

FORGING OUR FUTURE

REIMAGINING A
COLLECTIVE FUTURE





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THE TASK: FORGING OUR FUTURE

EXECUTIVE SUMMARY

The past several months have presented tremendous challenges for individuals, businesses, and governments. But amidst the chaos, we have also found opportunities as we have been forced to reimagine our collective future. The Edmonton Chamber of Commerce has developed a vision and a set of recommendations on how we can harness these opportunities and forge a future that is inclusive for all and supports the long-term well-being of our community.

Our recommendations have been developed in strong collaboration with the business community through stakeholder roundtables and policy committees, and complemented by public opinion research that captured the broader business community's views. We have heard repeatedly about the need for inclusive growth—the idea that each of us is only better off if all of us are better off. We are committed to ensuring that all citizens—including those who have been historically marginalized—are included in our economic recovery.

As evidenced through our public opinion research, the challenge we face is clear. 80% of Edmonton businesses saw a decrease in revenue as the pandemic unfolded, losing 43% of their revenues on average. 45% of businesses temporarily laid off workers, and 46% laid off some workers permanently. 58% still have reduced hours for staff, and 25% expect to lay off more staff in the next six months. To get by, many businesses in Edmonton took advantage of the Canada Emergency Wage Subsidy (62%) and the Canada Emergency Bank Account (48%). Even as 85% of our job creators advise that they are prepared for a potential second wave, over half of businesses feel that Alberta's economy is worsening rather than improving.

Reimagining our collective future—the Forging Our Future platform—rests on eight key pillars:

1. Respond to the COVID-19 Pandemic

Businesses face significant challenges, and most continue to feel the impacts of the pandemic each and every day. Government programs must be flexible and accessible, and should focus on getting people back to work, assisting businesses with fixed costs, and providing businesses with as much certainty as possible.

2. Prioritize an Inclusive Recovery for All

COVID-19 has created an opportunity for us to reimagine our future. We see one that is inclusive and provides economic opportunities for those who have historically been excluded. This includes engaging marginalized communities in decision making, improving affordability of childcare, and investing in infrastructure that supports our communities.

3. Secure our Fiscal Future

While government spending and support programs are critical right now, we must not lose sight of the fiscal challenges on the horizon. We recommend a review of the Canadian tax system and a review of Alberta's revenue sources, including consideration for a consumption tax.

4. Advance Diversification and Innovation

Edmonton's entrepreneurial and innovative spirit knows no bounds, but must be supported by an environment that allows ideas to blossom and businesses to thrive. With the right policies in place, we can allocate our resources, skills, and brainpower to harness opportunities across sectors, making us a world-class leader and a target for investment within and beyond our major traditional sectors.

5. Close the Skills Gap

The future of work we had imagined far on the horizon is approaching far more rapidly, given how much our economy has changed over the past several months. It will be imperative that Albertans have the opportunities and skills needed to retool and succeed in this new economy. Our highly skilled, entrepreneurial, and agile labour force must remain one of our key competitive advantages.

6. Support Market Access and Trade

As a province that relies heavily on export markets, trade will remain fundamental to our success. We must aggressively dismantle internal trade barriers, facilitate market access through export promotion in a multitude of industries, and develop infrastructure that facilitates the interprovincial and international trade that will make Alberta a magnet for investment.

7. Invest in a Low Carbon Economy

Alberta has proven that we can be leaders in both energy production and environmental protection. However, being trade-exposed means we are often competing with others that don't have the same regulatory and fiscal burdens. To combat this, the federal government, provincial government, and industry must act as partners by ramping up investment in innovation, supporting leading technology, and facilitating commercialization of emissions-reduction solutions.

8. Enhance Alberta's Competitive Position as a Destination to Live, Work, and Visit

Alberta is competitive not only economically, but also has world-class cities that attract people to live, work, and travel. However, without ongoing investments in arts and culture, infrastructure, public transit, and green spaces, we risk losing our competitive edge, which is in large part responsible for attracting the talent we pride ourselves on.



OUR RECOMMENDATIONS

Respond to the COVID-19 Pandemic

- Ensure supports are flexible, accessible, and incentivize return to work
- Provide support for fixed costs
- Develop a COVID-19 Risk Index
- Provide flexibility on debt repayment
- Urgently remove red tape
- Conduct a review of the government's COVID-19 response post-pandemic

Prioritize an Inclusive Recovery for All

- Improve the affordability of and improve access to childcare
- Engage Indigenous communities in economic recovery programs
- Invest in infrastructure projects that support communities

Secure Our Fiscal Future

- Review the Canadian tax system
- Review Alberta's revenue sources, including a consumption tax

Promote Diversification and Innovation

- Expand the Innovation Employment Grant to cover commercial demonstration and commercialization
- Develop an Intellectual Property Strategy to accelerate commercialization of Alberta's IP
- Equip producers and exporters of regulated energy to release ESG reporting
- Support the technology and innovation sector
- Create an Alberta Venture Capital Investment Fund and a new tax credit to offset capital gains
- Invest in transformative agricultural infrastructure
- Simplify government procurement opportunities
- Enable investments in telecommunications

Close the Skills Gap

- Expand re-training, including through work-integrated learning and micro-credentialing
- Develop a steadier inflow of students in skilled trades
- Reduce red-tape for post-secondary institutions
- Review the Temporary Foreign Worker program
- Provide information to secondary students about career prospects in Alberta

