their stories, their views and their solutions heard.

CHAPTER 2: WHAT CAN THE FEDERAL GOVERNMENT DO TO HELP ALBERTANS GET BACK TO WORK?

2.1 Reduce Tax Burden

During the various community outreach sessions held by the Taskforce, the most common reoccurring statement was that low taxes are needed to alleviate the burden for struggling Albertans and businesses across the province. With the uncertainty caused by the current jobs crisis, any additional tax burden would exacerbate the serious consequences of the economic situation.

While many agreed that the implementation of reasonable emission management measures should be considered in order to protect Canada's environment and contribute to the international efforts to combat climate change, excessive carbon taxes were overwhelmingly opposed. The fiscal and administrative burden of such taxes could cripple already struggling businesses. Businesses will cut jobs to pay the additional costs, or transfer them to consumers. The increased costs of goods and services, combined with increased heating costs and fuel prices, would force struggling Albertans to take drastic action in order to provide for their families.

In addition to the negative effects of carbon taxes, business owners agreed that corporate tax rates must be lowered in order to encourage investment and increase competitiveness. Recent political changes in the United States suggest that corporate tax cuts are imminent. This will put Canadian businesses at a significant disadvantage to American competitors. In addition to reviewing general corporate tax rates, the small business tax rate

should be immediately reduced to 9% in order to allow Canadian businesses to compete across the border.

Furthermore, Alberta's business owners agreed that the overall cost of doing business in Canada must be reduced. In order to encourage job creation and business development, the Government must create an economic environment that lessens the burden on employers – not the exact opposite. Therefore, it was widely agreed that the Government should immediately reverse planned increases to mandatory Canadian Pension Plan contributions, which will increase payroll costs and reduce household incomes.

RECOMMENDATION 1

The Taskforce recommends that the Government reduce the tax burden on Alberta's families and business by:

- a) Eliminating the proposed Carbon Tax;**
- b) Reviewing Corporate Tax rates and immediately reducing the Small Business Tax Rate to 9%; and**
- c) Reversing the mandatory increase to CPP contributions.**

2.2 Support Job Creation in the Oil and Gas Industry

In 2015, natural resources directly and indirectly accounted for 1.77 million jobs in Canada and approximately 17% of Alberta's GDP. The oil and gas industry, particularly in Alberta, plays a significant role in creating jobs and supporting hard-working Canadian families.

It is for this reason that the Taskforce repeatedly heard that increased support for job creation in our oil and a gas industry is needed in order to stimulate Alberta's economy.

Pipelines continue to be the safest, most cost-effective and most efficient way of moving oil and gas within our borders and getting it to market. In fact, pipelines are not greenhouse gas intensive, and 99.999% of the crude oil and petroleum product transported on federally regulated pipelines arrives safely. Industry and community leaders agreed that projects such as Keystone XL and Energy East are opportunities to help get Canadian products to tidewaters, increase market access in an environmentally safe and sustainable way, and create jobs not only in Alberta but across the country. Therefore, it was agreed that the Government should honour and champion decisions of the National Energy Board that will see the approval and expansion of pipeline projects.

In addition to immediate pipeline project approvals, Albertans agreed that reducing the regulatory burden and bureaucratic red-tape on natural resources projects would stimulate investment and ensure job creation. Specifically, concerns were raised that while thousands of oil and gas workers are losing their jobs, the Government is introducing regulations that will impede the Canadian energy sector from getting oil and energy resources to market in the safest way possible. Job creators are facing longer delays and more regulatory hurdles than their American partners, who are set to benefit by recent measures to roll-back restrictions on energy development. They believe Canada's policies are putting them at a significant competitive disadvantage, and that environmental assessments should be completed by scientific experts and be free of political oversight.

RECOMMENDATION 2

The Taskforce recommends that the Government of Canada increase support for job creation in Alberta's Oil and Gas Industry by:

- a) Honouring decisions of the National Energy Board that will see the approval and expansion of pipeline projects in order to safely get Canadian products to market and create jobs; and**
- b) Reducing the regulatory burden and bureaucratic red-tape on natural resources projects in order to ensure competitiveness of the Canadian industry.**

2.3 Support the Unemployed

With Alberta's unemployment rates nearly doubling in two years, the need to support these struggling workers has become critical. Most workers that attended the Taskforce community outreach events shared their struggles with facing a rapidly changing labour force after decades of employment in the natural resources sector. These individuals have acquired significant levels of specific skills and experience that brought them success until the crash of oil prices. Now they are struggling to find employment in a related field. It has become clear that the need for retraining or further education is necessary to allow these workers to transition to new professional opportunities. Providing financial incentives for workers seeking retraining or reeducation and employers considering hiring them would encourage professional development and increase job opportunities.

