2022

Proposed Policy Resolutions

Canadian Chamber of Commerce
Chambre de Commerce du Canada

Proposed Resolutions
2022 ANNUAL GENERAL MEETING & CONVENTION

This booklet contains policy resolutions that will be discussed at the Annual General Meeting & Convention of the Canadian Chamber of Commerce on October 14-15, 2022, in Ottawa, Ontario. They were developed by our affiliated community chambers of commerce and boards of trade and by the national policy committees and working groups of the Canadian Chamber of Commerce.

This year, 61 resolutions were received. Prior to their acceptance for debate at the AGM & Convention, proposed resolutions were assessed by the Policy Resolution Screening Committee, comprised of representatives from the Canadian Chamber Network and the Chair of the Board Policy Committee.

The Policy Resolution Screening Committee is mandated to ensure that all resolutions presented on the floor for discussion by delegates to the annual policy conference are:
1. relevant to Canadian business and within federal jurisdiction and of national significance;
2. current, timely and requiring action;
3. complete, detailed and supported by factual information; and
4. do not align one sector, industry or region of Canada against another.

During the policy session at the AGM & Convention, resolutions will be discussed and debated with Accredited Voting Delegates being asked to **approve, defeat** or **refer the resolution to the Board of Directors for further study and approval**. It is important to note that the only the title recommendations contained with proposed resolutions are for debate, rather than the background and description sections.

Policy resolutions do not become official positions of the Canadian Chamber of Commerce unless they have been approved by a two-thirds vote of the delegates at the AGM & Convention, or the Board of Directors in the case a referral, after which the resolutions will become part of the Canadian Chamber's advocacy program for the next three years.

In addition to policies approved at the AGM & Convention, the Canadian Chamber responds to issues as they develop and policy committees work to develop other policies during the course of the year.

The Canadian Chamber continues to take steps to hold a "green" AGM & Convention and limit the use of paper. As part of this initiative, the Chamber **will not be printing hard copies of the proposed resolution books for delegates and chambers.**

The book is on our web site Chamber.ca where it can be consulted and downloaded or printed. Thank you for your understanding and support in this regard.

PROCEDURES TO BE FOLLOWED DURING THE POLICY DEBATE

Accredited Voting Delegates will be issued an electronic voting device or “clicker” at registration. This includes those delegates that hold a proxy vote for another chamber or board of trade.

Prior to debating 2022 proposed resolutions, two motions will be presented:

1. to place the entire policy book on the floor, which prevents the need for a motion to adopt each resolution as it comes up; and
2. to limit discussion to the title and recommendations only (there will be no discussion or changes to the Description or Background sections from the floor).

Should there be a substantive or factual error in the Description or Background, please send the recommended change to Kimberly Fung, from the Canadian Chamber of Commerce (kfung@chamber.ca). Canadian Chamber staff have the authority and the responsibility to modify these sections based on the input received and to ensure it is accurate and aligned with the recommendations.

Resolution debate:

1. The discussion of each resolution will begin with the moderator naming the resolution and inviting the Accredited Voting Delegate from the sponsoring chamber (or representative of multiple chambers in the case of a consolidation of resolutions) to make opening comments of up to 90 seconds in length. The sponsoring chamber representative should be ready at a microphone at the time the resolution is called, and to seek the attention of the moderator.
2. The moderator will call upon the relevant Canadian Chamber policy committee representative to provide comments of up to 60 seconds in length with respect to the committee’s published endorsement of the proposed resolution – only in instances where the committee has either abstained or not supported the proposed resolution. The policy committee’s views may be sought by delegates at any point during the debate.
3. All delegates are then encouraged to join the debate with concise commentary that speaks to the resolution for debate, lasting up to 60 seconds in length.
4. Amendments to proposed resolutions will only be accepted during debate of that resolution.
5. Only Accredited Voting Delegates may move or second motions or amendments; move other motions, including calling the vote; or to vote on the proposed amendment or resolution.
6. When participating in debate, attendees must always use the microphones located in the aisles – for the benefit of all in attendance and to allow the English and French scribes to correctly understand what is being put forward.
7. When at the microphone for debate, please wait to be recognized by the moderator; then identify yourself and your organization before you begin your remarks. For those delegates holding a proxy, please use the name of your proxy chamber or board of trade.

8. You are responsible to make your voting decisions in accordance with your beliefs about what is in the best interests of the Canadian Chamber of Commerce policy platform. Delegates have three possible courses of action for each resolution:

    a. **To adopt the resolution** - with or without amendments - thus making it official Canadian Chamber policy;

    b. **To defeat the resolution**; or

    c. **To refer it to the Board of Directors for further study**. While this third option precludes the item from becoming official policy at the time of the AGM & Convention, it does permit the Board to decide whether to approve the resolution.

9. Following each vote on an amendment or the resolution itself, the results will be displayed on screen.

10. The policy debate utilizes a modified version of *Robert's Rules of Order* (newly revised) and requires two-thirds of the votes to pass any motion or amendment.

2022 CANADIAN CHAMBER OF COMMERCE
POLICY RESOLUTIONS (PROPOSED)

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Agriculture

1. Supporting the Agri-Food Industry Under International Trade Agreements

Description

While insisting on the need to continue to compensate Canadian agri-food producers who have lost market shares as a result of trade agreements, the federal government must pay more attention to the other side of the equation: having access to foreign markets. The issue of reciprocal standards must become a priority to deliver on the promises made to Canadian exporters as part of the negotiation of these agreements.

Background

The federal government has announced, as part of its 2022-2023 budget, that “full and fair” compensation for the supply-managed sector for the Canada-U.S.-Mexico Agreement (CUSA) will be included in the fall 2022 Economic and Fiscal Update. For several years, compensation has also been rightfully paid to dairy, poultry, and egg producers in relation to the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) agreement. The Canadian Chamber of Commerce has already spoken out in support of such compensation.

At the same time, another issue related to trade agreements is the reciprocity of standards and access to foreign markets. Canadian producers and processors are finding it difficult to make significant gains in the markets that such agreements should make more accessible. For example, exports of pork, a popular export product to the U.S. and Asia, have been declining since 2019, after a one-time increase in the first full year of CETA in 2018. Beef, grain, seafood, and vegetable producers also report difficulty accessing caused by multiple factors. For example, the difficulty of obtaining import licenses and/or of joining existing distribution networks, sanitary and phytosanitary requirements that exceed the already very strict standards in effect in Canada, and labelling rules that are more rigorous than those applied by Canada to equivalent imported products, etc.

Recommendations

That the Government of Canada:

Recognize the importance of the agriculture and agri-food sector in Canada and the economic driver that these industries represent for many Canadian regions:

1. Within the framework of existing trade agreements (CEFTA, CETA, PTPGP, etc.), conduct a detailed review of barriers to export market access, increase pressure with member countries to remove these barriers, and initiate legal proceedings before the appropriate tribunals to vigorously defend the rights of Canadian business.

2. In future trade agreements, prioritize non-tariff market access rules to prevent to the greatest extent possible the current market access challenges faced by Canadian businesses.

3. Take on a leadership role in international organizations, including the Food and Agriculture Organization (FAO) at the United Nations and the Codex Alimentarius, to drive regulatory collaboration, harmonization of standards, and transparency to reduce issues related to inconsistency in standards.

4. Lead regular consultation with the agriculture and agri-food industry to identify issues around reciprocity of standards and opportunities for international collaboration to resolve them.

Endorsements

The National Agriculture & Agri-Food Working Group supports this resolution.

Submitted By: Chambre de commerce et d'industrie de Drummond

Supporting Organizations: Fédération des chambres de commerce du Québec

Health Innovation

2. The Economics of Addictions

Description

Substance use in Canada costs almost 46 billion dollars each year, with alcohol and tobacco use together causing the most harm accounting for 63% of the total amount[1]. Divided 46 billion becomes almost $1,258 for every person in Canada. Alcohol and tobacco cost the Canadian economy and public health more than all other substances combined. Use of these substances caused over 66,000 preventable deaths in 2017, with that number increasing annually[2]. As of 2017, substance use in Alberta resulted in costs more than $6.7 billion which amounts to $1,579 per person regardless of age[3].

Background

Throughout the pandemic the nation has witnessed an increase in substance usage and a decrease in supports available for users. Policies around alcohol in particular have been relaxed during the pandemic with evidence of increased consumption as well as related harm. There are several reasons why adverse drug-related events may increase during this kind of social disruption including the changes in the drug supply, but public health measures to control the spread of covid-19 may have also had unintended consequences of exacerbating the substance usage nationally. In particular the scaling down of health and harm reduction services appears to have pushed people to use more drugs alone, more frequently, putting them at increased risk.

Covid-19 has negatively affected people who use drugs throughout major disruptions in substance supply due to boarder closures, government restrictions, as well as social distancing. Nationally the pandemic increased the difficulty for suppliers to receive their supply as well as for buyers to purchase that supply. The decrease in potency and availability of pure drugs resulted in substitution and altercation which has created more toxic substances[4]. Along with decreased availability the industry experienced price increases and usage. Substances laced with additives sold for the same price as pure substances did prior to the pandemic[5].
The decrease in supply has resulted in users sharing and reusing substance equipment.

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[1] Canadian Centre on Substance Abuse (2020, July). Substance Use in Canada Costs Almost $46 Billion a Year According to Latest Data. Retrieved April 11, 2022, from https://www.ccsa.ca/substance-use-canada-costs-almost-46-billion-year-according-latest-data
[2] Canadian Centre on Substance Abuse (2020, July)
[3] Canadian Centre on Substance Abuse (2020, July)
[4] Canadian Centre on Substance Use and Addiction (2020, May). CCENDU Alert Changes Related to Covid-19 in the Illegal Drug Supply and Access to Services, and Resulting Health Harms. Retrieved April 11, 2022, from https://www.ccsa.ca/sites/default/files/2020-05/CCSA-COVID-19-CCENDU-Illegal-Drug-Supply-Alert-2020-en.pdf
[5] International Journal of Drug Policy. Volume 93 (July, 2021) Changes in substance supply and use characteristics among people who use drugs (PWUD) during the COVID-19 global pandemic: A national qualitative assessment in Canada. Retrieved April 11, 2022, from https://www.sciencedirect.com/science/article/pii/S0955395921001420

Poorer quality drugs at higher prices has created longer wait times for users to access their drugs of choice as well as has forced users to travel longer distances to purchase them. These factors have contributed to a more unpredictable and unstable market resulting in a higher risk for substance users.

The increased additives to substances has resulted in many unintentional withdrawals and an increased number of overdoses. Covid-19 drastically decreased the availability of direct services for people who drugs, including harm reduction and treatment services[6]. Impacts of greater isolation, mental health, decreased income and more limited access to direct services and supports have all been contributing factors. There has been a greater consequence for people who use substances and those seeking services for withdrawals and in the number of drug poisonings. Fewer drugs and fewer supplies resulted in a more unpredictable market, increasing the health risk and harm for those individuals using the drugs. For these reasons, some individuals have turned to medical attention when they are unable to access their drugs and others have attempted to make their own. Drug related deaths have been on the rise since the beginning of the pandemic. CCENDU sites reported that the COVID-19 health measures have resulted in a decrease in direct services such as drug checking services, homeless shelters, community health centers, needle exchange programs and outreach services[7].

2021 was the deadliest year on record for fatal drug poisonings. As of August, more than 1,000 people had died from drug poisonings, just less than 1,300 people died in 2020, which was the highest year total so far[8]. The most recent data from 2017 shows that substance usage cost Alberta more than $6.7 billion. Overall, these costs were related to health care at 28%, lost productivity at 47%, criminal justice at 16% and 9% of other direct costs. The opioid crisis is a complex issue that requires a holistic approach including prevention, intervention, treatment and recovery. In 2019 the Alberta government has announced funding for at least 4,000 new treatment spaces annually, however is aiming for 8,000 new spaces instead.

The government of Alberta has released treatment plan options for users. Alberta Health Services offers safe, effective treatment options for opioid use and other addiction including more than 900 treatment beds that specialize in detox, youth, short- and long- term residential treatment and problem gambling. Along with treatment plans overdose preventions programs promote reduced risks. The Digital Overdose Response System (DORS) is a mobile app created to help prevent overdose deaths of individuals using alone. Canada has also implemented the Good Samaritan Law which provides some legal protection for people who experience or witness an overdose and call 911 for help.

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[6] Canadian Centre on Substance Abuse (2020, July)
[7] Canadian Centre on Substance Use and Addiction (2020, May).
[8] CBC News. (2021, December). Alberta government firm on recovery-oriented care as province on track for deadliest year for drug poisonings. Retrieved on April 11, 2022, from https://www.cbc.ca/news/canada/calgary/alberta-kenney-ellis-addiction-recovery-1.6273907

The Alberta government has also implemented harm reduction programs which aim to decrease the adverse effects resulting from harmful behaviors by those who use substances through peer and outreach supports, needle distribution, distribution of naloxone kits and supervised consumption services. Along with the provincial supports, the federal government has also acknowledged the impact of the pandemic on the ongoing opioid crisis. The federal government provided an additional $66 million over two years, starting in 2020 to support community based organizations responding to substance use issues.

Recommendations

That the Government of Canada:

1. Undertake an evidence-based coordinated approach to intox, detox and supportive housing that supports access and has limited barriers to entry.

2. Seek national business support in providing access to employment opportunities that will help both prevention and recovery/reintegration efforts.

3. Identify how the federal government can prevent substance use and ameliorate its impacts

4. Work with all three levels of government, Indigenous peoples, the business community, and the not-for-profit sector to maintain an active network that works together to advance these recommendations

Endorsements

The Health Innovation Committee abstains from endorsement of this resolution. The Committee abstained in light of insufficient business focus.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Lethbridge Chamber of Commerce

Supporting Organizations: Greater Moncton Chamber of Commerce and Chamber of Commerce of Brantford-Brant

International Affairs

3. Share a Handshake: A Renewed Vision for the Future of Canada-US Border Cooperation

Description

Canada & the US have the largest trade & travel bilateral relationship in the world.[9] Our two countries have a long history of innovation, including the establishment of US Preclearance in Toronto in 1952. At its height, two-way trade was $800 billion per year and more than 300,000 people crossed the border daily. The Future Borders Coalition believes that pandemic recovery will return to this level of activity, with greater flow of goods and people based on new trade agreements. Vital to the relationship is the private-public-policy partnerships that are built around a vision of the future border. Policy, processes & technological innovation drive the need for a coalition, valued at the highest levels in Canada & the US.

Background

Since the inception of the project, progress has been made. However, work remains to be done. The new vision is based on eight remaining major challenges within travel and trade sectors and the services that enable border and security clearances:

1. Pandemic resilience and international traffic recovery

Traffic volumes continue to recover as airlines gear up. There is an opportunity to get into underserved markets that have been vacated by legacy airlines during the pandemic. We are returning to 2019 growth projections nearly doubling across all modes in the next 20 years, with the aviation sector reaching almost 2.5 times more traffic by 2038. The concern is whether our systems will be able to keep up with growth or be limited by insufficient resources, leading to long queues.

2. Wasted resources from duplication

Significant progress has been made in the last 25 years to remove a large portion of paper-based processes, from multiple data-entry to duplicated application forms. More work remains to simplify programs, many of which are separate, requiring almost the same information and are aimed at similar objectives.