Support Market Access and Trade

- Dismantle internal trade barriers and bolster interprovincial supply chains
- Facilitate international market access through infrastructure development and export promotion
- Develop trade corridors and invest in trade-enabling infrastructure
- Ensure the Edmonton International Airport has access to international passenger flights
- Review and publish an action plan to improve rail capacity

Invest in a Low Carbon Economy

- Reinvest carbon tax funds into innovation
- Support industry-sponsored technology solutions that could be exported globally
- Publicly support Alberta's position as an energy leader

Enhance our Competitive Position as a Place to Live, Work and Visit

- Invest in arts and culture, public transit, infrastructure, and green space, as well as the non-profit sector
- Support vibrant city cores by incentivizing new residential builds
- Invest in housing to address homelessness
- Aggressively promote inbound tourism

INTRODUCTION

As we all adjust to the new realities the COVID-19 pandemic has created, it is apparent that amidst these challenging times there are unique opportunities we must grasp if we are to forge a future of long-term stability, prosperity, and quality of life for us all.

We've heard repeatedly from businesses that we cannot go back to the way things were. In Edmonton and across Alberta, there is no solid foundation to rebuild upon. We've struggled with years of anemic economic growth, limited access to global markets for oil and gas, rising downtown vacancies, and alarmingly high levels of unemployment.

No part of our economy has been left untouched by COVID-19. Our long term recovery and a future that offers opportunities for the next generation will depend on the creativity, grit, and determination of entrepreneurial and innovative thinkers in our economy.

Over the past several months, governments have maintained a focus on stabilizing our businesses and households, and providing a strong safety net of supports—we need to continue this bold, visionary action for Canada's long term economic recovery. We've been encouraged by the speed and flexibility governments have demonstrated—support programs that would have historically taken months to develop have materialized in a matter of days and weeks.

We've seen what is possible when we work together.

With this in mind, the Edmonton Chamber of Commerce has put forward policy recommendations to set our city, our province, and our country up to be more stable, more resilient, and more inclusive as we forge our future together.

ENGAGEMENT AND APPROACH

To develop and inform these recommendations, we embarked on a three-month consultation process with the business community in the Edmonton Metropolitan Region and beyond. We hosted leaders from energy, forestry, transportation and infrastructure, post-secondary institutions, manufacturing and construction, technology and innovation, real estate, retail and tourism, arts and culture, and the non-profit sectors. We consulted over 200 unique organizations both within and outside of our membership base, conducting roundtable and one-on-one stakeholder engagement sessions between July and September 2020.

Through this consultation process, we worked with experts, stakeholders, our member-driven policy committees, and taskforces to understand the opportunities and challenges facing our community. In addition, we conducted public opinion research to measure and capture the experiences of the broader Edmonton business community.

We refined important insights from our members and stakeholders and, in concert with the public opinion research, have developed recommendations that governments can take action on today and in the years to come in order to ensure that we forge a more prosperous future for us all.

WHY INCLUSIVE GROWTH

Emerging evidence shows that the hardship caused by this pandemic has been felt more acutely by certain segments of the population. With this in mind, the recommendations put forth here should be approached with both the detail we describe, and with clear, transparent, and public assessments and analysis about how diverse groups of people may uniquely experience policies, programs, and initiatives.

This analysis should include active consideration of the policy implications created by the many, often overlapping, social identities—race, ethnicity, gender identity, sexual orientation, Indigenous status, religion, or age—can and do produce different lived experiences for Albertans.

The pandemic has made it clear that we cannot separate social policy from economic policy. We believe that a vibrant business environment leads to vibrant communities, and vice versa. The COVID-19 pandemic shows that vibrant communities require strong social AND economic policy.

FORGING OUR FUTURE

We thank the over 200 individuals who participated in our consultation process. The recommendations included here are a direct reflection of their breadth of perspectives and wealth of expertise.

We will continue to advocate firmly for action on these initiatives. We will continue to be a strong and engaged voice for business and a productive partner to all orders of government. We believe public policies must enable businesses to start up, scale up, and compete, which in turn enables our citizens to benefit from a high quality of life and participate in building strong, resilient communities.

Bold actions today will chart a clear path to a brighter future. Join us— together we will Forge Our Future.

1. IMMEDIATE AND ONGOING RESPONSE TO THE COVID-19 PANDEMIC

Businesses face significant challenges, and most continue to feel the impact of the pandemic each day. Moving forward, government programs must be flexible and accessible to ensure those that need them are able to access them. Programs should focus on getting people back to work, addressing the mental health issues related to COVID-19, assisting businesses with fixed costs, and providing access to capital. Despite living in uncertain times, governments should endeavour to provide businesses with as much certainty as possible. Over the last several months, we have seen how quickly governments can act when they are motivated and work together, and we urge governments to continue reducing red tape and other barriers in order to bolster the growth of businesses across Alberta.

A. As governments seek to wind down and amend support programs, shift to models that are flexible, scalable, and do not provide disincentives to return to work or to hire.

Chambers and other business organizations across Canada called on governments to develop and deliver common-sense programs that could help businesses deal with the fixed costs that continue to pile-up despite the lack of incoming revenue from their operations. We strongly supported governments working closely together to develop and deliver many programs, including the Canada Emergency Wage Subsidy (CEWS), Canada Emergency Commercial Rent Assistance (CECRA), Canada Emergency Business Account (CEBA) and the Small and Medium Enterprise Relaunch Grant (SMERG), and the Business Credit Availability Program (BCAP).