Professional and career transition organizations agree that the Government must do more to promote retraining programs. Many workers simply don't know that programs exist to help them, and many retraining organizations are unable to advertise their services on the Federal Government's "Job Bank". As well, these organizations suggest that lists of new EI claimants be released to them, as they were in the past, so they could proactively contact unemployed workers to offer services.

Many workers have been forced to apply for Employment Insurance (EI) in order to provide the basic necessities for their families. While workers recognized the steps taken by the Government to expand and extend EI benefits during this crisis, many shared additional concerns with the program. Although efforts have been made to reduce wait-times, applicants still faced a complex application system and delays in receiving the payments required to provide for their families.

Most also agreed that the net family income rate used to calculate the Family Supplement should not be based on the year's previous income. Given the number of families who have lost both incomes in a short period of time, the Family Supplement should be calculated using the family's current financial situation.

Furthermore, many unemployed Albertans believe that they should not be penalized for accepting short-term contract work in order to supplement their limited EI benefits. Under the current program, individuals who accept such contracts would be ineligible for future benefits. This means that unemployed workers are forced to choose between accepting a short-term employment and losing the possibility of EI benefits in the future. This creates economic

uncertainly for Alberta's families and discourages individuals from gaining new experience through these short-term opportunities.

Finally, some unemployed workers expressed disappointment that EI benefits are taxable, no matter what type of benefits you receive. Many of Alberta's unemployed workers have contributed to the EI program for decades and have never been forced to utilize the benefits. These individuals paid significant income tax throughout their careers and were forced to contribute to the EI program. They must now, once again, pay income tax on the benefits they receive during their time of hardship. Therefore, workers believe that EI benefits should not be taxable. They also believe that workers should be given the option to opt-out of the Federal EI program if they prefer to utilize a privatized Employment Insurance program.

RECOMMENDATION 3

The Taskforce recommends that additional support be immediately provided to help unemployed Albertans transition through this crisis. Specifically, it recommends that the Government:

- a) Encourage retraining and education programs by increasing their promotion and offering incentives to workers and employers who use them; and**
- b) Review the Employment Insurance program to improve efficiency, increase fairness, and encourage professional development.**

2.4 Support for Families

Since the beginning of this crisis, the statistics on Alberta's economic situation have been alarming. Unemployment numbers have almost doubled, the housing market has destabilized and businesses have downsized or disappeared. While these facts are distressing, it is the stories and people behind the numbers that are truly devastating.

Skilled workers across Alberta are struggling to provide for their families, and children are seeing their parents go to a food bank for the first time. The Taskforce heard that Alberta's charities are being pushed to the limit as a growing number of Albertans struggle to put food on the table. Eighty per cent of food banks in Alberta reported an increase in demand in 2016, and since 2008, reliance on food banks in Alberta jumped 136%. In fact, 2016 saw more Albertans rely on food banks since Canada's first food bank was established in Edmonton in 1980. Of the individuals seeking assistance, 49% were women, 33% were Aboriginal, 5% were refugees and nearly 40% were children. Charitable organizations agreed that more must be done to help them respond to the needs of struggling Albertans. Government programs and partnerships should be developed to encourage donations and provide assistance to local charities who cannot respond to the growing demand.

Although mild recovery and pockets of stability have been seen in certain areas of Alberta's housing market, there still remains significant uncertainty as to the future of housing prices and commercial vacancies across the province. Albertans expressed concern regarding their ability to access and maintain affordable housing for themselves and their families. Many described how they have been forced to sell their homes due the financial pressures they are

facing. Others have attempted to sell their homes in order to seek employment in a different area, city or province. This has caused significant changes to Alberta's housing prices and housing inventory.

Combined with these changes, the Government of Canada's new rules for mortgage insurance have added another layer of uncertainty and instability to Alberta's housing market. First-time homebuyers, especially young people, will now be extremely limited in their purchasing power. Real-estate experts say these new rules will drive up rates for consumers, make it harder to get approved for mortgages and cut competition in the lending sector. While these measures are targeted at consumer debt concerns in Vancouver and Toronto, they are not appropriate for the cooling housing markets in Alberta.