3. Privacy issues must be addressed up front

With the proliferation of information sources tied to personal identity or commercial confidentiality, there is the need to improve the performance of the entire system to better manage privacy. Privacy by Design and its seven principles identify best practices that augment existing public agency requirements to conduct privacy impact assessments and do so early in the process.

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[9] https://www.futureborderscoalition.org/

4. Ensuring ideas are future proof

Scalability and systems that cannot be linked together are examples of problems still faced as border process requirements evolve. Standalone systems may be desirable for speed of implementation but there is the need to ensure connectivity with future changes to systems.

5. Resilience to evolving threats

Dynamic and asymmetric threats are problems faced by public and private sector stakeholders. The resilience of the system to accommodate future shocks through risk-based approaches also further reinforces the need to develop as much efficiency in the system today as possible.

6. Lack of sustainable private-public partnerships

From user fees to investments in facilities and requirements, there is a perception of an unsustainable model for funding future changes. The private sector presents strengths in investment, acquisition, technology deployment and research. These may also represent the opportunities to sustain future cooperation.

7. Underuse or overuse of technology

In the past two years, there have been focused efforts towards product-based pilot projects. “The blockchain pilot” or the “biometric pilot” are important because they are emerging technologies with benefits. The use case however needs to balance the process, staffing envelope and risk model to ensure the success for new technology adoption.

8. Global competition

Finally, the challenge collectively is not the debate over whether Canada or the US stands to gain from future improvements. The economies are intricately linked, as are the cycles of innovation in border and security excellence. The competition is how Canada and the United States, as a joint

US $100-trillion economy by 2038, will remain competitive in the world market. Movement of people and goods include land,[10], sea,[11], air[12], and rail[13].

NEXT STEPS

A number of key initiatives are already in research or about to begin.[14]

Updated projects remaining in 2022 (from the initial 16 pilot projects with five major themes) are:

1. Adopt a Remote Clearance Approach based on machine learning/AI

2. Screen Once, Accept Multiple Times

3. Employ risk-based model for our shared borders

4. Move Away from Fixed Checkpoints to Clearing Flows

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[10] Land borders require careful co-ordination of lanes and infrastructure at border plazas. Preclearance offers more flexibility to locate activities away from the physical border. More efforts are needed to ensure traffic can be streamed through the introduction of biometrics to confirm identities, by using mobile technologies to ensure trucks and cars are ready to proceed and by limiting the amount of stops at the physical border in favor of activities before departure, enroute or at a controlled destination upon arrival.

[11] Maritime Container, break-bulk and other commodities shipped to the United States and Canada have experienced significant changes since 2001. Pushing the borders out is largely a success, especially for container movements. More work remains to incorporate clearances for US Customs and Border Protection (CBP) and Canada Border Services Agency (CBSA), and across all government agencies. This will enable intermodal transfers to trucking and rail to move more efficiently from one country to the other.

[12] Cruise passengers are largely air transfers and for certain markets (e.g., Alaska or Caribbean cruises) there is the opportunity to further leverage biometrics further to enhance processing. Same-day entry and exit between countries could be greatly facilitated. Six cruise lines have already started to generate pilot projects on biometrics with CBP and this can be further integrated with air transfers and CBSA processes. A robust system exists for in-bond air cargo, but similar to the maritime mode, more is needed than just approvals from a customs agency. A government approach is needed to deal with different commodities – specifically agricultural products. Consequently, a future view towards testing out full in-bond air-air and air-truck is needed, as well as advancing air cargo preclearance. Air passengers have several important dynamics due to the rapid growth of traffic, and the large number of biometrics implementations.

[13] Rail is the second largest mode after trucking, moving some 15% of US-Canada trade. One of the major sources of demand for rail movements is shipments moved to rail cars from ports. At the same time, there is US and Canadian-origin traffic from North American-based factories, lumber yards, etc. The principle is the same: clear before departure and minimize the activity needed at the border itself. Remote screening and enroute clearance processes could significantly reduce the burden on rail lines at the border to de-stuff containers or rail cars for inspection. Similar to air and cruise ship processing, the model for preclearing passenger trains or clearing upon arrival would greatly benefit from the biometric model of processing.

[14] Key initiatives include: (a) Further integration of passenger vetting and biometrics to ensure that Canada and the United States are not at a competitive disadvantage versus Europe in attracting foreign tourists. (b) Early results demonstrate upwards of 50% throughput benefits compared with the current generation of automated passport control. A unified approach is needed in the preclearance environment. (c) Create a streamlined connections environment. Canada has made major improvements at airports in recent years. Biometrics may provide the ability to better manage connections at US facilities. Further co-operation can be advanced by leveraging excess capacity at new US preclearance sites for Canadian-bound traffic. Joint preclearance could be a stepping stone for full global preclearance starting with allied countries such as the United Kingdom, Australia and New Zealand and potentially be integrated with exit control facilities and systems.

5. Greening the Border.

These near-term pilot projects will allow government and industry to take concrete steps to achieve a predictable, secure and integrated border where legitimate low-risk goods and people can flow efficiently and securely into and across the Canada—US border.

Recommendations

That the Government of Canada:

1. Complete the ‘unfinished business’ of the Beyond the Border II Initiatives:

a. US-Canada Facial Recognition Pilot Project

b. Single Window eTA/ESTA [Canada: Electronic Travel Authorization; US: Electronic System for Travel Authorization]

c. Conduct research to support policy making

d. Remote screening of goods and co-location of facilities in the US

e. Trusted traveler program integration

f. Rescreening elimination

2. Support and participate in the Future Borders Project with the goal of enhancing the traveler experience and improving the mobility of people and goods through the Canada—US border, all while ensuring that safety and security is improved.

3. Ensure all necessary departments and agencies participate and prioritize the working groups identified by Future Borders as a next step towards realizing the vision of a predictable, secure and integrated border between Canada and the US.

Endorsements

The International Affairs Committee supports this resolution.

Submitted By: Peachland Chamber of Commerce

Supporting Organizations: Kelowna Chamber of Commerce, Greater Westside Board of Trade and Penticton & Wine Country Chamber of Commerce

4. Opposing U.S. Protectionism and State Procurement Bills that Undermine Canada's Sustainable Forest Sector

Description

A coordinated campaign has been initiated by certain environmental groups in the US to develop and implement state-level legislation that would discriminate against forest products exports from Canada.

Background

These bills, which often receive public support from a few groups in Canada, are based on misinformation. They specifically allege, with no evidence or basis in fact, that Canada's forest practices are equivalent to the least sustainable practices used in certain tropical forests of the developing world. They do not recognize that Canada's deforestation rate is near zero nor that it has by far the highest percentage of its forests certified sustainable of any country in the world. These state-level legislative efforts based on blatantly incorrect information have the effect of harming Canada's world leading sustainable forest sector, and by extension the communities (Indigenous and non-Indigenous) that rely on forestry as part of their social and economic well-being.

In 2021, certain lawmakers in California tabled Bill AB 416 – the "California Deforestation Free Procurement Act" which unfairly targeted wood products originating from Canada's boreal forest and tried to equate sustainable forest management practices with deforestation in tropical countries. Similarly, New York State tabled Bill S5921A/A6872A: New York Deforestation-Free Procurement Act. Both bills were based on model legislation drafted by the Natural Resources Defense Council (NRDC).

Fortunately, the California bill was vetoed by Governor Gavin Newsom in October 2021 because of its unworkability and how it would drive up costs in the state and create unnecessary burdens for California businesses. The New York bill did not pass during this recent legislative session, although it will likely be reintroduced at the next session (anticipated January 2023).

Despite the fact that these bills have not thus far been enacted, they are part of a broader campaign by the NRDC and other US environmental groups, to create non-tariff trade barriers for forest products exports from Canada. Given the sizeable investment of resources by the NRDC and the prominence of this campaign in their fundraising solicitations, similar bills are anticipated in these and other States in the future.

These efforts have the effect of undermining Canada's forest sector, its workers and communities. They are based on misinformation and do not recognize Canada's standing as a world leader in forest management, or the importance of the country's sector in supporting a wide range of environmental and societal objectives.

Canada's forest sector is critical to the achievement of the country's net-zero carbon objectives. Lumber and other wood products lock in carbon for the long-term and can be used to displace more fossil fuel intensive building materials like cement. Forest products store carbon – each cubic metre of wood represents almost 1 tonne of CO_2 removed from the atmosphere. Furthermore, using leftover residues from sawmills like wood chips and sawdust supports production of lower carbon alternative products (e.g., biofuels, bioplastics).

Canada's forest sector has annual revenues exceeding $75B and is one of the country's largest employers operating in over 600 communities, providing over 200,000 direct jobs, and over 600,000 indirect jobs across the country.

Indigenous peoples and communities are core to the success and future of Canada's forest sector. Today, Indigenous peoples directly control 10% of the Canadian wood supply and this percentage continues to trend upward. There are also over 1,400 Indigenous-owned forestry business operating across the country and 12,000 Indigenous workers are employed in the sector. Over the next decade, 750,000 Indigenous youth will enter the Canadian workforce—a cohort that's growing four times faster than Canada's non-Indigenous population. This demographic represents an important part of the sector's talent and leadership pipeline of the future.

There are existing frameworks in place to recognize ethical and sustainable sourcing – in Canada they are double layered via provincial government approvals of forest management plans, along with independent third-party certification in the large majority of forests across the country. Canada is home to nearly 40% of the world's third-party, independently certified forests. Canada's working forest is managed carefully for conservation values with half of our managed forest currently under some kind of conservation measure.

Recommendations

That the Government of Canada:

1. Commit to direct officials within the Canadian government to do a comprehensive review of any future US procurement bills, whether at the state or federal level, for trade risk and non-tariff trade barriers to Canada's forest sector.

2. Collaborate with Canadian forestry, the Canadian Chamber of Commerce, and other aligned sectors and organizations across Canada to ensure that future versions of these NRDC-type bills are not enacted into law and that misinformation campaigns do not harm Canada's position as a trusted supplier of forest products to the North American and global marketplace.

3. Review any Canadian government funding to groups that may be directly or indirectly supporting these efforts to undermine Canada's forest sector and its people.

4. In the spirit of collaboration, should work with U.S. counterparts on eliminating import and export restrictions on trade in sustainable forest products between the two countries.

Endorsements

The International Affairs Committee supports this resolution.

Submitted By: Timmins Chamber of Commerce

Special Issues

5. Strategies to Address the Student Debt Crisis

Description

Young Canadians graduating from post-secondary school today are carrying more debt than their predecessors as the average cost of a post-secondary education with residence is now in excess of $80,000. Emerging from school with such a high amount of debt means that these new graduates will be less likely to start a business, wait longer to start saving for retirement, and be less likely to be able to afford a home.

Background

For many students in Canada, getting a student loan is the only solution for funding their post-secondary education. The rise in education costs is vastly outpacing the average rate of inflation in Canada—which has ranged from highs of 5.63% in 1991 to lows of 0.17% in 1994 and 0.3% in 2009. The average inflation rate in Canada from 1991 to 2020 would be about 1.9% a year (when rounded up to the nearest tenth). Meanwhile tuition costs have tripled from 1993 to 2016.

According to Statistics Canada, 75% of Canadian post-secondary students have government-backed debt, while around 36% have bank loans. The interest on government-backed student loans which begins upon graduation (with an optional grace period) is typically around 2.5%

The total student loan debt in Canada from more than 1.7 million student borrowers now tops $18 billion. The student debtor owes at least $26,075 and medical school students must take out the biggest loans.

These high levels of student debt are damaging not only to the debtor but also to the overall economy and social system. For example, high amounts of debt limit the debtor’s ability to start a business or do something entrepreneurial.

Students laboring under the burden of student debt are also following different career paths - and this comes with important social implications. The need to repay loans is steering some away from professions like early childhood education, social work and health care and toward higher-paying jobs in tech and financial services.

A study by the Federal Reserve Bank of Philadelphia and Pennsylvania State found that student debt hinders innovation and entrepreneurship. The study states that the relationship between student debt and new business startups was “significant and economically meaningful” with more student debt equating to fewer small businesses being formed.

Given the implications of rising student debt, it is important that the government take immediate action to address this crisis.

Recommendations

That the Government of Canada:

1. Extend the optional six month interest-free grace period of the Canada Student Loan Program to two years;

2. Incentivize the Provinces and federal banks to implement a two-year interest free grace period on qualifying student loans; and

3. Incentivize employers to assist employees with their student loans by proving a tax credit for student loan matching programs. (For example, the government could provide the employer with a 15% credit when they match the repayments of their employees' student loans - this would have a net incremental cost to the government and employer of 15%/85% for the matched funds).

Endorsements

The Special Issues Committee abstains from endorsement of this resolution. The Committee is abstaining given that it is not evident to the Committee that this is a business issue. Furthermore, is not clear what net impact this measure would have on the business community and Canadian economy.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: London Chamber of Commerce

6. Making Programs and Funding for the Green Transition More Accessible for SMEs

Description

Canada's Federal Government positioned the 2022 Federal Budget as one focused on green transition in creating a more resilient economy. The green transition will only be successful if Small to Medium Enterprises (SMEs) are able to access transitional funds, work within guidelines presented, and easily able to implement necessary change to better climate change and sustainability. It is critical for the Federal Government to ensure that smaller businesses are not left behind and given the opportunity to lead when it comes to the green transition over the coming years.

Background

The 2022 Federal Budget has committed more than $12 Billion towards a green transition for business and industry across Canada (Finance Canada, 2022). These funds come in the form of incentives, grants, interest free to low interest loans, investments, infrastructure, and retrofit opportunities (to name a few). It is a significant opportunity for SMEs to help lead the charge in combatting climate change, while ensuring their businesses are prepared for the rapidly changing economy and socio-economic landscape.

In the past we have seen larger publicly traded corporations benefit immensely from government support in relation to green transition and investment in capital related items. And while there are merits to those types of one-off investments, it is also critically important that SMEs are included within this transition to ensure that the Government can meet its net zero goals by 2050.

Recommendations

That the Government of Canada:

1. Ensure that its green transition programs, funds, bursaries, investments, and supports be put through an SME lens to ensure that the program is well-suited and accessible, for SMEs in its objectives, goals, and outcomes.

2. Create simple, effective, and templated measurements that SMEs can utilize in their applications for transitional funding.

3. In programs that support the transitioning of fleets and company vehicles, take into consideration size and capacity to purchase vehicles to ensure SMEs have the same opportunity as larger corporations with large fleets and vehicle arrangements.

4. Apply the following considerations for building retro fit programs:

• Proportionality in tax breaks or incentives for smaller businesses with less capital for transitional costs

• Upfront breaks or supports to get projects started with banks or credit unions

• Additional funding at lower interest rates through banks or credits unions via government backing to exceed the initial retro fit goals

• Funding provided to municipalities who in turn work with local business owners to incentive retrofits at the local level.

Endorsements

The SME Committee supports this resolution.

The Natural Resources and Environment Committee supports this resolution.

Submitted By: London Chamber of Commerce

7. The Role of Government in Securing Supply Chains

Description

The federal government plays a significant role in facilitating an ecosystem that would reduce the reliance on overseas supply chains, labour shortages as well as enhancing technologies to increase Canada's competitive advantage.