Individual support programs, like the Canada Emergency Response Benefit (CERB), were necessary to ensure Canadians had a strong safety net when their work was rendered impossible by the pandemic. Unfortunately, these programs now often serve as a disincentive to return to work. A July 2020 survey conducted by the Canadian Federation of Independent Business reveals that 24% of small businesses in Alberta saw some of their laid-off workers refuse to return to work. As we emerge from the pandemic, we urge governments to move away from this model, removing this disincentive while still providing a safety net for those who need it. The federal government's transition from the CERB to the new Canadian Response Benefit is a positive step in the right direction. As governments look to wind down other supports like CEWS next year, we believe using a scaled model—one that provides businesses with a gradually declining level of support as their revenues increase—would ensure businesses don't hit a brick wall of financial hardship as support programs end.

B. Replace the CECRA program with a broader support program to cover fixed costs for businesses using a sliding scale of support and enhanced accessibility.

CECRA was designed to ensure businesses could continue to afford lease payments while their businesses saw a rapid decline in revenues. We urge governments to replace this program with one that provides direct funding to businesses, and allows the funding to be used for a wider variety of fixed costs. Doing so would eliminate many of the landlord-tenant issues that resulted from the original design of the CECRA program, and provide businesses with the certainty that they have options to cover their payroll, supplies, rent and other fixed costs.

C. Develop a COVID-19 Risk Index that gives businesses the ability to plan for moving up or down a stage of the relaunch strategy, and provides clarity for businesses on any changes to health measures to increase compliance.

One of the most difficult aspects of the pandemic for job creators is the uncertainty that it introduces into every business planning decision. While businesses appreciated the opportunity to enter Alberta's Stage 2 relaunch a week early, having very short notice for this transition upended reopening plans and sent employers scrambling to order product and recall staff. We believe the Province should develop a COVID-19 Risk Index which would track the same key indicators provincial decision-makers use when considering when to move to the next stage of the Relaunch Strategy. This would provide businesses with some line of sight to be able to plan for business opening and/or reclosures, including hiring decisions. Specific public health triggers that would lead to moving up or down a phase would also create a more tangible connection for Albertans between their behaviour and the overall well-being of our economy. We urge governments to clearly and frequently communicate the health and safety measures businesses are required to take to limit the spread of COVID-19, ensuring strong compliance with necessary measures and boosting consumer confidence.

D. Provide flexibility on debt repayments to support businesses once support programs end.

With many payment deferral programs coming to an end this fall, job creators are concerned about their capacity to catch up on a mountain of bills with fewer customers coming through the door. We urge governments to ensure that there are flexible debt repayment schedules for businesses who accessed debt-supported response programs, such as the CEBA and BCAP, to ensure employers aren't forced to shut their doors due to government debt repayment.

E. Following the examples of quick action to remove red tape at the start of the pandemic, continue addressing red tape as an urgent priority.

Red tape reduction provides a cost-effective alternative to traditional economic stimulus measures. Rather than costing government in the long run, red tape reduction measures can actually reduce government expenditures by eliminating unnecessary or redundant regulatory standards, and simplifying the process for obtaining government approvals. The pandemic brought much temporary red tape reduction, including simplified processes for various types of approvals. Municipal approval processes for opening patios, for example, were simplified significantly as a result of COVID-19, with some businesses reporting being able to open a patio within 24 hours of starting the approval process. Wherever possible, these temporary fixes should be made permanent solutions.

F. Once the pandemic response has been completed, conduct and publish results of an independent review of the government's response to COVID-19 to aid in future emergency response efforts for both governments and businesses.

While the COVID-19 pandemic is the first such health crisis to emerge in our province since the 1918 influenza pandemic, we cannot guarantee that a century will pass before the next pandemic. Once the COVID-19 pandemic eases and the necessary government responses cease, federal, provincial and municipal governments should each conduct an independent review of their response to the pandemic. As the hardships caused by this pandemic have been felt more acutely by certain segments of the population, this independent review should include an analysis of the impacts on various social identities, including but not limited to socio-economic status, race, ethnicity, gender identity or expression, sexual orientation or expression, Indigenous status, location and/or age. The results of this review, and the best practices uncovered by the review, should be communicated widely to assist governments, businesses, and all Albertans in updating their emergency response plans.

2. AN INCLUSIVE RECOVERY FOR US ALL

The COVID-19 pandemic has revealed how economic success and opportunity is far from equal. This can be due to a variety of factors throughout society, some of which can be the result of a lack of policy coordination between different levels of government that can cause persons made vulnerable by the economic downturn to fall through the cracks. To forge a better future, we need inclusive growth. Inclusive growth is about enlarging the size of the economy through productive employment to allow the benefits of growth to be realized for all citizens, with a particular focus on historically excluded groups. Through the inclusion of more people, with diverse skillsets and backgrounds, Alberta can accelerate its economic recovery, increase economic opportunity, and 'grow the pie' for all of us.

A. Improve affordability and access to childcare by expanding income-dependent payment schemes above the current eligibility cap, providing full subsidization for low-income families where appropriate, and exploring options for increased flexibility, including 24-hour childcare.