In addition to the increased reliance on charitable organizations and the uncertain housing situation, Alberta has also seen a significant increase in the number of affected workers seeking mental health services to help them cope with the strain of unemployment. The correlation between poor mental health and unemployment is extremely apparent, and workers shared their experience with increased stress levels, loss of self-esteem, and anxiety or depression due to their job loss. In addition to these very serious mental health effects, the Taskforce was told that Alberta now has the highest suicide rate in Canada; presumably correlated with the ongoing economic crisis being faced by Albertans. Unfortunately, many social service agencies expressed their concerns with the lack of necessary resources to deal with the rapid increase in demand for mental health services.

Mental health service providers and organizations provided examples of countries such as Sweden and Austria who have undergone a similar downturn in their economy but were able to avoid significant rates of depression and suicide by simultaneously increasing investments in programs that provide mental health support and aim to get the unemployed back to work and avoid long-term unemployment. Although mental health services are provincial jurisdiction, exploring such programs and providing increased mental health funding from the Federal Government would help limit the mental health challenges impacting Albertans.

RECOMMENDATION 4

The Taskforce recommends that the Government of Canada provide immediate critical support to Alberta's families by:

- a) Investing in programs and partnerships to help local food banks respond to the growing demand;**
- b) Reversing the scope of the new mortgage rules; and**
- c) Implementing new programs and providing increased mental health funding.**

2.5 Support for Business

Small and medium businesses are the backbone of the Canadian economy and Canadian communities. Indeed, small businesses represent almost 99% of all businesses in the country and employ nearly 70% of all Canadians working in the private sector. These important

job creators are of vital importance to Canada's economic future, and providing them with additional support will stimulate the economic growth that is needed in Alberta.

Small business owners agreed that an important step to encouraging small business development in Alberta would be the removal of unnecessary paperwork and the elimination of regulatory fees. Digitizing government services and simplifying access to information for small businesses would make it easier for entrepreneurs to navigate the bureaucracy. Coordinating information from all levels of Government would also assist in accessing this important information.

The Taskforce also heard that small business tax-credits would encourage struggling business owners to hire or train employees. In particular, tax-credits to hire workers over the age of fifty would encourage employers to consider the significant cohort of unemployed skilled and experienced workers. Furthermore, work-sharing programs funded through the EI system would also encourage employers to hire unemployed workers and would allow for further professional and skills development.

It is critical that the conditions for investments into the development of new small businesses be supported by the Federal Government. Entrepreneurs unanimously agreed that programs to encourage young Canadians and new Canadians to consider business development are vital. They also believed that the Government should focus on creating programs to encourage highly skilled and educated young and new Canadians to invest in business development and entrepreneurship.

RECOMMENDATION 5

The Taskforce recommends that the Government of Canada immediately provide assistance to Alberta's job creators by:

- a) Reducing red-tape and regulatory hurdles for new small businesses;**
- b) Creating tax-credits and work-sharing programs to encourage the hiring of unemployed skilled workers; and**
- c) Creating incentives to encourage young and new Canadians to consider business development.**

2.6 Support Youth

Statistics show that students who gain experience related to their degree are 66% more likely to find a job after graduation than those who don't. Unfortunately, the jobs crisis in Alberta has made this extremely difficult for recent graduates. Immediate support for the next generation of workers is critical to ensure Alberta's economic growth.

With the significant cohort of unemployed skilled workers flooding the entry-level workforce, students are facing challenging competition and low job inventory. Employers have been hesitant to hire recent graduates with little experience. This has meant that youth unemployment rates have risen significantly. In fact, 35.6% of Alberta's job losses in 2016 were people aged 34 and younger. The Taskforce heard that in order to reverse this trend, a tax incentive for the hiring of recent graduates would encourage employers to carefully consider our educated next generation of workers. Increased investment in co-ops and internship programs,

as well as creating a payroll training incentive, would also increase hiring levels for new graduates.

The affordability of high-education in Canada is decreasing, and Canadian students are finishing their programs with high levels of debt. This means that young Canadians are dependent on quality, stable and well-paying jobs when they graduate in order to support their significant debt load. Unfortunately, the current jobs crisis has made this nearly impossible. The Taskforce heard that the Government should consider ways to reduce the burden of student debt for those challenged to find employment.