Background

Supply chain issues have never been more prominent than in 2020 and 2021. The shocks of the past couple of years amid trade wars, COVID-19's effects on supply and demand, and the subsequent logistics chaos resulting from the rapid return to trade—have exposed vulnerabilities in production strategies and supply chains. The challenge that companies now face is to make their global supply chains more resilient without weakening their competitiveness.

A recent member survey by Canadian Manufacturers & Exporters (CME) shows that nine out of 10 Canadian manufacturers are encountering supply chain issues, with over 60 per cent rating the impact of these disruptions as either major or severe.

In addition, Canadian manufacturers surveyed say they have lost about $10.5 billion in sales because of disruptions in the supply chain and are now experiencing nearly $1 billion in increased costs.

Only 18 per cent of manufacturers plan on sourcing more of their inputs to Canada in response to supply chain disruptions and, when asked why, 44 per cent cited the fact that there are no Canadian suppliers of their critical inputs.

These problems are holding back the manufacturing sector's recovery and, by extension, the recovery of the overall economy.

The supply chain – and, within that, virtually every business in Canada relies on the movement of goods and services.

According to the Ontario Trucking Association, the Canadian trucking industry has over 23,000 truck driver job vacancies right now and that hole is expected to sink deeper very soon – to 55,000 vacancies by 2024. While there are undoubtably many industry sectors that need qualified labour, the vacancy rate in truck transportation was much higher than that of the general economy (8% compared to 5.4%) and represents the second highest vacancy rate of any sector in the entire economy. However, with an economic multiplier effect much larger than most industries, the pressures weighing down trucking's current labour pool just might be the single greatest challenge in the path to full economic recovery.

When looking at the supply chain from a macro level, the picture is the same. Recent data relating to truck-to-load ratios shows between a 30%-45% decrease in the availability of trucks, year-to-year, while load volumes have more than tripled at times. As a result of these two factors, the number of trucks available per load has declined from about three trucks per load a year ago, to around 0.5-0.7 trucks per load today. In other words, almost one in every two available freight loads don't have a truck (driver) for transport.

Finally, both the pandemic and trade wars have made newer technologies and regionalization more attractive. Examples of important technologies include the continuous flow process and moving toward more regionalized, distributed manufacturing will enable us to be less dependent on foreign imports.

Investment in these robotics and automation technologies could build resilience by reducing labor costs and mitigating exposure to labor shortages, especially collaborative automation focused on simple processes like packaging.

Recommendations

That the Government of Canada:

1. Encourage investment in Canada in critical input materials such as semi conductor chips and high strength steel/Titanium to reduce reliance and dependency on foreign inputs and overseas supply chains.

2. Work with industry to identify challenges and develop policy solutions to address labour shortages that include speeding up immigration into Canada to fill vacant jobs in manufacturing and other key supply chain partners.

a. Support skills training for in demand jobs in manufacturing and trucking.

b. Develop new training support for truck drivers and other key job classes within the supply chain.

c. Develop new skills/ training support for key occupations such as truck drivers to support new entrants.

3. Provide more support and incentives to help manufacturers accelerate the adoption of automation technologies. For example, revising criteria in terms of Scientific Research and Experimental Development Program (SR&ED) and reinstate the eligibility of capital equipment.

4. Increase investments in critical infrastructure such as ports and bridges that facilitate trade and industrial development thereby allowing Canadian domestic industries to fully reap the benefits of Canada's trade agreements.

Endorsements

The Special Issues Committee supports this resolution.

Submitted By: Oakville Chamber of Commerce

8. Supporting Canadian Businesses to Increase Domestic Production of Critically Needed Goods, Mitigating the Effects of Shocks in the Supply Chain

Description

To avoid shocks in supply chains, the Government of Canada should determine which products are most critical for Canadians and establish how current and new Canadian businesses can meet the demand for these products. The Government of Canada should also provide funding, support, and education/awareness to businesses. Doing so would ensure national resiliency in the future, especially during uncertain times and supply chain shocks.

Background

Canadians are struggling to pay for their daily necessities, and in some cases, locate them. Prices of needed goods are skyrocketing, and scarcity has become an issue due to the global pandemic, the war in Ukraine, and uncertainty in the stock market. It is becoming more apparent that while trade is important for our economy, it is also important that Canada must become less reliant on imports for goods manufacturing, particularly for goods most impacted by world events. For example, the difficulty in sourcing Personal Protective Equipment (PPE) created major impacts on public health, education, and the economy. The Canadian Institute of Global Affairs determined that supply chain issues were not the main determinant in the initial PPE shortage. They also noted that increasing local production would reduce the impact of supply shocks.

Many Canadian industries, like our manufacturing industry, are vulnerable to disruptions in global supply chains. In a recent report, Statistics Canada noted vulnerability in our animal food manufacturing, grain, and oilseed mining. The vulnerability in plastic product manufacturing is also high, given our reliance on industry inputs from countries like the USA. The list includes dozens of other industries that rely on imports for intermediary inputs, putting many of our critically needed goods at risk during volatile times.

In 2021, the Biden administration signed Executive Order 14017, directing "an all-of-government approach to assessing vulnerabilities in – and strengthening the resilience of – the United States' critical supply chains." The comprehensive review focused on four critical areas and established the Supply Chain Disruptions Task Force. One year after the signing, seven cabinet agencies published reports "identifying key weaknesses in some of the nation's most crucial supply chains and devising multi-year strategies to address those weaknesses." The goal is to ensure supply chains in the USA, therefore increasing domestic production and resilience for their country. In the past, the idea of national self-reliance may have seemed protectionist and individualistic. Now, it's just good policymaking.

Supply chain shocks have always occurred, and the impacts have always been felt by Canadians. But given what we know now about the impacts of worldwide events, like a pandemic, it is time that we start thinking of ways to ensure Canadians can access the critically needed goods they require to lead healthy and happy lives.

There is a cost in helping new or current businesses produce goods domestically. But the costs are greater for reckoning with the impacts of supply chain shocks, price increases, delayed shipping, or key goods being eliminated from circulation. Our business leaders and entrepreneurs across Canada should be prioritized in the development and use of this support and funding.

Recommendations

That the Government of Canada:

1. Identify the critically needed goods for Canadians and determine reliance on imports for the manufacturing of those critically needed goods.

2. Work with current Canadian businesses to determine their requirement(s) to start, or increase, domestic production of the identified critically needed goods that are often imported for use.

3. Provide support(s) to those businesses or new businesses that can produce critically needed goods to stabilize supply and eliminate reliance on imports.

Endorsements

The Special Issues Committee abstains from endorsement of this resolution. The Committee is abstaining from endorsing as it is calling for policies that already exist or are currently in development by the federal government.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Halifax Chamber of Commerce

9. Canadian Business Access to Royal Canadian Navy and Canadian Coast Guard Contracts

Description

The National Shipbuilding Strategy is about "undertaking major ship procurements in an efficient way that sustains jobs, strengthens the marine sector, and provides value for the taxpayer", there is a gulf between principle and practice. The strategy was developed to invest in Canada, support Canadian workers, technology and reduce procurement costs, but there are currently areas of this strategy where it isn't working as intended.

Despite Canada having the manufacturing capability and knowhow to produce the strategic core components required of naval shipbuilding, there is a need to ensure more Canadian companies are integrated into the supply chain.

Background

At the heart of a defence industrial policy would be the notion that the Government of Canada believes that domestic capabilities are essential to its national security and economic interests. Meaning procurement decisions should not simply be based on cost or relying on foreign OEM's existing supply chain users, but on the value of the product itself and, when possible provided the products are world-class, the ability to buy domestic.

Understandably when it comes to procurement decisions, governments are often hesitant to look at anything new – off the shelf options at low cost are deemed to be what will suffice. Yet, on the other side of the equation, the risk of using some of these solutions in terms of cost value, environmental responsibility and, perhaps most critical, the ability to quickly re-supply damaged parts, are often ignored.

All Canadians should want domestic, high-calibre world-class products on Canada's ships. A defence industrial policy only levels the playing field for Canadian firms, and ensures the strength of our industrial base and our nation's sovereign ability to respond to crisis.

Sourcing made-in-Canada products that support Canadian jobs and secures critical component supply makes perfect sense. It meets the originally intended NSS strategy and supports the economy and security of supply.

Recommendations

That the Government of Canada:

Recognize the imperative of supporting a strong domestic defence industry for the purposes of national security, re-supply, and overall economic interest, by developing a defence industrial policy that encourages more use of Canadian products in supply chains.

Endorsements

The Special Issues Committee supports this resolution.

Submitted By: Burlington Chamber of Commerce

Supporting Organizations: Chamber of Commerce of Brantford Brant

10. Funding Transparency & Accountability for Special Interest Groups

Description

Special interest groups and registered charities are increasingly engaging in acts of social and political activism. While such acts may evolve from an intention of improving society, more and more their actions do not include constructive dialogue and are limited to unilateral coercive activities that threaten the welfare of Canadians, the country and our economy. The recent truck protest which saw the standstill of international and domestic trade and of daily business and life in cities across Canada is one such example. In order for Canada's regulatory system to work effectively, it is essential that all levels of government, the media, and the public are fully aware of the domestic and international influencers of these organizations'

Background

The influence of well-funded special interest groups, often operating as registered charities in Canada, has grown to the point where governments, the media, and the public require greater transparency and tracking in regard to the funding sources of these entities.

Requiring additional transparency does not necessarily mean these organizations are engaging in unlawful or unethical activities. Many thousands of charities and other groups do very important work to help to make Canada a better place to work and live. However, there are a growing number of cases in which these entities are being funded by undisclosed stakeholders beyond Canada's borders—often with disastrous impacts on the Canadian economy, infrastructure and resource development projects, and investor confidence.

Regardless of whether it is a public issue (e.g., ending pandemic restrictions) or a potential project (e.g., natural resource development), foreign-funded and radical protests are doing real damage to the Canadian supply chain, economy and the country's attractiveness as a destination for foreign investment.

Banning protest is not a reasonable or desirable option, since hearing legitimate viewpoints of citizens on issues of public concern or nation building projects is part of living in a free and democratic society. However, allowing wealthy, foreign activists and entities to anonymously manipulate protests, regulatory hearings, media coverage, and on-site construction through their funding and representation as Canadian-based charities is not in Canada's best interest and must be stopped.

Canadians should not have to rely upon crowdfunding platform hackers and leaked information to the media to understand who may be unduly influencing critical decisions and outcomes that impact them.

Recommendations

That the Government of Canada:

1. Require registered charities and non profits in Canada and politically active crowdfunding organizations to declare donations, or other financial supports, from foreign sources for amounts greater than $1,000.

2. Require Intervenors and/or Registered Participants in public consultations (including environmental impact assessments and Canada Energy Regulators hearings) as part of their applications to publicly declare the sources of their foreign and domestic funding for amounts greater than $1,000.

Endorsements

The Special Issues Committee abstains from endorsement of this resolution. There are conflicting views about the net impact that this resolution will have on local Chambers of Commerce and Boards of Trade, and other industry associations and not-for-profits operating across the business community. Because this impact is not clear, the Committee is abstaining from endorsement.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Atlantic Chamber of Commerce

11. Revitalizing the Arts Industry - A Modern Massey Commission

Description

Artists contribute to Canada’s international acclaim. The arts provide economic viability for many. The 1951 Royal Commission on National Development in the Arts, Letters and Sciences (known as the Massey Commission) provided a foundation for arts and culture to thrive. However, today, the arts and culture industry have been struggling throughout the pandemic, and much of that struggle is due to systemic inequities related to regulations and investments. Canada needs a new commission that will lay a new foundation that will nurture arts and culture in Canada to thrive and grow.

Background

The arts were given a chance to thrive due to the 1951 Massey Commission. Its purpose was to investigate the state of arts and culture in Canada. Vincent Massey chaired the Commission. It issued its landmark report, the Massey Report, on June 1, 1951. The report advocated for the federal funding of a wide range of cultural activities. It also made a series of recommendations that resulted in the founding of the National Library of Canada (now Library and Archives Canada), the creation of the Canada Council for the Arts, federal aid for universities, and the conservation of Canada’s historic places, among other initiatives. It warned that Canadian culture had become invisible and indistinguishable from that of the neighbouring United States. The advent of technology has accelerated this diminishing of a distinct Canadian culture.

Since the 1950s, the arts and Canadian culture has transformed and grown past the duality of English and French based ideals that were supported in the report. Digital media, the internet, and technology in general has allowed for the arts to explode in all corners of the world. Cultural policy in Canada must be in line with this growth, and it requires a systemic investigation into what it means to support and grow arts and culture today.

The value to society is broad: art inspires, it entertains, and it often makes us think. The arts are part of Canada’s brand, they bring in tourists, and contribute considerably to our GDP. We take pride in the international recognition of our artists, from Céline Dion or Leonard Cohen to pop icons such as Drake or The Weeknd, not forgetting literary stars such as Margaret Atwood or Nobel winner Alice Munro.

What we need now is a new independent commission that will examine the arts as they function within today’s society, and what is needed to further grow the industry over the next 50 years. This new commission can go beyond the original Massey Commission by including Indigenous perspectives, how multilingualism and diversity impact arts and culture, and the impact a globalized economy has on the industry.

The findings of the new commission can provide Canada with an understanding of what investments are needed to further grow the creative economy and the arts. Businesses can then advocate for the needed investments, and comment on what investments should be prioritized. Finally, once implementation occurs, businesses can plan for expanding.

Recommendations

That the Government of Canada:

Implement a new independent commission led by the private sector with government participation to examine the arts and culture in Canada with the goal to strengthen the industry and ensure that Canada's arts and culture industry can continue to thrive and grow.

Endorsements

The Special Issues Committee abstains from endorsement of this resolution. The Committee is abstaining given it is not a clear business issue since it calls for a study on the arts and culture sector.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Surrey Board of Trade

12. National Economic Impact: Strategic Management of the Lower Fraser River

Description

The development of a comprehensive action plan and long-term strategy focused on natural disaster risk mitigation and on economic prosperity for the Lower Fraser River in British Columbia is critical to ensuring Canada's economic recovery, future growth of the national economy and maintaining the livelihoods of Canadian businesses.

The strategic management of economic growth and environmental risks on the Lower Fraser River is challenging because of fragmented jurisdictions throughout region. There are 15 municipal governments, 29 First Nations, and 20 Provincial and Federal ministries, engendering numerous legislative and bylaw restrictions.

Background

The Lower Fraser River and adjacent lands in British Columbia are home to approximately 2.9 million people. In addition, the Fraser River supports key industries such as agriculture production, over forty-five forest industry facilities, and nine federal government small craft harbours that support fishing, aquaculture, recreation, tourism, shipping and other marine and trade enabling activities.

The Lower Fraser and adjacent lands are also home to Canada's largest marine port, the Port of Vancouver, Canada's second busiest international airport– Vancouver International Airport (YVR), and is a gateway connection point for CN Rail, a critical component of Canada's freight rail system that carries 332 million tons of essential Canadian goods each year.