It is critical that a childcare system is designed in Alberta based on the principles of affordability, accessibility, flexibility and quality. This perspective emerged at every roundtable engagement session hosted by the Edmonton Chamber. Currently, Albertans are eligible for the provincial childcare subsidy if their total family income is less than \$75,000 per year, which is too low of a threshold to provide a meaningful benefit to all families that require assistance. Across income levels, the ongoing closure of schools and daycares during the COVID-19 pandemic has meant that children are staying at home more often. This has caused an increase in the amount of private, unpaid care work, particularly in terms of childcare and home-schooling. This work typically falls on women to perform more often compared to men. An August 2020 survey conducted by Pollara Strategic Insights indicated that one in three women considered quitting their jobs due to a layering effect of work and home stresses. The current economic landscape worsens this dilemma with employers expecting regular work hours while many families continue to juggle homeschooling and childcare. A well-designed childcare system can reduce the amount of unpaid work that women perform, increasing access to more economic opportunities with higher pay.

B. Fully engage Indigenous communities in the design of economic recovery programs in order to break down social and economic barriers and ensure that economic opportunities are available for all.

Many of Alberta's industries have worked collaboratively with Indigenous peoples for decades, however given the ongoing social and economic barriers they often face, Indigenous economic development is a critical part of Canada's reconciliation journey and an opportunity for considerable economic growth. Economic recovery must progress while respecting the principles of sovereignty and self determination. Echoing the calls to action from the Truth and Reconciliation Commission, it is imperative that government policy continues to further meaningful consultation and engagement based upon respectful and equal relationships when considering economic development projects. At the same time, as government policies are designed, it is of utmost importance that they are accessible and flexible to Indigenous peoples' unique circumstances. We must look to create equitable access to jobs, training, and education opportunities—including tangible increases in workforce participation rates—and long-term sustainable benefits from economic development projects.

C. Work with service providers to invest in infrastructure projects for permanent supportive housing and centers of community, enhancing community vibrancy and creating new construction jobs.

The recession caused by the global pandemic and sustained low oil prices will require the government to stimulate demand, and a tried and true lever government can use is through large infrastructure stimulus. We encourage the government to use this lever to invest in community vibrancy through allocating funding to permanent supportive housing and centers of community, both of which are in higher demand through the pandemic. For example, in addition to the ongoing work to convert surplus hotel space into temporary housing units, Edmonton is currently seeking 254 permanent supportive housing units to reduce homelessness in the years to come. These projects will create engineering, design, and construction jobs while providing communities with the infrastructure they need to fully recover and be set up for long-term success. Developing non-market housing options also helps to reduce government spending on the impacts of social disorder. The City of Edmonton estimates an operational cost savings of over \$10,000 for each of the 46 residents of Edmonton's Ambrose Place housing project, as the frequency of interactions with emergency services have been drastically reduced for residents since moving in. Addressing the impacts of homelessness is viewed as crucial to our economic recovery, and this issue was raised by participants at every roundtable discussion the Edmonton Chamber has hosted since the pandemic began. We believe that by creating strong collaboration between municipalities, the Province and private or not-for-profit providers, governments can improve on these cost savings by reducing the cost of building and operating these projects.

3. SECURE OUR FISCAL FUTURE

The COVID-19 pandemic and the necessary support programs have meant the hollowing out of revenues and a rapid increase in spending for municipal, provincial and federal governments across the world. Alberta ran large deficits in the five years preceding the pandemic and the further collapse of global oil prices in early 2020, paired with COVID-19, has resulted in the largest deficit in our province's history. The federal deficit will also hit historic highs. In the face of these realities, we must chart a new path forward for fiscal sustainability. The pandemic has forever changed the way we work, the way we consume, and the way we connect with one another. As a result, government revenue sources must be examined and reimaged to reflect the new normal we will all face once COVID-19 has been eliminated. This, along with reasonable spending restraint in the years to come, will help us find the long road back to balanced budgets that are absolutely necessary for us to ensure that we don't leave an unmanageable legacy of debt for future generations.

A. Establish a Royal Commission to conduct a comprehensive review of the Canadian tax system in consultation with industry stakeholders and sub-national governments, and deliver a report in a timely manner.

Canada's tax system has not seen a fulsome review since the Royal Commission on Taxation, which delivered recommendations to government in 1966. The COVID-19 pandemic has significantly reduced government revenues through most taxation streams, and we do not yet know to what degree these trends will revert or remain. This creates the ideal opportunity to launch a new Royal Commission on Taxation, ending over six decades of piecemeal reforms to our tax system. Reforming our tax system with a focus on competitiveness and attracting job-creating investment would help to ensure Canada is well-placed to succeed in the post-pandemic world.

B. Appoint an independent panel of experts to review Alberta's revenue sources, including a review and recommendation on whether to implement a consumption tax in order to bring Alberta's budget back to balance.

Oil and gas royalties, alongside corporate and personal income tax revenues from that sector, accounted for one-third of Alberta's provincial revenues in some years, and substantially less in 2019 and 2020. As the province seeks to diversify not only the energy sector to expand green and renewable energy, but also new technology and other advanced economy sectors, new provincial revenue sources need to be considered. The 2019 Blue Ribbon Panel reviewing Alberta's spending was a strong first step, ensuring Albertans receive effective government service delivery for the taxes they pay. Given the impacts of the pandemic on government revenues, the Province should convene a similar panel to examine the opposite side of the ledger. This review cannot ignore the largest and most controversial question on tax in Alberta—that being the adoption of a Provincial Sales Tax or Harmonized Sales Tax, as other provinces have done. Both this type of review, and the related review on spending, should be conducted periodically to ensure that the impacts of any resulting changes to tax systems or spending can be measured and reported publicly.