Ensuring that our next generation of workers do not face the same economic challenges currently facing our province is critical. The most efficient way to avoid repeating past mistakes is to benefit from knowledge. Increasing financial literacy for Canadian youth would provide them with the information they need to take appropriate and responsible economic decisions in the future. Not only will they personally benefit from such education, the stability of the Canadian economy as a whole will also benefit if the next generation of consumers spends responsibly and carries low levels of debt. For this reason, the Taskforce heard that the Federal Government should work with Provinces to develop nationwide financial literacy program to help prepare young Canadians for a fiscally responsible future.

RECOMMENDATION 6

The Taskforce recommends that the Government of Canada introduce immediate solutions to help Alberta's youth by:

- a) Implementing programs to encourage employers to hire recent graduates;**
- b) Exploring ways to reduce the burden of student debt for those challenged to find employment; and**
- c) Increasing Financial Literacy across Canada.**

CHAPTER 3: WHAT CAN THE FEDERAL GOVERNMENT DO TO ENCOURAGE LONG-TERM PROSPERITY IN ALBERTA?

3.1 Federal-Provincial Relations

In order to ensure long-term economic prosperity in Alberta, the importance of strong Federal-Provincial relations was highlighted by many economic leaders. Coordination and cooperation between levels of Government is essential in order to create the stability required for economic growth.

One critical element of this coordination is the movement of people and goods across provincial borders. Currently, businesses and workers face different rules in different provinces when it comes to the professional qualifications an employee must obtain when seeking employment in a different province. Furthermore, current interprovincial trade-barriers cause significant hardship for manufacturers and businesses due to the different rules each province has for the production, shipment and selling of certain products. Business leaders told the Taskforce that coordinating bureaucratic processes, reducing unnecessary regulations and removing these trade-barriers would benefit Canadian job creators and could potentially increase Canada's gross domestic product by \$50 billion to \$130 billion.

Albertans agreed that investments in infrastructure projects are important to stimulate job growth and ensure the long-term prosperity and modernization of Alberta's economy and communities. Coordination between all levels of Government is essential to ensure that these targeted investments will respond to the needs of the communities and

contribute to job creation in the appropriate areas. It is important that bureaucratic mechanisms be streamlined in order to allow for these projects to break ground quickly.

Business leaders did warn, however, that although government spending on infrastructure projects stimulates some immediate economic activity, deficit financing for such projects inevitably limits future economic options. Furthermore, they reminded the Taskforce that jobs created by many infrastructure projects are temporary and project specific. They also tend to pay less than the ones they ostensibly aim to replace. Therefore, the dependency on infrastructure spending for long-term economic prosperity should be limited.

The people of Alberta have worked hard for generations and have significantly contributed to the Canadian economy. Through Canada's Equalization Payment Formula, the entire nation has benefitted from Alberta's economic strength. Albertans who met with the Taskforce agreed that the equalization program is important in Canada to ensure that citizens receive reasonably comparable levels of services regardless of the province in which they live. Albertans were proud to be net contributors to the program and help Canada prosper. Now, however, Alberta's economy has stalled and Albertans are struggling. Yet, under the current formula which uses two-year old data to calculate a province's fiscal capacity, Alberta will still not receive any contributions from equalization this year. Albertans believe that it is only fair that they receive the support they need from the Federal Government during their time of need. For this reason, Albertans told the Taskforce that the Federal Government should review and modernize the Equalization Payment Formula.

RECOMMENDATION 7

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada improved Federal-Provincial relations by:

- a) Coordinating bureaucratic processes, reducing unnecessary regulations and removing trade barriers;**
- b) Making targeted and fiscally responsible infrastructure investments; and**
- c) Reviewing the Equalization Payment Formula - specifically the use of two-year old data to calculate a province's fiscal capacity.**

3.2 Increase Canada's Competitiveness

Canada and the United States enjoy the strongest bilateral relationship in the world. Our partnership is forged by shared borders, common interests, and important multi-layered economic ties. Although this critical relationship benefits both countries, it can also mean considerable market competition for Canadian businesses.

Recent political changes south of the border have reinforced this reality. Business leaders in Alberta are bracing for policy changes in the United States that will significantly affect their success and their livelihood. Reductions in the American corporate tax rates will encourage investments in the development and expansion of businesses south of the border. As the Canadian Government moves forward with a national carbon tax that will directly impact the cost of doing business in Canada, the United States Government is moving away from such fiscal policies. And as Canada increases personal income taxes on high-income earners, the

United States Government has indicated they will be seeking reductions. This will clearly be considered when business developers decide where they will live, invest and develop.