Record breaking rainfall and flooding in BC in November 2021 washed out rail lines and highways in BC and in some communities surrounded them completely with water cutting them off from vital supplies and connectivity to parts of the country. This coupled with the devastating impacts of wildfires causing transportation bottlenecks, rail interruptions and port congestion brought into sharp focus the national importance of the Lower Fraser River region and the need for a comprehensive strategy that addresses long-term secure funding and management requirements.

There are a multitude of issues resulting from fragmented oversight on the Fraser River, including loss of industrial land due to pressure on local governments for residential or other development, piecemeal and insufficient diking and related infrastructure upgrades that are not continuous, and uncoordinated maintenance programs and safety responsibilities.

While efforts have been made in the past to coordinate between local governments and work with other levels of government, these efforts were issue or situation based and did not represent a high-level, over-arching, holistic strategic investment for this important national economic driver.

Land in the Fraser Valley and Lower Mainland is fertile and where intensive Agricultural activity takes place that is key to food production and food security for the country. As highlighted in the 2022 report titled Canada's Agricultural Hub – an Economic Impact Analysis of Agriculture in Abbotsford, the economic impact of agriculture in the Abbotsford and to the Fraser Valley region is estimated at $3.83 billion in expenditures and 16, 670 FTE jobs. These values are based upon direct economic activity of the primary agriculture sector (farm gate sales) and agribusiness sector in Abbotsford. Abbotsford is a hub for agribusiness in the Fraser Valley and recent data shows that it is an intensely farmed and productive area with the most farm sales per hectare in all of Canada and among the top in North America.

Under the Canadian Agricultural Partnership (CAP), Agriculture and Agri-Food Canada provides an investment to support region-specific agriculture programs and services that are tailored to meet regional needs. These programs are cost shared between the federal and provincial/territorial governments with the federal government contributing 60% of the costs of the program and the provincial/territorial government contributing 40%. While the CAP provides access to business risk management programs to help producers manage significant risks that threaten the viability of their farm operations and are beyond their capacity to manage, a broader collaborative approach is required that takes into account the interests of other parties.

BC Chambers of Commerce and Boards of Trade support the establishment of an integrated task force to develop a comprehensive strategy that addresses long-term secure funding and management requirements for the Lower Fraser River and adjacent lands.

Recommendations

That the Government of Canada:

1. Take the lead in bringing together a task force group of all relevant interested parties.

2. Instruct the group to develop a comprehensive strategy to manage the risks associated with the Lower Fraser River and impacts on adjacent economic activity and infrastructure.

3. Commit long-term secure funding requirements to execute the strategy and future management requirements.

4. Allocate funds and/or establish financial mechanisms for Lower Fraser River risk mitigation purposes, with a focus on critical diking and drainage infrastructure needs before future climate events pose further threat to national economic well being.

Endorsements

The Special Issues Committee supports this resolution.

Submitted By: British Columbia Chamber of Commerce

Supporting Organizations: Delta Chamber of Commerce, Abbotsford Chamber of Commerce, North Vancouver Chamber of Commerce, Richmond Chamber of Commerce, Greater Vancouver Board of Trade, New Westminster Chamber of Commerce and Surrey Board of Trade

13. Amendments to the Boards of Trade Act (BOTA)

Description

All boards of trade, whether registered under Part I or Part II of the Boards of Trade Act (BOTA), require by-laws to set out the rules for governing and operating the board of trade. If the board of trade is registered under Part II, however, the application to create the board of trade must include a copy of the by-laws, which will be approved by Corporations Canada on behalf of the Minister of Innovation, Science and Economic Development.

Background

The needs of an existing board of trade may change over time. Therefore, the board may want to modify their existing by-laws to better meet their current objectives. Changes to by-laws for a board of trade registered under Part II must [also] be approved by Corporations Canada on behalf of the Minister of Innovation, Science and Economic Development. The changes to the by-laws are not in force, nor can they be acted upon, until the approval of the Minister has been obtained. Ministerial approval will ordinarily be dated as of the date of receipt of the acceptable request by Corporations Canada.

That said, the officials who are responsible for reviewing the by-laws submitted by the boards of trade to Corporations Canada use a review grid that applies to an outdated act that is not adapted to today's reality.

The Boards of Trade Act was created in 1874 and revised in 1985. Amendments were made in 1992, 1995, 2002, 2011 and 2015. Some obsolete provisions remain in 2022, including the following:

"11 The officers of every board of trade shall be a president, vice-president and secretary, who, together with at least eight other members, shall constitute a council of the corporation, which shall be called "The Council of the Board of Trade of (adding the name of the district)", and who shall have the powers and perform the duties set out in this Act."

"12 (1) At the first quarterly meeting held in each year, the members of a corporation present, or a majority of them, shall elect, in the manner prescribed by the by-laws of the corporation, from among the members thereof, a president, vice-president and secretary, and at least eight other members, who, with the president, vice-president and secretary, shall form the council of the corporation."

''12 (3) Term of office – stated in BOT act as one year

"17 (1) The members of a corporation shall hold general quarterly meetings in each year at any place within the district in respect of which the corporation was incorporated.

Notice to be published

Amendments to the Act are needed for the legislation to reflect the realities of 21st century boards of trade, and to streamline the by-law approval process.

Recommendations

That the Government of Canada:

Amend the Boards of Trade Act to:

1. Change Part 1, Section 3.1 to replace specific references with more current business language with respect to persons eligible to form a Board of Trade;

2. Change Part 1, Section 11 to allow for a minimum of two other members on the council of the corporation, in addition to the president, vice-president and secretary;

3. Change Part 1, Section 12. 2 to provide for a term of office for members of the council of the corporation of up to two years;

4. Change section 17.1 to allow for at least one general meeting annually; and

5. Introduce new language into the Act to permit for flexibility in the type of financial reporting required.

Endorsements

The Special Issues Committee supports this resolution.

Submitted By: Fédération des chambres de commerce du Québec

Transport & Infrastructure

14. Reduction in Federal Government Transportation Tariffs and Tolls

Description

Many Canadian communities isolated from transportation hubs face increasing economic disadvantage relative to more central communities. The financial costs for remote, or rural, Canadians is compounded through the current period of rising transportation costs and freight inflation.

Background

Ground freight costs have increased by 2 percent to 4 percent monthly over the last fiscal year. (1) Canada's average fuel price peaked nationally in May of 2022 at 206.3 cents/litre, an increase of 54 per cent from December of 2021. (2) Fuel is a significant input to the transport of goods, as are maintenance costs, labour constraints and transportation tariffs.

While the Federal government cannot directly influence all input costs, it does have discretion over Federal highway tolls, tariffs, and transportation taxes. These costs add an additional burden to the flow of imports and exports of affected communities. A balanced national transportation tariff discount is proposed, as the Prime Minister of Canada supports affordability of movement.

“We will look at what can be done to make sure that people are able to travel freely, travel efficiently, and openly across this country at modest costs.” ~Prime Minister, Justin Trudeau, January 13, 2017

Although these rising costs are primarily affected by global influence, the Canadian government can support communities by reducing many of the corridor taxes and transportation fees.

Recommendations

That the Government of Canada:

Reduce transportation costs through traffic corridors

Eastern

1. Reduce provincial inequality in critical infrastructure highways, such as the Confederation Bridge to PEI.

a. Reduce the transportation toll of the Confederation Bridge (PE/NB) from $50.25 to $20 per two-way travel, by year end 2023.

International

2. Reduce cross boarder burdens on publicly owned bridge corridors between Canada and the USA.

a. Reduce the transportation toll of the FBC crossings (Sault Ste. Marie, Blue Water, Thousand Islands, and Seaway International Bridge) by 35-50% by year end 2023.

b. Reduce the transportation toll of the NFBC crossings (Lewiston-Queenstown, Whirlpool Rapids, and Rainbow International Bridge) by 35-50% by year end 2023.

Domestic

3. Promote domestic travel and tourism by reducing transportation tariffs on federally owned or managed corridors across Canada.

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: Greater Summerside Chamber of Commerce

15. Driving our Economy Forward: Supporting the Trucking Industry to Mitigate Supply Chain Issues

Description

Canada, already facing rising inflation and critical supply chain issues, is forecasted to be short more than 17,000 Class 1A truck drivers in 2023. This is causing both long-term damages to the trucking industry and inhibiting the ability of supply chains to resume their normal operations. The shortage is further exacerbated by the inconsistency of truck driving entry requirements for new immigrants across provinces. As a 'sector that all other sectors rely on' for their supply and distribution needs, it is imperative to strengthen and support the trucking sector to address the nationwide supply chain challenge.

Background

The commercial trucking industry is a crucial component of the nation's supply chain, with 90 percent of Canada's 72.9 million freight shipments being carried on trucks[15]. Consumers from all over Canada rely heavily on the movement of freight trucks to provide them with the necessities of daily life. In fact, 90 percent of all consumer goods in Canada are shipped by truck[16].

And businesses too, could not succeed without a robust trucking network. The top five commodities trucked by weight are minerals, general freight, fuel oils and crude petroleum, forest products, and base metals and articles of base metals[17]. Combined, these commodities accounted for over two-thirds (71%) of the total tonnage moved by truck in 2017[18].

The value of interprovincial trade, which totaled $166 billion in 2019[19] is at serious risk and the shortage of Class 1A drivers will dramatically affect our ability to trade internationally, too. The US-Canada trade relationship is the second largest in the world and 60 percent of it is done through trucking[20].

But the trucking industry is facing a crisis that will only worsen in the coming years.

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[15] Commodity flows by mode in Canada: Canadian Freight Analysis Framework, 2017; Statistics Canada, released 2020-05-14. https://www150.statcan.gc.ca/n1/daily-quotidien/200514/dq200514c-eng.htm
[16] The Roles of Canada's Trucking Industry: An Overview. Automotive Training Centre. https://www.autotrainingcentre.com/blog/infographic-role-canadas-trucking-industry-overview/
[17] Ibid.
[18] Ibid.
[19] Transportation in Canada 2020 – Overview Report. Transport Canada. https://tc.canada.ca/en/corporate-services/transparency/corporate-management-reporting/transportation-canada-annual-reports/transportation-supporting-trade
[20] The Roles of Canada's Trucking Industry: An Overview. Automotive Training Centre. https://www.autotrainingcentre.com/blog/infographic-role-canadas-trucking-industry-overview/

Across the country, bus and truck companies are struggling to fill vacancies, and this is on top of the imminent wave of retirements the industry is facing[21]. To keep up with current demand alone, Canada needs 17,200 new truck drivers every year up until 2025[22].

Those drivers that remain in the industry are aging. The average driver age increased 3.7 years between 1996 and 2006, while the average increase was two years across all occupations[23]. Three percent of all truck drivers were aged 65 or older in 2006 demonstrating that some of the "new" supply of drivers has actually come from current drivers who have delayed their retirement[24], . And there are no young drivers to replace them. Workers under 25 made up 14 percent of workers across all industries, although this share dropped to just 7 percent in the transportation and warehousing sector according to the 2016 Census[25].

Women, especially, are underrepresented in this important occupation and represent a crucial recruitment pool. Despite being 47 percent of Canada's workforce, barely 3.5 percent of Canada's 300,000 truck drivers are women. Hone into the 181,000 tractor-trailer drivers who work specifically for trucking operations, excluding drivers like those who operate medium-duty trucks or consider themselves part of another sector like construction, and the National Household Survey puts the share closer to 3 percent[26].

Immigrants to Canada too, represent a strong pool for recruitment. On average, fewer immigrants—about 3 percent less—have been attracted to working as truck drivers, compared with the total labour force. This is likely because of the current, inconsistent approach for truck driving requirements across the country which creates unnecessary hurdles for applicants, especially new immigrants, including different skill and entry requirements in different provinces. While several of the provincial nominee programs provide pathways for foreign truck drivers to enter the workforce, programs requirements vary depending on the province.

For example, Ontario classifies truck drivers as skilled workers, which enables foreign truck drivers to access permanent residency. Conversely, Saskatchewan and British Columbia classify truck drivers as semi-skilled workers, meaning that they only become eligible for permanent residency after they have worked on a temporary visa. The current system allows provincial governments to set standards in an area of federal jurisdiction, contributing in part to a national shortage.

[21] Commodity flows by mode in Canada: Canadian Freight Analysis Framework, 2017; Statistics Canada, released 2020-05-14. https://www150.statcan.gc.ca/n1/daily-quotidien/200514/dq200514c-eng.htm
[22] Ibid.
[23] Understanding the Truck Driver Supply and Demand Gap. Conference Board of Canada, February 2013
[24] Ibid.
[25] Transportation in Canada 2020 – Overview Report. Transport Canada. https://tc.canada.ca/en/corporate-services/transparency/corporate-management-reporting/transportation-canada-annual-reports/transportation-supporting-trade
[26] "Women of trucking are still a rarity in Canada". John G. Smith. Trucknews.com, March 5, 2021.

Until the pool of potential candidates is greatly increased, recruitment costs will remain a major barrier to employers. The cost of recruiting drivers “disproportionately” affects small business, with job vacancies costing firms with revenues below $1 million an average of 24.5 percent of sales, compared to the 7.4 percent for businesses with sales exceeding $50 million[27].

And, while insurance costs are always a significant cost for trucking companies, they present additional challenges in hiring new drivers. Many companies are in a position where their insurance provider will not insure inexperienced drivers without considerable extra cost; as a result, this means that companies that can find new commercially licensed graduates may not be able to give them jobs[28].

Mentorship, the pairing of more experienced drivers with new operators, and on the job mentoring while in the yard or classroom, would provide new drivers with the support they need in a real-world setting to become the safest drivers possible. Making these drivers safer should reduce the cost of insuring these new drivers over the long term.

The recruitment, training, and lowering of insurance costs associated with new drivers will ensure the trucking industry that our nation relies on will remain robust and efficient and will allow our economy to recover and grow. Without help, supply chains will remain squeezed, resulting in increased product cost, delays in getting products to market, and ultimately, rising inflation.

[27] Canada short 25,000 truck drivers by 2023: report. John G. Smith. Trucknews.com, March 11, 2020. /
[28] Bitter Truth Behind Truck Driver Shortage In Canada. The Trucking Network. November 7, 2021

Recommendations

That the Government of Canada:

1. Classify Class 1A truck driving as a skilled trade Occupation under the National Occupational Classification matrix.

2. Standardize the requirements for truck drivers to be eligible to work in Canada. This should include a decision on either streamlining or removing the Labour Market Impact Assessment. The end goal has to be a recognized employer program that produces real benefits and a proper path to permanent residency and to help fast-track qualified foreign truck drivers' immigration applications amongst those who have MELT or equivalent training.

3. Support a mentorship program to allow new drivers to acquire real-world experience and increase road safety.

4. Commit more funding to promoting truck driving as a career option amongst women.

5. Offer employers financial support to create and maintain women-to-women mentoring and require employers to provide mandatory safety and inclusion training.

6. Include Class 1A driver training from recognized education facilities in student loans to allow students to take training and afford living expenses.

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: Leduc, Nisku and Wetaskiwin Regional Chamber of Commerce and Vaughan Chamber of Commerce

Supporting Organizations: Lethbridge Chamber of Commerce and Fort Saskatchewan and District Chamber of Commerce

16. Increasing Public Notice and Consultations for Federal Projects

Description

Construction projects can have big implications for the local business community, especially when it involves shutting down busy streets. Construction projects are necessary and typically provide improved infrastructure, but providing adequate notice, communication, and consultation are key to minimizing community impact.