4. DIVERSIFYING AND INNOVATING IN ALBERTA'S ECONOMY

Alberta is poised to use our strengths in health, education, and technology innovation to diversify and expand our economy, attract investment and talent, and supply global value chains. However, lack of coordination or strategy to move together creates uncertainty for firms and investors in established and emerging sectors. Focused public investments in developing and adopting new technologies, new markets, new processes, new resources and finished products, and new ways of working will generate long-term benefits for our province's economy and Albertans' quality of life. As the Province develops sector-specific diversification plans, using the growing variety of products and services offered by Alberta companies could serve as a useful and tangible metric for measuring success. Growing Alberta's competitive advantage depends on investments in enabling and transformative physical, social, and policy infrastructures.

A. Expand the Innovation Employment Grant to cover research and development expenditures for commercial demonstration and commercialization.

Alberta's Innovation Employment Grant proposes to increase an organization's research and development spending, mirroring eligible federal Scientific Research and Experimental Development expenses. However, the grant excludes key scale-up expenses, including market research, quality control and testing, and production. Instead, private firms built on publicly subsidized research and development, along with their jobs and taxes, are moved abroad as Alberta entrepreneurs seek scale-up capital from elsewhere.

B. Develop and execute an Intellectual Property Strategy to accelerate commercialization of Alberta's IP.

Alberta has supported research for decades, both through direct industry investment and through public investment in post-secondary research institutions, both of which have invested in new energy, environment, health, and life sciences technologies. Such investments sought to improve Alberta's economy and Albertans' quality of life, but the resulting innovations have been challenging to transfer or commercialize from the perspectives of researchers, potential industry partners, and graduate students. In collaboration with post-secondary institutions, industry, and entrepreneurs, Alberta should develop and execute an Intellectual Property Strategy to strengthen collaboration, inspire investor confidence, and provide pathways to commercialize discoveries and innovations.

C. Equip all producers and/or exporters of regulated energy and other products to release ESG reporting about their firms and products by 2025.

Global demand for liquid fuel is projected to increase until 2050. Alberta produces liquid fuel with among the lowest environmental impacts under the most stringent recommendations globally. Alberta has potential to export blue hydrogen, renewable electricity, geothermal expertise, carbon capture and storage, and energy storage infrastructure. As consumers are increasingly concerned about sustainability rather than costs, it is critical to equip the traditional oil and gas segments of our energy industry, and Alberta's emerging renewable energy sectors, to tell their sustainability stories at home and abroad.

D. Implement the Innovation Capital Working Group recommendations to create an Alberta Venture Capital Investment Fund, and a new tax credit to offset capital gains taxes for investments in this space.

Alberta's emerging and established firms face increasing competition for investment capital from inside and outside the province. At the same time, Alberta has opportunities to grow the base of interested investors, and to expand the interests of investors at home, to sectors beyond traditional and well-understood investments in oil and gas firms. Attracting and amplifying local private investments in new technology are essential actions that government can take to improve market conditions without directly intervening in individual firms in our rapidly evolving technology sectors.

E. Incentivize investment in transformative agricultural infrastructure—from internet connectivity to increasing value-added capability.

Information and communications technologies are increasingly infused and embedded in every industry, including agriculture and food, through precision farming, crop and livestock genetics, traceability, transportation and logistics, smart manufacturing, and health and safety. Current and emerging agri-food technologies increasingly rely on real-time access to cloud data and information processing, but gaps need to be overcome in rural broadband infrastructure and smart manufacturing capital and skills. Strategically strengthening logistics infrastructure will get more of Alberta's safe, reliable and ethically produced value-added agri-food products to more markets.

F. Review the government procurement processes to simplify pathways for local companies to access government procurement opportunities, and expand the Alberta Purchasing Connection.

Alberta's public sector is one of the largest purchasers of goods and services, representing at least \$15 billion per year in Government of Alberta procurement alone. Government tenders attract bids from all over Canada, but emerging Alberta firms and firms offering innovative approaches are often left out. Responses to tenders often require days or weeks of work

to complete with little certainty of success and some proponents view tenders as being written to favour existing suppliers. Alberta firms require clearer government procurement pathways. This can be achieved through a review of how the procurement process can be more proactive about communicating opportunities to smaller firms and minority suppliers in Alberta. Alberta Purchasing Connections' features should be expanded to allow interested smaller bidders on a tender to discover each other and collaboratively fulfill the bid requirements.

G. Work with industry on a plan to develop and implement a strategy to enable 100% of businesses, homes, ranches, and farms in Alberta to have access to broadband internet by 2025.

Albertans in remote, rural, and First Nations communities require reliable telecommunications infrastructure to access education, employment opportunities, community and public services, and goods and services. Retaining young people in those communities through broadband-enabled personal, social, cultural, educational, and employment connections is a priority. Firms in remote communities require broadband to access customers and suppliers, to benefit from artificial intelligence and other cloud-enabled services, and to retain employees. However, Alberta's SuperNet remains unfinished at the last mile and provides only incomplete broadband coverage. Government and industry should collaborate to develop a plan to ensure all businesses, homes, and communities have full connectivity by 2025. This could include elements of a "dig once" policy, which would see government collaborating with industry to install wireless, high-speed, and fibre broadband infrastructure when other transport or utility infrastructure is being installed, reducing overall costs.