Business leaders agreed that these new policies in the United States are examples of imminent changes that will directly affect the competitiveness of Alberta businesses. They unanimously agreed that the Government of Canada must adjust its course due to the new United States Administration. Ignoring this new reality will hurt Canadian businesses and exacerbate the jobs crisis in Alberta.

Business leaders also agreed that the Government of Canada should continue expanding free-trade agreements around the world. Trade creates jobs and fuels the Canadian economy. In fact, Alberta business leaders reminded the Taskforce that more than one in five Canadian jobs are linked directly to exports. Opening new markets for Canadian goods and services will benefit Canadian businesses and encourage them to successfully compete internationally. Multilateral free-trade agreements such as the Trans-Pacific Partnership (TPP) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) must be completed to boost the Canadian economy and stimulate job growth in Alberta.

As discussions surrounding the reopening of the North American Free-Trade Agreement (NAFTA) begin, Canadian industries and businesses have expressed concern. The protectionist rhetoric and the uncertainty surrounding the negotiations are only adding to the anxieties felt by Alberta businesses. Consistent communication and updates on the negotiations for Canadian businesses would help alleviate concerns and encourage investments.

In order to ensure that Canadian industries are competitive around the world, public support and promotion from the Federal Government are essential. In particular, the public perception of Canada's oil and gas industry is vital to ensure its growth and prosperity. Industry leaders told the Taskforce that more must be done to educate Canadians and the world about the important research and environmental work done within Canada's oil and gas industry. Emphasizing the innovation and remediation efforts compared to other oil producing countries would demonstrate that Canada is producing the cleanest, most efficient and most ethical oil in the world.

RECOMMENDATION 8

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada increased Canada's competitiveness by:

- a) Building on Canada's bilateral relationship with the United States and adjusting domestic policy decisions due to the new United States Administration;**
- b) Expanding free-trade agreements around the world and communicating with Canadian businesses on the re-negotiations of NAFTA; and**
- c) Publicly supporting and promoting Canadian industries at home and abroad.**

3.3 Encourage Diversification

The need to ensure a strong, diversified economy in Alberta was stressed by many respondents. While the oil and gas sector accounts for roughly 19% of the province's Gross Domestic Product (GDP), leaders from other sectors also discussed the considerable growth they have seen over the past three decades. From 1985 to 2015 the following non-energy sectors grew:

- Construction sector from 6.7 per cent share of GDP in 1985 to 11.4 per cent in 2015;
- Finance and real estate sectors from 11.0 per cent to 14.8 per cent; and
- Business and commercial services sector from 5.5 per cent to 11.6 per cent.

Strong growth potential in the forestry, tourism and agricultural sectors was also noted during the Taskforce discussions. Every industry did state, however, that the need to create a strong economic policy climate in which businesses can grow is essential. They also suggested using the strength of Alberta's skilled labour force and anchor companies in the area to create a hub for clean tech development and adoption. One example provided was the reclamation or conversion of Alberta's orphan wells. Finding a clean alternate purpose for these orphan wells could not only remedy environmental concerns, but could also save significant tax dollars for the Government and create jobs for the men and women who are simply waiting to put their skills back to work.

Representatives from universities and research institutions raised the need for continued investment into innovation infrastructure. Making such investments now will help Alberta attract skilled workers and ensure that they remain in the province during potential

economic downturns in the future. Many noted that an unpredictable labour force, or one that is likely to leave the province, would become a detriment to future investment.

Furthermore, the importance of local and international partnerships was also raised. Partnering with First Nations communities in economic growth activities and ensuring that Alberta businesses can fully leverage the power of new trade agreements are essential for the development of Alberta's economy going forward.

RECOMMENDATION 9

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada encouraged Alberta's economic diversification by:

- a) Using the strength of Alberta's skilled labour force to create a hub for clean tech development;**
- b) Investing in innovation infrastructure in Alberta to attract skilled workers and encourage investment; and**
- c) Partnering with First Nations communities in economic growth activities and investing in programs to help Alberta businesses fully leverage the power of new free trade agreements.**

3.4 Immigration Reform

Albertans agree that a strong immigration program benefits local economies. Highly-skilled new Canadians told their stories of choosing to bring their expertise to Canada

only to find that their credentials are not recognized in their field of specialization. As a result, employers cannot hire the specialists required for their industry and these skilled workers are pushed into low-paying jobs or unemployment. This has serious repercussions on the Albertan economy. First, foreign investors are less likely to spend on Alberta companies if there is no stable, skilled workforce. Second, these over-qualified workers are crowding out the unskilled labour force. Third, these workers are disappointed and left struggling after having been promised employment in their fields.