Background

Road closures are a necessary part of maintaining and improving our infrastructure. Whether it's for a few hours, days, or even years, these projects have big implications for neighbouring residents and businesses.

For projects that disrupt traffic for a few hours or days, having adequate notice allows businesses to reschedule staff, adjust their advertising and marketing, and alter their sales programs. This can save thousands of dollars per day by facilitating prudent spending.

Projects that require significant traffic disruptions for months or years can cause major issues for affected businesses to the point that some will end up closing for good. Proper planning and communication can help businesses manage things like buying the appropriate amount of inventory, maintaining adequate staffing, and sourcing other opportunities to reach their customers.

Regardless of the length of the street closure, providing the public with ample notice allows them to better understand what is happening and plan their visits to local businesses accordingly.

Most construction projects require extensive consultation with local municipalities to provide detour options and provide appropriate notice to the public well ahead of any work being done.

However, federally administered and/or regulated projects don't have those same requirements and often minimal communication and consultation are provided to neighbouring residents, businesses, and municipalities. Businesses in Peterborough have experienced multi-day closures of busy streets with less than 24 hours notice for rail crossing work. Businesses and residents were provided one month notice and minimal municipal consultation for the replacement of a bridge by Parks Canada on one of the main routes into the City of Peterborough that took nine months to complete.

Transport Canada requires railway work to follow the Notice of Railway Works Regulations, but that only requires notice to a limited group, including the municipality and property owners immediately abutting land at the crossing. While it does require 60 days notice, obligations to the neighbouring community are limited and there are no requirements to provide detours.

All non-rail projects aren't regulated by Transport Canada since they are deemed a business practice. The various government ministries, departments and services are left to establish their own standards, which have proven difficult to access.

There are times when work must be done on an immediate basis with minimal prior notice due to emergencies, but most projects involve months, if not years, of planning to budget, tender, and schedule infrastructure work.

Improving communication and consultation will go a long way to helping local businesses and reducing frustration for everyone involved.

Scheduled infrastructure improvements that involve closing streets should provide at least as much notice as what is expected when organizing a parade.

Recommendations

That the Government of Canada:

1. Require federal agencies and federally regulated sectors to communicate publicly the intention to undertake upcoming construction projects that impact transportation routes as early on in the planning process as is practical.

2. Require federal agencies and federally regulated sectors to provide notice that includes all nearby residents and businesses, not just those immediately adjacent to the project:

a. a minimum of 30 days notice for road closures that are seven days or less

b. a minimum of 90 days notice for road closures expected to last more than seven days

3. Require federal agencies and federally regulated sectors to thoroughly consult with municipalities and contribute resources toward detour options.

Endorsements

The Transportation & Infrastructure Committee does not support this resolution. The Committee believes the proposed resolution would put unnecessary regulatory burden on the sector.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Peterborough + Kawarthas Chamber of Commerce

Supporting Organizations: Brockville and District Chamber of Commerce, Belleville Chamber of Commerce and Greater Kingston Chamber of Commerce

17. Building Canada's Community Revitalization

Description

The Canada Community Revitalization Fund (CCRF) was a two-year, $500 million national infrastructure program to revitalize communities across Canada, providing the opportunity to incentivize and transform community infrastructure, including downtown areas, main streets and community spaces across Canada. Applications significantly exceeded the funding allocated, with no additional grants available.

Background

Canada's Community Revitalization program showed great promise in incentivizing the development and revitalization of significant public areas and had enough interest to become massively over-subscribed, with the number of applications exceeding the funding available. This level of interest demonstrates a high demand and the opportunity to further develop refreshed, active, and prosperous downtown and main street communities across Canada.

Downtown districts are home to many of the oldest, most critical and historical organizations in cities across Canada and often are home to many small and start-up businesses. The economic impacts of COVID-19 restrictions were and still are heavily felt by stakeholders in these areas. Without Government investment and support, the responsibility of bringing tourism, new businesses, and commerce to downtown regions will fall largely on the same organizations that encountered deep and lasting financial impacts stemming from a persistent lack of traffic and business closures during COVID-19 lockdowns. These businesses support key regional supply chains, create thousands of jobs, and provide substantial property tax revenue to their municipalities. Many of these businesses and organizations carry cultural significance to their cities and contribute to tourism and travel experiences. Downtowns are also home to many social services and charity organizations, which rely heavily on local traffic, business donations and local volunteers to offer aid and support to vulnerable populations around Alberta, all of which were impacted during the pandemic.

Expanded funding would assist in revitalizing downtown and main street businesses to prevent the loss of more historic and vital organizations and businesses. A concerted effort between tourism professionals, government, business associations and downtown stakeholders is necessary to renew the vibrancy and life in our nation's downtown sectors.

Recommendations

That the Government of Canada:

1. Invest in Canada's Community Revitalization Fund to inject funding for an additional two years focused on downtown and main street communities and businesses across Canada.

2. Focus the eligibility on applications that target downtown and main street projects and programs with a specific focus on those projects that will assist in attracting new investment, support existing businesses, create additional jobs and attract more people to their downtown and main street corridors.

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: Medicine Hat & District Chamber of Commerce

Supporting Organizations: Edmonton Chamber of Commerce, Fort McMurray Chamber of Commerce, Airdrie Chamber of Commerce and St. Albert and District Chamber of Commerce

18. Fostering Aerospace Innovation Clusters to Create New Business for Canada

Description

Aviation & aerospace are integrated industries rapidly recovering from negative pandemic impacts, in re-emerging global demand for commercial aircraft.[29] Leveraging regional strengths would create new economic activity, diversify a region’s industrial base, & build high-quality employment in less developed centres. Canada can stimulate aerospace growth – training pilots & aircraft engineers; refitting worldwide fleets; developing related avionics. Federal government dedication to new aerospace super-clusters ensures dynamic growth & expanded business opportunities.

In addition, Canadian flight training schools are facing multiple challenges that, if addressed, would assist in tackling Canada's pilot shortage.[30]

Background

Aviation serves a variety of crucial roles in the Canadian economy through safely and efficiently transporting people, moving cargo and supplying or acting as a vital lifeline to northern and rural communities throughout Canada. Increasingly, technology and training have created new job opportunities for post-secondary students in Canada as the need for more aircraft mechanical engineers, pilots (fixed wing and helicopter), ramp service personnel and avionics manufacturing grow exponentially internationally. Airliner modifications drive much of the demand. Additional aerospace-related industries include digital engineering; materials and production innovation; communication systems; and ballistic systems.

Numerous parts of Canada are underserved with regards to aerospace innovation clusters. Quebec, Ontario and Vancouver have ever-expanding centres, i.e., Aero Montréal, Downsview; there are pockets of military pilot training (Manitoba); meanwhile, there are emerging aerospace innovation clusters in the Central Okanagan, outside Toronto and in northern Ontario, and in Prince George, BC and in Edmonton, Alberta.

Currently, pilot training and the need for a rapid increase in trained personnel for both the military and private carriers is paramount. A new, federally supported aerospace innovation cluster would solve inter-related issues around industry shortages in Canada and across the industry. Such a facility would have a direct positive economic impact on broad sectors of Canada's central and western economy with regards to employment, housing, education and taxes.

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[29] Canadian Council for Aviation & Aerospace www.avaerocouncil.ca
[30] The shortage affects not only commercial aviation but also the military, and remote communities which rely on air transport for food, medicine and other goods.

Location outside existing major urban centres offers reduced land footprint costs, good access to and from northern communities, including the nationally-critical oil sands, and national & international destinations from airports counted in the top 20 in Canada (Edmonton, Kelowna, Thunder Bay) with Prince George, BC having the third longest commercial runway ideally positioning it as a transpacific cargo gateway.

Infrastructure is already in place in some of these regions: state of the art simulators for pilot training, and large universities with accompanying research facilities. Building on existing infrastructure would mean explosive growth in jobs, growth in related aviation businesses and a boost for the national economy as it attracts worldwide investment and student pilots.

Projections by The Canadian Council for Aviation & Aerospace indicate that the Canadian Aviation industry will face a shortfall of at least 7,300 pilots by the year 2028. Furthermore, these estimates do not even reflect the potential impact of new flight duty time regulations which, it is reported, will further exacerbate the current shortage and increase the numbers of new pilots already required.

In April 2019, the House of Commons Standing Committee on Transport, Infrastructure and Communities tabled Report 29 Supporting Canada's Flight Schools[31], outlining the challenges facing flight training schools in Canada and provided numerous recommendations that would "support and encourage the growth of Canada's flight training industry."

Witnesses identified a shortage of flight instructors, the under-representation of women and Indigenous people among Canadian pilots, and insufficient support for remote and Northern air operators as key issues facing flight schools. This study also revealed barriers to the use of new technologies in flight training, as well as several regulatory and taxation challenges facing Canada's flight schools.

The pilot shortage will significantly worsen in the future, affecting the travelling Canadian public and the military unless action is taken. The commander of Canada's air force has called for retention and signing bonuses for pilots to address the military's shortage of experienced aviators and mechanics. Lt.-Gen Al Meinzinger (in his role continuously since 2018) in 2019 called such new initiatives 'vital' for stabilizing the military's ranks in a time of unprecedented competition for skilled aviators and technicians. The Canadian Air Force continues to be short of pilots, mechanics, sensor operators and other trained personnel across the air force's different aircraft fleets. And, historically, the military is a training ground for the country's commercial airline pilots.

The traditional pathway to becoming a pilot in Canada involves earning licenses and ratings that cost approximately $75,000 but can climb to twice that, with tuition and other student costs, when combined with post-secondary education. Most student pilots acquire substantial debt to cover these expenses. It is common to see high rates of attrition in flight programs due to lost financing.

[31] TRAN Committee Report "Supporting Canada's Flight Schools" - Report of the standing Committee on Transport, Infrastructure and Communities. April 2019, 42nd Parliament. https://www.ourcommons.ca/DocumentViewer/en/42-1/TRAN/report-29/

Regional airlines report flight cancellations due to lack of flight crew especially in summer months. The Chair of the British Columbia Aviation Council has outlined fears that this pilot shortage will have severe and critical impacts not only on our economy and operators, but on our remote and Indigenous communities.“ As one of the barriers to increased pilot supply is definitely the financial burden of obtaining the requisite flight time experience, we feel increased financial aid would be a strong indicator that the government is aware of the issue and supporting positive change,” says Heather Bell, BCAC Chair.[32]

Recommendations

That the Government of Canada:

1. Work with the provinces and territories, particularly in second-tier Canadian centres, to expand federal support for aerospace-related training to underserved areas in Canada, where business building blocks are already in place

2. Implement the TRAN Committee Report 29 recommendations:

a. Establish incentives to promote flight instruction as a career path; outreach programs targeted to underrepresented groups; and sector-specific initiatives to support remote and Northern operations

b. Support the development of new technologies and regulatory modernization to allow their use in flight training

c. Increase support to flight schools to assist with high capital costs

d. Change existing financial assistance programs to ensure eligibility for flight training programs for employment purposes

e. Simplify immigration for foreign pilots, particularly those graduated from Canadian flight schools

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: Kelowna Chamber of Commerce and Thunder Bay Chamber of Commerce

Supporting Organizations: Prince George, Greater Sudbury, North Bay & District, Sault Ste Marie, Timmins, Penticton, Peachland chambers and Greater Westside Board of Trade

[32] https://www.hilltimes.com/2022/04/04/the-labour-and-skills-crisis-in-aviation-and-aerospace/353257

19. Accelerating Transportation Infrastructure to Serve one of the Fastest Growing Regional Economies in Canada

Description

Efficiently moving people and goods is essential for economic growth and for building a prosperous future for Canada, its communities and its citizens. The economies of the Okanagan Valley and the southern Interior are inextricably linked to those of BC, Canada, and to our trading partners in the United States. However, the current transportation infrastructure connecting Washington State through to the TransCanada Highway in the interior of BC is not keeping pace with the population and economic growth of the region.

Background

The Okanagan Valley is one of the fastest growing regions[33] not just in the province but also in the entire country, containing the fastest growing CMA (census metropolitan area) in Canada for the past two years.[34] Failure to address significant stress points along the valley corridor in a timely manner will limit that growth, minimize prosperity, create inter-community transportation challenges and consequently limit the region's contribution to the nation's economy. Given that transportation is a significant economic driver for BC and that its efficiency impacts indirectly all other aspects of our national economy, the establishment of a long-term integrated transportation strategy that considers business and industry needs is essential in ensuring BC's, western Canada's and our nation's economic success.

Significant government investment, both provincial and federal, in transportation infrastructure improvements is needed to ensure the safe and efficient movement of people and goods, and reflect the objectives identified by communities as part of the 2015 Okanagan Valley Traffic Symposium.[35] A current Goods Movement Study is being conducted by the province to determine regional patterns for commercial goods.[36]

Transportation improvements in the interior of British Columbia by the province, the federal government and local governments over the past few decades have been positive but despite those improvements and because of the region's rapid growth, congestion and lack of infrastructure are creating significant challenges.

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[33] https://www150.statcan.gc.ca/n1/pub/91-214-x/2018000/section01-eng.htm
[34] February 9, 2022 Global News https://globalnews.ca/news/8606476/kelowna-fastest-growing-city-census/
[35] https://www2.gov.bc.ca/gov/content/transportation/transportation-infrastructure/projects/okanagan-valley-corridor/okanagansymposium
[36] https://forms.office.com/r/HpXNprAbje

As examples: the lack of a bypass or secondary routes around the urban centres; the continual risk of landslides along highway 97 and highway 97A connecting the central valley cities to the south and the US border; numerous other safety concerns; and congestion throughout the region all are threatening to hamper growth and constrain the economy.

The floods and highway interruptions in 2021 highlighted the issues around national transportation as goods from Ontario and the Prairies were delayed or prohibited from reaching west coast sea terminals as well as markets in coastal BC.[37] Notably, Highway 3 is a vital corridor for the transportation of both commercial goods and the traveling public between Vancouver and the Alberta border. At present, this route is one of the ten least safe roads in the province due to its narrow twists and turns. Realignment to improve the highway by widening and straightening would improve the flow of commerce and travel in southern British Columbia for the benefit of the entire province[38] and the economy of western Canada and the connections to US markets. Some studies and plans have been completed by various authorities. However, it has been some time since the province and the federal ministries responsible for transportation infrastructure fully engaged the business community and industrial stakeholders who rely heavily on the trucking industry to move more and more products to and from customers within, and throughout the region. Reduction in freight rail service over the last decade has also led to a dramatic increase in industrial traffic, which has only added to the problem.

This increased truck traffic, fueled primarily by diesel fuel, has led to a rise in GHG emissions which of course has a negative impact on the region's air quality, especially when traffic jams are factored in. Unfortunately, responsibility for transportation is highly fractured; all levels of government retain some responsibility over the transportation system and as such all must recognize the absolute necessity of integrated long-term planning that addresses both the movement of people and products. The federal government should step in and take the lead on this vitally needed infrastructure consultation and plan for change. To ensure prosperity in our western provinces, and to capitalize on the explosive growth in one of the fastest growing regions in the country, immediate federal involvement is imperative. It is also important to note that multiple surveys conducted by various Chambers in the interior of British Columbia have flagged transportation as the number one issue for businesses and industry. The Mayor of Kelowna said in a public speech in April of 2019 that transportation is the "number one most important issue raised by residents of Kelowna, year over year."