5. CLOSE THE SKILLS GAP

Along with significant changes in Alberta's oil and gas sector, the shift towards a knowledge-based economy means changes to the skills employers need and therefore a necessity for many workers to adapt and add new skills. The acceleration of these changes in 2020 has added to the urgency for Alberta's Government and institutions to react to shifts in the global economy and the rapidly evolving needs of employers. We need better mechanisms to gather information quickly and make changes to programs where needed, in concert with a broader economic strategy and while respecting the need for our post-secondary institutions to serve unique and important roles related to both academic research and applied training.

A. Expand and evaluate improved, innovative, and faster options for re-training to help workers transition more efficiently, including work integrated learning and micro-credentialing.

Many students and employers are looking for non-traditional alternatives to traditional degree programs. Work integrated learning opportunities have traditionally been confined to a few programs but should be expanded

broadly in order to improve the connections between students and their future workplaces. Micro-credentialing programs should be expanded as they would allow students to develop their qualifications while remaining in the workforce or allowing advancement with much less time away from work. These programs would also ensure employers can quickly upskill staff to react to quickly changing work trends.

B. Work with industry and post-secondary institutions to develop a steadier inflow of students in skilled trades to minimize the pro-cyclical nature of trades education.

Training should anticipate coming changes, not be reactive to them. Businesses are looking for stability in enrollment for post-secondary programs, so they know what to expect in the labour market. Dramatic increases or decreases in enrollment in the trades can result in a mismatch between the number of graduates and available positions—and a large increase in reaction to a skills shortage can mean class cohort that has too few opportunities upon graduation. Government should facilitate a dialogue with post-secondary institutions and industry to mitigate the cyclical nature of training, in order to reduce the possibility of unemployment after certification.

C. Allow Post-Secondary Institutions (PSIs) to innovate and more rapidly adapt to employment trends and workforce needs by reducing red tape and eliminating policy barriers that inhibit fiscal flexibility.

With our workforce trends changing so quickly, some PSIs are having a difficult time responding in a timely manner. Developing curricula for new programs is a lengthy process which is made longer by provincial regulatory requirements. Getting approval for new programs can take years, hampering the ability of PSIs to respond quickly to the needs of employers. The same is true for eliminating programs or courses of study, regardless of whether or not a program is seeing low enrollment rates. Reducing red tape and approval timelines would allow PSIs to more effectively respond to workforce trends, and the needs of Alberta's job creators, in a timely manner. The Province should continue to have policy and financial oversight by providing direction on mandates and funding that is tied to performance metrics. In our consultations with PSIs, several institutions expressed concerns with accounting rules requiring that all PSI revenues and expenditures be consolidated with the provincial budget regardless of source. These concerns relate to limiting flexibility for PSIs to use funds generated for strategic initiatives.

D. Review the Temporary Foreign Worker program to ensure the occupations that are eligible for the program match Alberta's skills gaps.

While the COVID-19 pandemic has caused Alberta's unemployment rate to rise to levels not seen in recent economic cycles, we expect that more Albertans will rejoin the workforce as the economy recovers in the months and years to come. We cannot afford to return to the labour shortages

that hampered our economic growth in years of low unemployment. Businesses have indicated frustration with the Temporary Foreign Worker program's available occupations, indicating that some of the fields where labour is in short supply are not eligible, including many agriculture and transportation occupations.

E. Provide information to secondary students about exciting career prospects in Alberta and encourage students to live and work here after graduation.

As we transition to a knowledge-based economy, secondary institutions produce the next generation of leaders. We recommend that government work with secondary schools across the province to ensure students are aware of the rewarding employment opportunities that are available in Alberta. By ensuring our young people are aware of the breadth of opportunities, we may be better able to retain bright and talented youth who we may be at risk of losing as they leave high school to work or pursue education elsewhere. Governments could collaborate with organizations that are already making great strides in this respect, like Careers: The Next Generation and Women Building Futures.



6. SUPPORT MARKET ACCESS AND TRADE WITHIN CANADA AND AROUND THE WORLD

The supply chain is a complex web dependent on a multitude of factors, and the COVID-19 pandemic has compounded ongoing global trade tensions and created significant disruptions in global supply chains. For decades, Canada has been a champion for global free trade and international partnerships and has prided itself on being a trading nation—we need to build on this success. Improving the resiliency of the Canadian supply chain and allowing for more fluidity of goods and services will be fundamental in supporting Canada's long-term economic development and strategic trade interests. Barriers that create inefficiencies, cost businesses and consumers, and slow our economic recovery exist in nearly every sector—until we get serious about trade, Canada's economy will not reach its full potential and Canadian consumers and businesses will pay the price.

A. Aggressively dismantle internal trade barriers and bolster interprovincial supply chains to promote local economies.

As provincial and federal leaders continue to discuss measures to boost Canada's economy, internal trade is a low-cost alternative to many more costly economic stimulus measures. Statistics Canada estimates that internal trade barriers add roughly seven percent to the cost of goods we buy, and the IMF estimates that the removal of internal trade barriers would grow Canada's GDP by nearly four percent. The Canadian Free Trade Agreement (CFTA) relies on a slow consensus process between 14 governments, causing long-standing issues to persist despite this internal free trade agreement. At a time when "buy local" has never been stronger, the need to eliminate interprovincial trade barriers has never been clearer. We urge governments to explore every avenue for dismantling internal trade barriers including entering into bilateral or multilateral trade deals with other provinces, unilaterally changing standards that present a barrier, and continuing to work through the CFTA regulatory harmonization processes.