Many Albertans also pointed out that the Temporary Foreign Workers Program (TFWP) has had mixed results in Alberta. Many respondents told the Taskforce that the TFWP is in need of review, with particular attention given to the issue of wage distortion caused by the program. Above all, the Government must ensure that companies use the TFWP as a last resort, not as part of their business model. Canadians should have the first chance at obtaining employment at available jobs prior to looking outside Canada.

The provinces and territories have typically been supportive of aiming for 70% of new immigration coming from the economic stream. In addition, the Taskforce was told that provinces continue to ask for increased levels under the Provincial Nominee Program. In order to achieve this, respondents believe that the Government should consult with the provinces and territories prior to setting the mix of economic and humanitarian immigrants, and strive to meet the requests for increased numbers of immigrants under the Provincial Nominee Program.

RECOMMENDATION 10

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada considers reviewing the immigration system by:

- a) Reforming credential matching for new Canadians;**
- b) Reforming the Temporary Foreign Workers Program to address the issues of wage distortion and the overuse of the program; and**
- c) Consulting with the provinces and territories prior to setting the mix of economic and humanitarian immigrants, and strive to meet the requests for increased numbers of immigrants under the Provincial Nominee Program.**

3.5 Balanced Federal Budget

Albertans understand that investments into programs and infrastructure are essential in order to immediately create jobs and ensure economic growth. The Taskforce also heard, however, that prudent fiscal management is essential to secure long-term prosperity for our province. Financing these programs and projects through extensive deficit spending will limit future economic options and burden the next generation of Albertans and Canadians.

Business and industry leaders believed that the uncertainty of long-term deficit spending and the eventual spending cuts or tax hikes that will be required creates uncertainty and discourages investments and growth. Therefore, they agreed that the Federal Government must outline a clear plan on how it will return the budget to balance over the medium term.

RECOMMENDATION 11

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced by the Government of Canada by:

- a) Committing to balance the budget within the next five years; and**
- b) Presenting a clear plan that outlines the spending and tax changes that will be used to bring the budget back to balance, and how those will affect Canadians and Canadian businesses.**

CHAPTER 4: CONCLUSION

The stories heard throughout the Alberta Jobs Taskforce community outreach sessions are heart-breaking: skilled workers across Alberta are struggling to provide for their families, children are seeing their parents go to a food bank for the first time, and many are being forced to seek opportunities for employment in other provinces and countries - taking their valuable skills with them. Yet through the tragedy, the strength and resilience of Albertans was obvious.

As proud Albertans, we all want to see the restoration of our province as an economic leader in Canada; a hub for job creation, and ingenuity. Albertans have ideas and solutions to bring back the prosperity and wealth of jobs that for so many years marked Alberta's economy – yet they were being ignored. This Taskforce was created for them and this report is their opportunity to share their views and be heard.

The recommendations contained in this report offer “Made in Alberta” solutions for job creation and long-term prosperity. Their implementation will immediately help those affected by this crisis and improve future prospects for Alberta's economy and the country as a whole. It is now time for the Government to recognize that the jobs crisis in Alberta is a crisis for Canada - because a strong Alberta economy means a strong Canadian economy.