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[37] "Stressed supply chains snarled anew as B.C. floods wash out rail lines, roads" https://www.cbc.ca/news/business/bc-floods-rail-impact-1.6250554
[38] https://globalnews.ca/news/1819213/british-columbias-12-deadliest-highway

Recommendations

That the Government of Canada:

1. Initiate discussions with transportation authorities in the US and British Columbia in consultation with industry and business leaders to identify opportunities to enhance this nationally significant transportation corridor for the benefit of both countries' economies.

2. Work with all levels of state, provincial and local governments on both sides of the Canada/US border to enhance the capacity and operation of the border crossings in the interior of BC as a means of strengthening economic activity and providing a viable alternative to ever-increasing traffic gridlock along the US I-5 corridor.

Endorsements

The Transportation & Infrastructure Committee abstains from endorsement of this resolution. While generally supportive, the Committee did not receive a response seeking clarification on the differences between both recommendation #1 which recommends the Government of Canada initiate discussions with transportation authorities in BC and the US to identify opportunities to enhance the corridor and recommendation #2 which recommends the Government of Canada work to enhance the capacity of the corridors.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Peachland Chamber of Commerce

Supporting Organizations: Penticton & Wine Country Chamber of Commerce, Kelowna Chamber of Commerce and Greater Westside Board of Trade

20. Improving the Visibility, Flexibility, and Reliability of Canadian Supply Chains

Description

The effects of global supply chain issues are widespread, impacting businesses and consumers alike around the world. The surge in global trade, e-commerce, and overall demand during the reopening era is a stark contrast to the decline in orders amid economic uncertainty and slowing global trade growth seen in earlier months of the pandemic. In addition to managing the challenges of an ongoing pandemic, Canadian businesses must now grapple with significant disruptions and delays to their supply, constraining their ability to meet consumer demand. In part, those supply chain issues are being fueled by underinvestment in both technologies that promote visibility and real-time product management, and supply chain strategies that encourage diversification, resiliency, flexibility, and reliability.

Background

The COVID-19 pandemic and ensuant cycle of lockdowns and re-openings exposed many weaknesses along national and international supply chains and, in many instances, required an overhaul in risk management strategies that moved away from just-in-time delivery for production inputs and final goods.

Supply chains as they stand today are significantly susceptible to global crises, environmental disasters (such as the recent severe flooding seen in British Columbia), bottlenecks, delays, and disruptions – all of which can occur anywhere along the supply chain, from the processing of natural resources and delivery of inputs to origin of manufacturing, transportation to and from local distribution centres, warehousing facilities, freight and cargo depots, shipping yards and ports, and final delivery of consumer goods.

Challenges include long-standing labour shortages within the trucking and supply chain industries, as well as the lack of adequate and climate-resilient infrastructure. The interconnected nature of supply chains across countries and their freight and transit lines results in a compounding effect. However, the issues are also being fueled by underinvestment in technologies that promote visibility and real-time product management, and supply chain strategies that encourage diversification, resiliency, flexibility, and reliability.

Unfortunately, no single policy can remove supply chain risks entirely, but there are important steps and investments that can and should be made today to secure Canada's economic recovery and competitiveness on a global scale.

In addition to the significant impacts of outdated infrastructure at ports and along supply chain routes, many businesses and ports still operate as they did in the 1980s – on paper, by email, and with no shipping portals. As such, businesses should explore and implement technology solutions in response to the ongoing supply chain crisis. However, this presents a challenge for many small and medium-sized businesses, especially those that are still reeling the financial setbacks induced by the COVID-19 pandemic. To address this, financial supports including grants, loan-guarantees, subsidies, and incentive programs should be explored by the federal government to encourage the adoption of new and improved technologies and software that enhance traceability, visibility, and real-time management of production inputs and final goods from origin to destination and help foster a more competitive business environment as the world increasingly transitions to Industry 4.0.

Businesses must also invest in alternative and innovative risk management strategies. Over the past few decades, supply chain operations have been primarily focused on reducing costs. This focus has been the driving force behind the creation of large, integrated, global networks that gain economies of scale by outsourcing manufacturing to emerging economies, often backed by long-term contracts. As a result, existing supply chains are not flexible or adaptive enough to respond quickly and effectively to major disruptions and sudden changes in market demand.

Moreover, the lack of supply chain visibility beyond first tier suppliers and limited access to timely and quality information makes it difficult for companies to track products, anticipate and respond to disruptions, as well as proactively develop or execute disaster recovery plans in the event of crises like global pandemics, natural disasters, and geopolitical issues. Many businesses also have an over-reliance on a limited number of third parties that threaten supply chain resilience, including having a strong relationship with a single major supplier, customer, export market, and/or supply chain partner.

The Government of Canada has a responsibility to investigate pain points along supply chains and make necessary infrastructure investments to ensure their reliability over the long term. In the short term, there is a need for temporary support measures for businesses disproportionately impacted by the supply chain crisis and measures to alleviate components of the problem, especially investments in technology, digitization, and risk management strategies.

Recommendations

That the Government of Canada:

1. Offer loan guarantees or other temporary financial supports to help small and medium-sized businesses shift to more reliable shippers, adopt supply chain risk management and diversification strategies, implement technology that helps improve visibility, predictive analytics, and real-time management, and move away from just-in-time delivery models.

2. Work with the private sector to invest in 'Smart Solutions' and digitization for infrastructure, air, freight, and sea cargo, and other key supply chain components that better facilitate a system-wide adoption of Industry 4.0 technologies, real-time product management software, and automation, and further address the need for more efficiencies and communication throughout the entire supply chain network.

3. Direct funding through federal infrastructure programs to help ensure the necessary capacity exists across all modes and channels of distribution and expand the availability of logistics and warehousing facilities.

4. Conduct a formal supply chain infrastructure assessment to address bottlenecks and vulnerabilities along the supply chain, especially for ports; identify gaps for alternate air, rail, land, and marine route planning in the event of major disruptions, such as protests and climate disasters; and develop a funded strategy that can deliver on the implementation of assessment funding and identified gaps.

5. Use the Federal National Trade Corridor Fund to provide funding for critical component ports of the global supply chain, including airports with cargo capacity, that can provide increased resilience to the global supply chain network by offering alternative modes of transportation.

Endorsements

The Transportation & Infrastructure Committee abstains from endorsement of this resolution. While generally supportive, some members expressed concern with regards to recommendation #1. There was concern that the recommendation was asking for something that will be difficult to design, implement, and administer.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Ontario Chamber of Commerce

Supporting Organizations: Greater Kingston Chamber of Commerce

21. The Importance of Canadian Ports and Transportation Corridors to the National Economy (2022)

Description

Climate change and major weather events such as those experienced across British Columbia in the summer and fall of 2021 turned a spotlight on supply chain vulnerabilities and the devastating economic impacts of temporary closures of critical transportation routes to the national economy. The resiliency of our supply chain is dependent on reducing bottlenecks from coast to coast. This requires government to provide long-term solutions for the safe and timely movement of goods and people that are critical for businesses, communities and citizens across Canada.

Background

In 2020 and 2021, our national supply chains have endured significant impacts from COVID-19, market and human disruptions, labour shortages and extreme weather events including flooding and fires in British Columbia that shut down critical trade corridors, impacting communities throughout Canada. These events exposed supply chain vulnerabilities and caused disruptions for many businesses across the country and around the globe. These issues compounded the supply chain challenges the country has been experiencing and brought into sharp focus the vulnerability of our national supply chains and the critical importance of BC's transportation corridors to the national economy as the Pacific Gateway.

The importance of BC Ports to the national economy should not be underestimated or misclassified as a regional or provincial issue. Four of the 17 Canadian Port Authorities (CPAs) are located in British Columbia: the Vancouver Fraser Port Authority (Port of Vancouver), the Prince Rupert Port Authority, the Nanaimo Port Authority and the Port Alberni Port Authority. The reality is, all 17 CPAs have an immense impact on the economic health of communities across the country and every one must be functioning well in order to ensure a fluid and resilient supply chain.

The Port of Vancouver is Canada's largest port handling $1 or every $3 of Canada's trade in goods outside of North America. [39] Ranked #1 in Canada for container shipments at 3.7 million TEUs and #2 in North America for total cargo at 114 million metric tonnes, the Port of Vancouver is an economic driver for Canada's national economy handling $275 billion total value of cargo annually, $11.9 billion GDP across Canada and $24.2 billion in economic output.[40]

[39] Vancouver Fraser Port Authority – Port of Vancouver statistics 2020
[40] Vancouver Fraser Port Authority – Port of Vancouver statistics 2020

The Port of Vancouver is also a proven gateway and economic driver for the country (2020):

--ONTARIO - $39.9 B in economic value and contributed $4 million to the provinces' provincial tax revenue, directly impacting 900 jobs and $70 million in wages.

--ALBERTA - Cargo Volume: 29 mmt; Economic value: $36 B; Top commodities: Grain/specialty crops/feed, petroleum products, fertilizers

--SASKATCHEWAN - Cargo volume: 20 mmt; Economic value: $15 B; Top Commodities: grain/specialty crops/feed, Potash, consumer goods

--MANITOBA: Cargo volume: 2.2 mmt; Economic value: $5 B; Top commodities: grain/specialty crops/feed, forestry products, consumer goods

Canada's second largest port is located in Montreal, spanning over 30 kilometers of the St Lawrence River and crosses three municipalities. In 2020, the Port of Montreal handled 35.1 million tonnes of cargo, of which 41% was containers, 35% liquid bulk and 24% dry bulk products. [41]

The Port of Prince Rupert is Canada's third largest port with over $60 billion worth of trade moving through the port annually. With the shortest route to Asia-Pacific markets than any other major port on North America's west coast, the port provides Canadian exports access to diverse markets, bringing greater value and a major importer of goods to support manufacturing and construction industries, as well as consumer demands, destined for eastern Canadian provinces.

For example, in 2021, over 3000,000 TEUs of imports destined to Ontario and Quebec moved through the port. This included automotive parts, textiles and accessories, building materials, furniture and household goods.[42]

The Port of Halifax is the country's fourth largest port; in 2020 it handled over 4.2 million tones of cargo and generated approximately $2.2 billion in GDP and generated over 22,400 jobs in the region. [43]

Accountable to the federal Minister of Transport, CPAs are mandated under the Canada Marine Act to enable Canada's trade, while protecting the environment and considering local communities. Port authorities manage federal lands and waters in support of national trade objectives that benefit Canadians. This is accomplished by leasing federal lands to independent terminal operators who handle trade and by providing marine, road and other infrastructure to support growth and maintain Canada's supply chains.[44] CPA operations are not financed by tax dollars. Instead, Ports receive revenues from terminal and tenant leases as well as harbour dues and fees charged to shipping companies that call the Port.

[41] https://www.port-montreal.com/en/
[42] Port of Prince Rupert – cargo statistics 2021
[43] https://www.portvancouver.com/about-us/
[44] https://www.portofhalifax.ca/

Canadian ports are major employers. Approximately 71,000 Canadians are directly employed by ongoing day-to-day activities as terminal operators and longshoremen, as well as in operations related to tugging, shipping, rail transportation, trucking, and freight forwarding.[45] Ports also generate additional employment along the supply chain, with 90,000 jobs in industries that supply port operations and another 53,000 in induced employment created by port employees' spending in the economy.[46] Canadian Ports generate $53 billion in economic output, $25 billion in GDP and $2 billion in taxes annually.[47]

Several critical Port Authority led infrastructure projects have been proposed that will make Canada's international trade network more resilient to future supply chain challenges such as the disruptions, congestion and major highway closures experienced in BC in November 2021.

The need for strategic investments in the growth and expansion of Canadian Ports is critical to our ability to meet the demands of an increasing population, meet the expectations of our trading partners who purchase our goods and natural resources, and ensure we reduce congestion on our roadways and eliminate unnecessary greenhouse gas emissions. To assist moving these projects of national interest forward, CPAs need certainty and financial support. The $4.2 billion National Trade Corridors Fund (NTCF) helps fund infrastructure projects in Canada with the intent to improve the flow of goods, trade and people in Canada. NTCF is designed to address real and current concerns of Canadian ports, however the funding will end in 2028. Due to the significant time horizons that port authorities are looking at – decades as opposed to years – long-term, stable and reliable infrastructure funding needs to be established to provide ports with the required certainty and ability to meet the needs and expectations of Canadian businesses and consumers to move their goods.

In addition, the capacity to access capital by port authorities is also a constraining factor for infrastructure improvements because the limits on borrowing we set decades ago in the CPA's letters Patent are insufficient in the current context. Increasing borrowing limits, within an accelerated time frame, using state of the art industry risk frameworks would provide access to available private capital required to meet port infrastructure needs and the formula used to establish borrowing limits could use criteria determined by commercial financial institutions. While Canada Port Authorities are federal assets, they are nevertheless operated by entrepreneurial business leaders driven to innovate and maximize the value of these assets for the Canadian economy and Canadians.

Further, government can help build greater reliability and resiliency in Canadian ports by implementing efficient regulatory review processes and timelines that often drag on for years and years. Finally, as industrial land becomes more constrained in urban settings, government support with mitigating challenges of access to land will be an increasingly important issue that requires attention and further policy revisions in the years ahead.

[45] https://acpa-aapc.ca/our-impact/economy/
[46] https://acpa-aapc.ca/our-impact/economy/
[47] https://acpa-aapc.ca/our-impact/economy/

Recommendations

That the Government of Canada:

1. Work with the Canadian Port Authorities to identify more efficient regulatory processes for future port expansion projects to be considered to reduce the time, investment and costs required to move a project through from concept to completion.

2. Invest in green infrastructure port and rail projects that aim to address future supply chain demands with dedicated supply chain corridors.

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: British Columbia Chamber of Commerce

22. Investing in Strategic Aviation Infrastructure, and Rebuilding Back Competitiveness

Description

Air passenger travel during the course of the pandemic dropped at some airports by 98 per cent compared to the 2019 levels. In response, airports massively reduced their capital spending and over the course of the past two years have taken on enormous amounts of debt, much of it used to sustain required maintenance and operational requirements.

Background

Airport Authorities are not-for-profit corporations operating at arm's length from the federal government. They have long term leases with the government and, pre-pandemic, paid approximately $500 million in annual rent. Airport authorities operate on a user-pay model. There are three streams of revenue: aeronautical revenue from carriers; non-aeronautical revenue from purchases at the airport or city side development; and an airport improvement fee, which is a per ticket fee wholly reinvested in airport infrastructure. Until recently, dating back to the inception of airport authorities in the mid-1990s, airports did not receive any financial support from the federal government. During the pandemic some funding was provided to airports through the Airport Critical Infrastructure Program (ACIP). In March 2020 the Government of Canada forgave rent payments for 10 months, and deferred 2021 rent for 10 years with repayment beginning in 2024. This pales in comparison to the $45 billion capital and operational grants provided by the U.S. government. Nonetheless throughout the pandemic Canada's hub airports have continued to provide access to our world-class facilities, which requires significant ongoing services and maintenance, despite being at suboptimal levels of traffic. Canada is losing its competitive position in North America and globally. With the current intense focus on airport. There is an opportunity to re-examine the ongoing relationship between the federal government and Canadian airports.