B. Facilitate international market access through enabling infrastructure development and increasing export promotion for agriculture, forestry, and energy in order to diversify Alberta markets, and provide stability and opportunities for growth.

Our agriculture, forestry, and energy sectors have fed and powered Alberta for decades. Alberta's traditional industries were experiencing significant hardship prior to the COVID-19 pandemic—volatile weather conditions in the 2018 and 2019 growing seasons, labour shortages, international trade disputes, and an oil price collapse all manifested in major anxiety for the province. The pandemic and subsequent economic slowdown only heightened market uncertainty and put Alberta businesses at greater financial risk. As the crisis unfolds in the months ahead, the true impacts of COVID-19 on Alberta's traditional industries will become clearer. The economic prosperity resulting from Canadian natural resource development—estimated at nearly one-fifth of Canada's GDP—is wholly dependent on major infrastructure projects. For example, when dealing with high-volume low-value cargo, trains are the most cost-effective option and allow railways to significantly increase the movement of commodities across Canada. As governments update their capital plans, we urge they place a strong emphasis on trade-enabling infrastructure that will help to strengthen our long-term economic growth.

C. Develop trade corridors, including the proposed Northern Infrastructure Corridor, and invest in trade-enabling infrastructure.

Improving Canada's system of trade corridors is key to enhancing mobility for Canadian goods and improving the resiliency of the Canadian supply chain. Dedicated funding to advance the development of utility corridors would support Canada's long-term economic development

and strategic trade interests—a proactive and integrated transportation and utility corridor (TUC) strategy to link all of Canada’s regions will be fundamentally important to help our country plan for future growth. An integrated TUC network would allow a dedicated right-of-way for future major national projects, including rail, roadways, transmission infrastructure and pipelines. This development should include the proposed 7,000 kilometer Northern Corridor developed by the University of Calgary School of Public Policy and the Centre for Interuniversity Research and Analysis of Organizations (CIRANO).

D. Ensure the Edmonton International Airport has access to international passenger flights.

Alberta’s best economic recovery is made possible through the combined strength of its two major airports: Edmonton and Calgary. These airports strengthen our visitor economy, offer key export and import channels, and benefit all sectors by supporting access and personal connections. In order to fully realize these opportunities, it is critical that both of Alberta’s major airports be permitted to accept inbound and outbound international passenger flights.

E. Review and publish an action plan to improve rail capacity.

Rail was an essential element to the development of confederation and remains a key driver of our economy today. Many of Alberta’s linchpin industries, including energy, agriculture, and forestry, depend heavily on rail transport to access markets across Canada and around the world. This, paired with the cyclical nature of the oil and gas industry, creates significant competition for rail capacity between these industries, each of which is critical to our economic success. The federal government should consult with the Province and relevant private sector stakeholders to develop an action plan that would improve capacity of rail transport in Alberta.



7. INVEST IN A LOW-CARBON ECONOMY

Climate change is the issue of our time. By being innovative we have the opportunity to position Alberta for the economy of the future and a global leader in solving climate change. Each order of government must be committed to meaningful, thoughtful policy solutions to solve climate change. Canada can be a leader in natural resource development AND solve climate change simultaneously. When doing both, however, we need tangible outcomes and conviction. The success of our businesses, the well-being of our families, and our strength as a country all depend on it.

A. Reinvest carbon tax funds directly into innovation to leverage and advance innovation in the private sector.

Reinvest carbon tax funds directly into innovation that supports technology adoption in the private sector, as innovation is critical to reducing emissions and increasing our competitiveness. Currently, due to the combination of low commodity prices and the effects of the pandemic, many companies are struggling with reduced liquidity, which prevents them from being able to allocate funding to innovation. Carbon taxation is part of a larger taxation burden, which reduces competitiveness compared to jurisdictions without similar costs. Carbon tax revenues should be used to fund research within industry, at post-secondary institutions, and through government agencies such as Alberta Innovates, Emissions Reductions Alberta, Sustainable Development Technology Canada, and NSERC. By investing in innovation, Alberta companies can attract investment, reduce emissions, and be well-positioned for a sustainable future. Roundtable participants indicated concerns that, in some instances, the carbon tax, consumption tax, and Clean Fuel Standard all cover the same emissions, and result in double or triple taxation. As such, governments must avoid the layering-on of multiple costs together

B. Continue to support industry-sponsored technology solutions that reduce Alberta's emissions and could be exported to reduce emissions globally.

Alberta has developed cutting-edge technology for decades, much of which has been focused on reducing emissions. As climate change becomes an increasing global threat, Alberta's emissions reduction technology will be in demand in various markets around the world. We encourage both provincial and federal governments to support businesses in seeking international markets that accelerate the growth, commercialization, and adoption of Alberta's homegrown technologies by allocating a portion of export development resources to low-emissions technology. The Alberta government should also continue to invest in technologies like carbon capture and storage, and a Northern Alberta Trunk Line, and should examine our competitive position in attracting investments in green technology such as carbon capture and storage. This will create opportunities for Alberta entrepreneurs while reducing emissions and mitigating climate change on a global scale.