THE CONSERVATIVE ALBERTA CAUCUS

Rona Ambrose
Sturgeon River-Parkland
Leader of the Opposition



Matt Jeneroux
Edmonton Riverbend
Co-Chair



Michelle Rempel
Calgary Nose Hill
Co-Chair



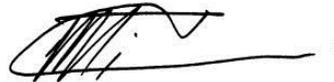
Ziad Aboutaif
Edmonton Manning



John Barlow
Foothills



Blaine Calkins
Red Deer-Lacombe



Michael Cooper
St. Albert—Edmonton



Kerry Diotte
Edmonton Griesbach



Earl Dreeshen
Red Deer — Mountain View



**Jim Eglinski
Yellowhead**

**Garnett Genuis
Sherwood Park —
Fort Saskatchewan**

**Rachael Harder
Lethbridge**

**Pat Kelly
Calgary Rocky Ridge**

**Tom Kmiec
Calgary Shepard**

**Mike Lake
Edmonton — Wetaskiwin**

**Ron Liepert
Calgary Signal Hill**

**Kelly McCauley
Edmonton West**

**Glen Motz
Medicine Hat — Cardston
Warner**

**Deepak Obhrai
Calgary East**

**Blake Richards
Banff — Airdrie**

**Martin Shields
Bow River**



**Kevin Sorenson
Battle River — Crowfoot**

**Shannon Stubbs
Lakeland**

**Arnold Viersen
Peace River — Westlock**

**Chris Warkentin
Grande Prairie — Mackenzie**

**Len Webber
Calgary Confederation**

**David Yurdiga
Fort McMurray – Cold Lake**

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

The Taskforce recommends that the Government reduce the tax burden on Alberta's families and business by: a) Eliminating the proposed Carbon Tax, b) Reviewing Corporate Tax rates and immediately reducing the Small Business Tax Rate to 9%, and c) Reversing the mandatory increase to CPP contributions.

RECOMMENDATION 2

The Taskforce recommends that the Government of Canada increase support for job creation in Alberta's Oil and Gas Industry by: a) Honouring decisions of the National Energy Board that will see the approval and expansion of pipeline projects in order to safely get Canadian products to market and create jobs, and b) Reducing the regulatory burden and bureaucratic red-tape on natural resources projects in order to ensure competitiveness of the Canadian industry.

RECOMMENDATION 3

The Taskforce recommends that additional support be immediately provided to help unemployed Albertans transition through this crisis. Specifically, it recommends that the Government: a) Encourage retraining and education programs by increasing their promotion and offering incentives to workers and employers who use them, and b) Review the Employment Insurance program to improve efficiency, increase fairness, and encourage professional development.

RECOMMENDATION 4

The Taskforce recommends that the Government of Canada provide immediate critical support to Alberta’s families by: a) Investing in programs and partnerships to help local food banks respond to the growing demand, b) Reversing the scope of the new mortgage rules, and c) Implementing new programs and providing increased mental health funding.

RECOMMENDATION 5

The Taskforce recommends that the Government of Canada immediately provide assistance to Alberta’s job creators by: a) Reducing red tape and regulatory hurdles for new small businesses, b) Creating tax-credits and work-sharing programs to encourage the hiring of unemployed skilled workers, and c) Creating incentives to encourage young and new Canadians to consider business development.

RECOMMENDATION 6

The Taskforce recommends that the Government of Canada introduce immediate solutions to help Alberta’s youth by: a) Implementing programs to encourage employers to hire recent graduates, b) Exploring ways to reduce the burden of student debt for those challenged to find employment, and c) Increasing Financial Literacy across Canada.

RECOMMENDATION 7

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada improved Federal-Provincial relations by: a) Coordinating bureaucratic processes, reducing unnecessary regulations and removing trade barriers, b) Making targeted and fiscally responsible infrastructure investments, and c) Reviewing the Equalization Payment Formula - specifically the use of two-year old data to calculate a province's fiscal capacity.

RECOMMENDATION 8

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada increased Canada's competitiveness by: a) Building on Canada's bilateral relationship with the United States and adjusting domestic policy decisions due to the new United States Administration, b) Expanding free-trade agreements around the world and communicating with Canadian businesses on the re-negotiations of NAFTA, and c) Publicly supporting and promoting Canadian industries at home and abroad.

RECOMMENDATION 9

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada encouraged Alberta's economic diversification by: a) Using the strength of Alberta's skilled labour force to create a hub for clean tech development, b) Investing in innovation infrastructure in Alberta to attract skilled

workers and encourage investment, and c) Partnering with First Nations communities in economic growth activities and investing in programs to help Alberta businesses fully leverage the power of new free trade agreements.

RECOMMENDATION 10

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced if the Government of Canada considers reviewing the immigration system by:

a) Reforming credential matching for new Canadians, b) Reforming the Temporary Foreign Workers Program to address the issues of wage distortion and the overuse of the program, and c) Consulting with the provinces and territories prior to setting the mix of economic and humanitarian immigrants, and strive to meet the requests for increased numbers of immigrants under the Provincial Nominee Program.

RECOMMENDATION 11

The Taskforce recommends that the long-term economic prosperity of Alberta would be enhanced by the Government of Canada: a) Committing to balance the budget within the next five years, and b) Presenting a clear plan that outlines the spending and tax changes that will be used to bring the budget back to balance, and how those will affect Canadians and Canadian businesses.