The recent lifting of restrictive government travel rules is welcomed and has resulted in a spike in demand, yet restart of the sector has been plagued by many challenges, including a lag in hiring resources at government checkpoints to process the increase in passengers. As passenger traffic began to resume there has been system-wide shortage of resources and continued use of legacy public health protocols that have resulted in delays and increased processing times at Canadian airports. Many passengers waited hours to deplane and exit the airport after an international flight. A lack of investment in Canada's airports over the course of the pandemic has resulted in critical system challenges, facility capacity constraints and a 2-year lag in investments in innovative technologies to modernize and digitize our airports and border processes. The current ecosystem is stretched and requires an updated vision to create longer term stability for growth and the ability to withstand future shocks. While there has been improvement, more work needs to be done.

Capital investment in Canada's hub airports is urgently required to maintain national and global competitiveness, support jobs, trade, foreign direct investment, and tourism. As a starting point, rather than siphoning off millions from Canada's largest airports annually, the Government of Canada should allow airports to redirect and reinvest airport rent into critical and strategic projects at their airports that will support recovery, growth, and international competitiveness. Modern airports require smart, digital, and green solutions to support our county's net zero goal. Canada's airports are falling behind.

Over the past two years Canadian hub airports have dug themselves into deeper debt even as they have narrowed their focus to regulatory and required capital investment, and to maintain everyday operations. Toronto Pearson, for example, has taken on almost $1 billion in additional debt to continue airport operations, removed approximately 30 per cent of its staff and slashed capital spending by $265 million. Montreal Trudeau took on $900M in additional debt to continue airport operations. It has removed approximately 30 per cent of its staff and slashed capital spending by $860 million. YYC Calgary International Airport took on approximately $300 million in additional debt to continue airport operations. It reduced its workforce by approximately one-third and cut capital spending by approximately $100 million in 2020 and 2021. In 2020 Vancouver International Airport generated a loss of $380 million and entered 2021 with the single largest debt burden in the history of the airport.

By contrast, the US government has provided about $45 billion in capital funding to airports over the same period. The Canadian competitive advantage of leading-edge facilities and efficient operations is now being significantly threatened by the massive injection of capital at competing global airports. As carriers make their decisions on hubbing and connections, Canadian hub airports risk being left out in the cold. Connections are the drivers of local economic prosperity; each connecting route generates on average $54 million in local economic activity and about 400 local jobs. We cannot allow Canadian airports to lose their global competitive advantage. This requires examining innovative solutions such as reinvesting rent paid by airports into their airport infrastructure to help rebuild global competitiveness and invest in digital, green projects that support the efficient and secure movement of people and goods and deliver on Canada's net zero goal.

In the short term, the Government must first address the current arrivals and departure delays. Airport authorities have been working with all aviation stakeholders in the two working groups established by the Minister of Transport. The focus has been on operational changes that could be implemented quickly to address the long line ups and holds and metering. Through the working groups changes were made, staff were hired, line ups and holds and metering have decreased. Airports have added additional technologies, like Primary Inspection Kiosks (PIKs) and e-gates, to facilitate faster processing of passengers and continue to work with other partners to improve the processes.

We applaud the quick response from Transport Minister Alghabra in hiring more Canadian Air Transportation Safety Agency (CATSA) and Canadian Border Security Agency (CBSA) employees. However, more needs to be done to maintain long term stability within the aviation ecosystem. This includes:

- Removal of outdated health measures,
- Investments in technology to improve throughput efficiency for both inbound and outbound travellers,
- Reforming antiquated visa processing requirements for incoming international foreign students coming to Canada to study,
- Addressing the backlog of Nexus applications, reopening Nexus enrollment centres in Canada, and streamlining procedures to expedite processing of trusted travellers,
- A forward-looking growth plan that includes facilitating the development of resiliency for airports to withstand future shocks.

In the medium term, airports and government must work collaboratively to invest in a modern digital border which includes a CATSA trusted traveller program, Nexus, a domestic Canada-only Nexus equivalent trusted traveller program, and other tools to facilitate passenger flow. Investments must be made to improve airport facilities, support a positive and efficient traveller experience, and develop a sustainable future airport. Moreover, Canada must further expand existing transit without visa, one-stop security (OSS) and immigration policies such at the electronic travel authorization (eTA) program to attract more people to and through Canada and avoid leakage to U.S. airports which compete directly with Canadian airports for international passengers. Under OSS arrangement, Canada and a foreign government agree their aviation security standards are equivalent. Subsequently, passengers from low-risk OSS destinations and their belongings do not have to go through additional screening at Canadian airports. This makes international to domestic airport connections simpler and faster. These expansions will act as a buttress against future competition from U.S. airports as lawmakers push for similar programs to be created south of the border.

The following recommendations are being made to achieve these goals.

Recommendations

That the Government of Canada:

1. Assist Canadian airports to rebuild their international global competitiveness by reinvesting rent currently paid to the federal government into their local airport infrastructure projects.

2. Expand the scope of the recently established working groups, with all aviation sector partners, to create a playbook for future airport growth, and resiliency against future shocks.

3. Modernize and expand Transit Without Visa programs and associated immigration policies, along with supportive One-Stop Security programs to attract more people to and through Canada's airports and make the traveller experience seamless thereby greatly increasing Canada's competitiveness.

4. Invest in and deploy technologies used in other global airports to enhance security while improving processing of passengers at the border.

Endorsements

The Transportation & Infrastructure Committee supports this resolution.

Submitted By: Toronto Region Board of Trade

Supporting Organizations: Mississauga Board of Trade

Human Resources

23. Addressing the Economically Damaging Labour Shortage

Description

Sustainable economic recovery is impaired by industries' inability to secure labour. Labour constriction is not unique to Canada but is an induced response to public policy pandemic interventions. Employers are growing increasingly frustrated recruiting for both skilled and unskilled positions which is throttling economic growth and recovery.

Background

Governments should support mechanization, accelerate immigration across targeted streams and eliminate inducements for available labour to withdrawal from the labour pool. In the fourth quarter of 2021, there were 915,500 unfilled vacancies, an increase of over 63 percent compared to 2020. Aligning to these labour vacancies was an average of 690,086 benefit claims for the same period; a perceived misalignment.

The productivity disconnect is not limited to any industry. Social and community service workers have experienced a net increase in vacancies of 160 percent. Registered nurses, including psychiatric, have seen a domestic increase of 117 percent over the last two years. Hospitality and service industries are seeing a 120 percent increase in vacancies as the tourism industry attempts recovery. Construction, trade, and general labourers have experienced a vacancy increase of 158 per, with hundreds of companies pushing employees to work 60+ hours per week to accommodate the labour deficiency.

To support economic growth, the government needs to proactively encourage domestic labour market connectivity and improve processing times for labour immigration.

Recommendations

That the Government of Canada:

1. Create inducements for labour to re-enter the market.

a. Ensure social programs do not unintentionally strip needed labour from the labour pool.

b. Incentivize employers by:

i. Transferring social benefits, such as EI, to an employer-based wage incentive.

ii. Creating a government subsidized “hiring bonus” for employers to attract unskilled labourers to fill low-wage positions.

2. Acknowledge the inefficiency of labour immigration streams, by:

a. Adopting new policy standards that promote more efficient labour immigration processing time.

i. Move foreign embassy processing to domestic in-land Canadian processing.

ii. Accelerate processing for occupations identified as ‘in-demand’; targeted to NOC

iii. Increase staffing within IRCC to address the backlog issue of over 2 million applicants.

iv. Increase immigration quota to prioritize workers qualified in critical/demand sectors and currently living in Canada.

v. Improve credential recognition processes for LMIA and Express Entry; with the intended benefit of addressing present labour gaps.

vi. Promote and initiate streamlined study programs for applicants seeking to study in critical/demand sectors.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Greater Summerside Chamber of Commerce

24. Strengthening the Pathway to Post-graduate Employment for International Students

Description

Canada's future prosperity and strong economic recovery from the COVID-19 pandemic depends on access to a highly skilled, adaptable workforce.

Background

Canada's need to attract skilled talent pre-dates the pandemic. As our population ages and our labour force shrinks, immigration will increasingly be key to our future prosperity. There are now over 1,000,000 job vacancies across Canada, and international students are well-positioned to play a critical role in addressing this labour shortage.

At all levels of study, international students bring new perspectives, ideas, and valuable human connections abroad. As students, they contribute $21.6 billion to the Canadian economy annually - more than exports of auto parts, lumber or aircraft. The presence of international students in Canada also sustained 218,000 jobs for Canadians. This is a significant economic contribution—and one that is felt right across the country.

In 2021, more than 622,000 international students studied in Canada across all levels, sparking new ideas, strengthening innovation and building people-to-people ties that are crucial to international trade and the global economy. As most international students are young, have Canadian educational qualifications and in-demand labour skills, and are proficient in at least one of our official languages, they are often ideal candidates for permanent residency. In fact, nearly 54,000 former students became permanent residents in Canada in 2018.

As graduates, many become highly skilled individuals contributing to local Canadian communities or return home with an appreciation for what Canada has to offer as a society and business partner. A recent Statistics Canada survey also showed that international students are a growing source of labour for the Canadian economy that extends well beyond their periods of study. The study shows that Post-Graduate Work Permit (PGWP) holders saw significant income increases between 2008 and 2018 and almost 75% of all PGWP holders became permanent residents within 5 years of receiving their permit

However, the global competition for talent is increasingly fierce. As borders are reopening around the world, international students have more choice than even just two years ago. Other countries - our competitors - have recognized the contribution that international students make to their campuses and communities and are boosting immigration measures and other supports to expand their recruitment efforts. While our international brand remains strong, Canada will have to work even harder to secure the world's brightest minds.

Canada's universities remain firmly committed to providing high-quality education to both domestic and international students. They provide a broad range of on-campus support services available to help international students integrate into their new communities, including language training, immigration consulting, housing, mental health counselling and mentorship programs. They also work in close partnership with the business community to provide pathways for students to participate in work-integrated learning, begin building their careers and strengthening their professional networks in Canada. This productive collaboration helps strengthen Canada's global brand as a study destination and helps ensure international students have a positive learning and living experience in Canada. The federal government can play a greater role in scaling up these efforts to ensure all international students are supported through their studies and fully equipped to transition to Canada's workforce after graduation.

Canada's universities are also actively collaborating with the business community to provide work integrated learning opportunities, including co-op placements, internships and other industry-university student workplace partnerships. These partnerships are critical to ensuring students graduate with job ready skills and employers are able to identify and recruit talent. However, international students remain ineligible for many federally-funded employment and skills programs, including Canada Summer Jobs, the Innovative Work-Integrated Learning Initiative and the Canada Work Placement Program. International students are also disadvantaged with respect to coop work opportunities as a result of the requirement to apply for coop work permits which often face lengthy processing times.

Recommendations

That the Government of Canada:

1. Work with Canada's universities and the business community to strengthen Canada's global brand as a study destination.

2. Work with Canada's universities and the business community to support programming that helps international students integrate into their new communities and set them up for long-term career success.

3. Work with Canada's universities and the business community to identify new measures and programming to strengthen the pathway to post-graduate employment for international students, including expanding access to federally funded work-integrated learning programs, streamlining coop work permit processing, and supporting industry efforts to hire international graduates.

Endorsements

The National Workforce Policy Committee abstains from endorsement of this resolution as it conflicts with other resolutions being put forward this year.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Vaughan Chamber of Commerce

Supporting Organizations: Newmarket Chamber of Commerce

25. Modernizing Labour Market Impact Assessments

Description

The Labour Market Impact Assessment (LMIA) is a check and balance to ensure that a foreign worker is needed to fill a job vacancy for which no Canadian worker or Permanent Resident is available. LMIA's should not be burdensome on employers and should be modernized to reflect current workforce needs.

Background

Our growing economy has created a higher demand for workers of all skill levels and access to workers is critical for employers across Canada. LMIA's are intended to ensure Canadians are not being displaced by foreign workers. While they are effective at achieving that objective, there is room to modernize LMIA's to ensure demand for labour is met in a more efficient and timely manner, and that processes are less burdensome on employers.

Cost is also a current factor for LMIA applicants. Presently, employers must pay $1,000 for each position for employment requested in their LMIA application. This, like many fees charged in the immigration system, is unnecessarily punitive and costly. Employers should not be punished for the inability to find the labour they need within Canada after they have followed the proper processes set forth by Government.

Canada's immigration policies should strive to reduce burden and processing times on applicants. It is critical employers face fewer obstacles in our immigration system to fulfill the needs of their workforce. While LMIA's are meant to be a check and balance within our system and the accountability the LMIA's provide is needed, they must also keep in step with the needs of the private sector and must constantly evolve and modernize.

Recommendations

That the Government of Canada:

1. Extend the requirements to establish business legitimacy to every 3 years instead of every 2 years.

2. Reduce financial burden on employers by having a flat $1,000 rate per LMIA and not charge fees for additional positions.

3. Create a pilot that lowers the minimum job advertisement requirement to 2 consecutive weeks within 3 months prior to submitting a LMIA.

4. Create a pilot that increases the proportion of temporary foreign workers that a business can hire from 20% to 35% of their workforce.

5. Permanently increase LMIA validity to 18 months.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Atlantic Chamber of Commerce

26. Increase and Update National Occupational Classification (NOC) Codes

Description

As the job market changes and adapts to technology and innovation, National Occupational Codes (NOCs) do not always get updated in a timely fashion nor recognize some new occupations and skilled or semi-skilled trades for inclusion.

Background

The National Occupational Classification (NOC), provides a standardized language for describing the work performed by Canadians in the labour market. It gives statisticians, labour market analysts, career counselors, employers and individual job seekers a consistent way to collect data and describe and understand the nature of work.

The NOC is used for: defining and collecting statistics; managing information databases; analyzing labour market trends; and extracting practical career planning information.
The NOC is developed and updated in partnership with Statistics Canada according to 5-year Census cycles. It is based on extensive occupational research and consultations conducted across the country, reflecting the evolution of the Canadian labour market.

As the types of skilled and semi-skilled labour evolves, the NOC does not always recognize these new job categories. As such by not being recognized in the NOC, businesses are not able to fill positions as they seemingly do not exist. At the same time, opportunities for apprenticeships, training and job support are not always available for certain jobs. The Government of Canada needs to have a formal process to permit new NOCs to be registered in a timely fashion.

Recommendations

That the Government of Canada:

Work with key stakeholders, including the Canadian Chamber of Commerce, to establish a process for applications for new and updated NOC categories to be registered in a timely fashion and incorporate recommendations into any future revisions.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Mississauga Board of Trade

27. Comprehensive Employment Insurance Reform

Description

The Employment Insurance (EI) program has become, over the years, the cornerstone of public intervention in the Canadian labour market. Legislators have asked a great deal of the program, which has led to an escalation in costs in recent years, particularly during the pandemic years.