C. Publicly support Alberta's continued position as an energy leader that will play a key role in the transition towards the low-carbon economy of the future.

Alberta's energy sector has been an important economic driver for Canada for decades—and will continue to be critical to Canada's economic growth for years to come. We extract and refine energy safely, reliably, and in an ethical manner. The oil and gas sector yields benefits across the country through economic spinoffs including indirect jobs, taxation, and support for other industries. It has been critical to financing strong public services and providing meaningful employment for generations. Alberta has become a leader—and has the talent and geography to continue this leadership—on renewable and hydrogen energy as well. Attracting international investment in both renewables technologies like small nuclear reactors, and the clean technology being utilized by the oil and gas sector, will be critical for the sector to continue supporting Canadian prosperity and charting a low-emissions path forward. To this end, we call on all orders of government to publicly support the energy sector in its entirety—including petrochemicals and renewables as part of an equal energy mix—promote this mix among Canadians and in international markets around the world.

8. ENHANCE ALBERTA'S COMPETITIVE POSITION AS A PLACE TO LIVE, WORK, AND VISIT

Alberta's competitive advantage is attributable not only to our economic environment, but also the liveability and attractiveness of our cities. Much of what draws people to Edmonton is our access to green space and parks, low cost of living, access to good jobs, and our world-class arts and heritage resources. We know that the adoption of more remote working arrangements will give access to a truly global labour pool, creating opportunities to attract workers who can operate remotely in cities with much higher costs of living. By building on our existing strengths, we can make Alberta's municipalities an even more attractive place to live, work, and visit.

A. Invest in arts and culture, public transit, infrastructure, parks and green spaces to ensure we attract top talent through greater vibrancy.

Alberta's competitive advantage extends well beyond its economic landscape, boasting world-class parks, dynamic and livable cities, low cost of living, and modern infrastructure. It is important that we continue to invest in these aspects of our advantage. Top talent is not only attracted to financial incentives, but also to the vibrancy of the municipalities in which they live and work. The Alberta Government can therefore support businesses in attracting top international talent by making ongoing investments in our communities and supporting vibrant downtown cores. Developments and investments should prioritize a sense of belonging and value for diversity,

supporting the economic and social vibrancy of the community. This will be increasingly important as we shift towards an online mode of working, which allows people to reside, and contribute to government revenues, in one place while working in another.

B. Support vibrant downtown cores by incentivizing new residential builds and residential conversions of surplus office space in our downtown cores, and work with industry to accelerate the development process through red tape reduction.

Alberta's downtown cores have suffered from high vacancy rates for years. Now, with people working from home and so few people living downtown, our city centers are eerily quiet. Governments should work with developers and builders to incentivize residential projects, bringing greater vibrancy to our city cores and other areas where appropriate. These incentives could include waiving property taxes during the construction period, waiving permitting fees on urban residential development, and working with utility providers to waive statutory charges for new development or redevelopment.



By enhancing downtown vibrancy, we would more easily attract world class technology and digital companies, skilled talent, and the best and brightest faculty and students. To have a sustainable economy, Alberta's urban centres must create a vibrant downtown core with strong residential communities. This has been a proven solution within cities that dominate in the new economy.

C. Aggressively promote and invest in inbound tourism and its operators, as there will be pent-up demand given that people have been unable to travel.

Alberta tourism is a \$7 billion industry and a source of pride for many Albertans. Once the pandemic comes to an end people will resume travelling, likely in larger numbers due to the pent-up demand caused by stay-at-home measures and travel restrictions. To recover, we must support the local diverse businesses that energize tourism while simultaneously continuing the work to attract the events, people, and infrastructure so necessary for tourism—and our community—to prosper for years to come. The Alberta Government should continue to aggressively promote our province to attract tourists to Alberta and stimulate the tourism industry, which has been particularly hard hit by the pandemic. Governments should also invest in our experiential assets and core tourism industries. It's essential to target the types and sizes of events that support our growth, prosperity, and quality of life. This work isn't just about attracting major events, conferences and people to Edmonton; it's about inspiring Albertans to explore our province.

A prosperous future for all Albertans

We face a long and difficult road to rebuild our economy. We must not seek to simply recover what was lost due to COVID-19, but to forge a new future—we must develop a path forward towards a more robust, stable, and inclusive economy.

These recommendations do just that. Implementing these recommendations can lead to public policy that will position Alberta for the future, and an economy that works and includes all of us. Alberta can continue to respond to the ongoing COVID-19 pandemic while taking away best practices that will shape our response to future emergencies. We can grow the size of the economy by creating opportunities that allow the benefits of growth to be realized for all citizens, with a particular focus on historically excluded groups. Our future can be one where Alberta has the talent and skills for the economy of tomorrow, and where we can trade and export our products and services easily across our nation and throughout the world. We can remain the energy leader of the world as we transition to the low-carbon economy of the future. Alberta can build on its existing strengths and continue to diversify its economy. We can make Alberta's municipalities even more attractive places to live, work and visit. We can ensure that we secure a stable fiscal future for the generations that follow us.

In addition to bold and forward-looking ideas, this path will also require a new level of alignment, leadership, and trust from all orders of government in partnership with business and community leaders. With conviction, purpose, and dedication, we will create a more prosperous horizon for all Albertans as we Forge Our Future together. Join us.