EI modernization should be used to support a sustainable recovery in employment and longer-term growth. The need to promote work and participation is becoming imperative and pressing. There is also a growing skills gap that needs to be addressed and the current consultations are ignoring this issue. A comprehensive review of the EI system is needed.

Background

EI was unprepared for the challenges of a changing labour market, the fourth industrial revolution, and even climate, demographic, and social changes. The COVID-19 pandemic only added to the problems of EI being out of sync with the market. In an environment where there is no shortage of employment opportunities in Canada, it has become urgent for the Minister of Employment, Workforce Development and Inclusion of Persons with Disabilities, the Honourable Carla Qualtrough, to conduct a thorough review of the system.

In recent years, relief measures have driven EI costs to unprecedented levels. The most recent projections indicate that the estimated cumulative EI deficit will be $34 billion by the end of 2022. Paying for such a deficit will not be easy, and more specifically employers will be hit with a significant rate hike over the next few years.

The situation has never been so favourable to the integration of people who are far from the labour market, their requalification, but also the improvement of their employability. For the Canadian Chamber of Commerce, it is clear that we capitalize on the current situation to ensure the retention of workers in the labour market, despite the profound changes it is undergoing. It is also an opportunity to reduce the dependence of beneficiaries on income support while acting in terms of prevention so that the return to employment is maintained over time.

To enable the reintegration of the long-term unemployed into the labour market, it will be essential that these individuals have the necessary skills to meet the requirements of the workplace. It is generally acknowledged that longer periods of unemployment undermine the skills of the unemployed, lower their self-esteem, reduce their motivation and reduce their chances of finding a new job in the short term.

Companies say that they hire based on qualifications and dismiss an employee because of the lack of skills, especially the lack of interpersonal skills. Therefore, it is possible to improve the employability of the long-term unemployed by focusing on:

- Attitudes (such as taking responsibility and respect);
- Life skills (such as punctuality and healthy habits);
- Work-related skills (such as dealing with clients);
- Transferable skills (such as problem-solving); and
- Technical skills (using specific equipment).

Therefore, work incentives, employability development, and reskilling must be reinforced to better support the more frequent occupational transitions that characterize a constantly and profoundly changing labour market. From another perspective, social programs must be directed primarily at those who cannot work. It is now essential that EI be refocused on its primary mission of providing temporary income support along with support for a rapid return to employment.

For the Canadian Chamber of Commerce, a “streamlined” EI, as we have known it for several months, is not a solution for the future because of its exorbitant costs and disincentives to return to work. This is a contingency measure developed during the pandemic, deployed given the urgency of the situation. EI reform should not use a pandemic period as a benchmark.

EI reform must support a sustainable recovery in employment. The urgent labour needs of employers mean that the system must support a quick return to work for its beneficiaries. It is also essential that funding for worker training be increased to allow for the upgrading of employee skills and also to promote the return to employment of those who have fallen out of the labour market.

Recommendations

That the Government of Canada:

Conduct a comprehensive review of the EI system with the goal of:

1. Reorienting the EI program to its primary mission of providing temporary income support with support for a quick return to employment; and

2. Increasing funding for employee training to allow for skills upgrading and also to facilitate the return to employment of people who are far from the labour market.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Fédération des chambres de commerce du Québec

28. Support for the Development of Microcredential Programs

Description

Life-long learning has never been more important, as new technologies and emerging sectors require employees to have up-to-date knowledge and skills. Following the economic disruption caused by the COVID-19 pandemic, many Canadians will seek opportunities to upskill and retrain. Microcredentials (short duration, high value, competency-based credentials) are great options for many mid-career employees and represent a significant opportunity for employers and government to collaborate on efforts to improve the competitiveness of Canada's workforce.

Background

Given the changing nature of the workforce, employers and governments have an interest in enabling workers to upskill on an ongoing basis. The COVID-19 pandemic has further catalyzed these changes, and many workers have taken advantage of new opportunities to pursue career changes or additional training. There are projected to be an exceptional number of job openings in the next ten years, especially due to retirements. In March 2022, Canada's job vacancies hit a record high of more than 1 million.[48] While labour shortages have been exacerbated over the course of the pandemic, Canada has had a long-standing challenge of labour shortages in high-skilled occupations and high-intensity work like construction.

Colleges & Institutes Canada defines a microcredential as: 'a certification of assessed competencies that is additional, alternate, complementary to, or a component of a formal qualification.'[49], These post-secondary programs are short, competency-based courses. They are designed to quickly teach new skills or upgrade existing ones in a targeted area, using more flexible instructional strategies (online, evenings, etc). As a result, these programs are well-suited to both building up a resume or advancing a career and are often more accessible to non-traditional learners, especially mid-career professionals who would only have to take little or no time off work to pursue a microcredential. Many microcredentials provide post-secondary credit and can be used, or stacked, toward completion of longer post-secondary programs such as certificates or diplomas.

At the provincial level, governments are paying closer attention to the role that microcredentials can play in addressing labour challenges. In 2020, Ontario developed a portal for microcredential programs offered through post-secondary institutions in the province.

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[48] https://canada.constructconnect.com/dcn/news/economic/2022/05/job-vacancies-hit-record-high-of-more-than-1-million-in-march-statscan
[49] Microcredentials: https://www.collegesinstitutes.ca/policyfocus/micro-credentials/

In 2021, the B.C. government announced funding for 50 microcredentials for more than 9,500 British Columbians.[50], [51], Alberta has created the Micro-credential Pilot Program, in partnership with industry, employers and post-secondary institutions to create dozens of new micro-credential programs in priority sectors and high-demand emerging industries as part of the Alberta 2030: Building Skills for Jobs strategy.[52]

According to the Micro-Credential Framework released by the B.C. government, one of the guiding principles for the development of microcredentials is the importance of ensuring that employers and industry sectors are actively engaged in the process of developing and expanding microcredentials that support their workforce needs.[53]

This principle is similar to that articulated in New Zealand, which has recently introduced microcredentials as a part of their regulated education and training system. One of their requirements for microcredentials is to have "strong evidence of need from employers, industry, and/or community."[54] Having an industry voice involved in the development of microcredential programs will help ensure the program is relevant, targeted and recognized by current and future employers in the sector.

In 2021, the Higher Education Quality Council of Ontario (HEQCO), with the support of the Business + Higher Education Roundtable (BHER), surveyed 201 Canadian employers about their perception of microcredentials.[55] Overall, the employers who participated in the survey saw potential for microcredentials to play an important role in lifelong learning. About two-thirds of respondents said they would see a microcredential as highly favorable if it were directly related to the job at hand, competency-based, and or/accredited. Nearly 70% said that they would have a highly favourable view of microcredentials that were competency-based. Lastly, 54% of employers said they were open to working with post-secondary partners to deliver micro credentials.

In January 2022, the Greater Vancouver Board of Trade, in partnership with the British Columbia Institute of Technology (BCIT), announced the launch of a new Environmental, Social and Governance (ESG) Fundamentals Microcredential. The ESG Fundamentals Microcredential will

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[50] Micro-credentials a gateway to support B.C. workers: https://news.gov.bc.ca/releases/2021AEST0060-001869#:~:text=Micro%2Dcredentials%20recognize%20stand%2Dalone,for%20employment%20or%20learning%20purposes.
[51] Micro credentials fast track to high-demand jobs: https://news.gov.bc.ca/releases/2021AEST0012-000225
[52] Making it easier to build job-ready skills: https://www.alberta.ca/new-micro-credential-learning-opportunities.aspx
[53] Micro-Credential Framework for B.C.'s Public Post-Secondary Education System: https://news.gov.bc.ca/assets/releases/2021aest0060-001869/micro-credential_framework.pdf
[54] New Zealand Micro-credentials: https://www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/micro-credentials/#heading2-0
[55] Pichette, J., Brumwell, S., Rizk J., Han, S. (2021) Making Sense of Microcredentials. Toronto: Higher Education Quality Council of Ontario. https://heqco.ca/pub/making-sense-of-microcredentials/#:~:text=Making%20Sense%20of%20Microcredentials%2C%20a,postsecondary%20institutions%20and%20potential%20students.

provide 24 hours of training from BCIT instructors and industry experts over a five-week period. This innovative new offering, along with the almost two dozen other microcredentials available at BCIT, is a good example of an industry voice working with a post-secondary institution to deliver a short-term upskilling opportunity that meets the needs of employees and employers as well as the changing nature of industry.

There is great potential in expanding the availability of these short-term credentials across the province to ensure employees have the skills they need to succeed in the current and future labour force and responding swiftly to the needs of employers for a workforce with up-to-date and relevant skills. Incorporating the industry perspective in the development of these programs will ensure they are comprehensive, relevant and recognized by employers.

Recommendations

That the Government of Canada:

1. In collaboration with provincial governments, post-secondary institutions, and the private sector, work to increase the number of microcredential programs offered, with a focus on in-demand occupations, to reduce skills-related gaps in the workforce and provide more opportunities for Canadian workers.

2. Work with the Chamber Network to connect post-secondary institutions with industry partners to develop programs that meet the needs of employers.

3. Work with provincial governments, post-secondary institutions and the private sector to develop a uniform, pan-Canadian approach to short-term skills acquisition that positions Canada as a global leader in the field.

4. Review the tax code and all federally-funded training programs to ensure that they are inclusive of and actively promote microcredentials.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Greater Vancouver Board of Trade

29. Improving Start-up Visa Processes to Decrease Wait Times

Description

The Start-up Visa program (hereinafter “SUV”) provides permanent residency to up to five co-founders of a company and their families to launch an innovative business in Canada. While originally mandated to be a streamlined process, Immigration, Refugees, and Citizenship Canada’s (hereinafter “IRCC”) application processing times increased from 5.3 months to 16 months between its launch in 2013 and when this resolution was originally presented in 2019. By April 2022 the figure had moved to 31 months as per the IRCC processing tool estimate1, making the program less attractive to potential applicants and creating a significant bottleneck.

Background

Launched on April 1, 2013, the Start-Up Visa pilot was the first pilot program implemented through Ministerial Instructions. The Start-Up Visa (SUV) was designed to attract innovative foreign entrepreneurs who would contribute to the new and innovation needs of the Canadian economy and facilitate entry of innovative entrepreneurs who would actively pursue business ventures in Canada. To receive permanent residency under the program, applicants must receive support from a designated organization under one of 3 streams: venture capital, angel investment, or business incubation.

On April 11th, 2018 the SUV program shifted from a pilot to a permanent program. Leading up to this shift, processing times for applicants had decreased from 2013 to 2015, from an average of 6.7 months to 4.1 months for most applicants. Since then, processing times have steadily increased and while the IRCC website advertises average processing times to be 12-16 months for new applicants, their own data suggests the reality is 2.5x longer. As stated in a review of the pilot program: “The importance of timely processing for this client group was frequently highlighted by key informants, with the majority stating that the success of a business (especially those in mobile technology) often depends on how fast it can be launched.”

With the program being made permanent, many designated organizations placed significant time and resources into streamlining their SUV activities expecting reciprocation from IRCC, but that has not been the case. The bottleneck created by IRCC’s drastic increase in processing times has hindered designated organizations’ ability to attract and retain potential high-growth, high-impact immigrant entrepreneurs and their firms. Communication has been poor between IRCC, designated organizations, and applicants creating confusion and hurdles for all involved parties. The scalability of the program is significantly hindered, and the original purpose of the program (speed) has been lost within the larger quagmire of IRCC processing.

According to a Statistics Canada report, private incorporated immigrant-owned firms are much more likely than firms with Canadian-born owners to be job creators. Additionally, immigrant-owned firms have a higher level of net job creation per firm, and are more likely to be high-growth firms than those with Canadian-born owners.

It is clear that immigrant entrepreneurs are a key factor in improving Canada's economic and demographic deficits. The Start-up Visa program attracts these entrepreneurs to the region while also fostering a culture of innovation and inclusion.

Recommendations

That the Government of Canada:

1. Ensure IRCC processing times fall into the original 6-8 month timeline while maintaining program integrity.

2. Provide a mechanism for effective communication on file processing times between designated incubation centres and IRCC to manage client expectations.

3. Provide transparent and detailed reasons for disapproved files within 30 days upon a client's request or to an IRCC designated organization if approved by the client.

4. Introduce a mechanism that allows minor corrections to SUV applications without restarting the process.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Fredericton Chamber of Commerce

30. Enhancing Supply Chain Capacity Through Increased Truck Driver Training Support

Description

A lack of people working in Canada as truck drivers is causing supply chain disruptions and contributing to the current inflationary environment. The industry must attract, train and retain thousands of new truck drivers over the next few years to mitigate these issues. The current financial support provided for such trainees is insufficient to attract the required number of people to the industry.

Background

The trucking industry has had difficulty attracting new entrants to the industry for several years. There have been policy resolutions submitted to the Canadian Chamber of Commerce policy resolution debates over the past decade to address this very issue.

In the fall of 2021, the Canadian Trucking Alliance (hereinafter “CTA”) reported that approximately 23,000 vacancies for truck driving positions throughout Canada and estimates this number will more than double to 55,000 by 2024. In the United States, there are approximately 80,000 vacancies2. The CTA wrote in April 2022:

Recent data relating to truck-to-load ratios shows between a 30%-45% decrease in the availability of trucks, year-to-year, while load volumes have more than tripled at times. As a result of these two factors, the number of trucks available per load has declined from about three trucks per load a year ago, to around 0.5-0.7 trucks per load today. In other words, almost one in every two available freight loads don’t have a truck (driver) for transport3.

What was an issue pre-pandemic has now become a full-blown crisis, affecting most sectors and aspects of daily life through supply chain disruptions and inflationary exacerbation. The 2022 federal budget earmarked more than $600 million to address supply issues for infrastructure, data and red tape reduction. No doubt the solutions to our supply chain problems are multi-faceted but must include a plan to increase human resource capacity – particularly in the trucking industry.

The Bank of Canada’s 2022 Q1 Business Outlook Survey identified supply chain disruptions as one of two key factors adding upward costs pressure to consumers and businesses. In the Chartered Professional Accountants of Canada’s Business Monitor published in May 2022, inflation (22 per cent) and supply chain issues (20 per cent) were seen as the top challenges to the growth of the Canadian economy in the coming 12 months, with lack of skilled workers (11 per cent) and employee recruitment, retention and development (10 per cent) the next two on the list. Each of these issues would be addressed in some way by increasing the trucking industry workforce.

One of the key issues preventing more individuals from entering training programs for truck driving is cost. Training program requirements vary from province to province, but many are 12 weeks in length. 12 weeks is also the minimum program length required to qualify for federal and provincial student loans, but even for those who would potentially qualify for a student loan, their funding would be for a maximum $59,506, while training and certification programs can cost $11,000 - $12,000 (and is currently increasing to compensate for the cost of fuel). This gap can be a significant barrier for many individuals considering entering the industry.

The federal government already plays an active funding role for training and upskilling in each province through Labour Market Development Agreements (hereinafter "LMDAs") and Workforce Development Agreements (hereinafter "WDAs") - every province and territory currently have both LMDAs and WDAs in place. This mechanism can facilitate dedicated funding to the provinces for trucker driver training through additional funding and/or direction to the provinces and/or a new unique fund – without requiring new bureaucracy or creating new funding mechanisms.

The current cost to the Canadian economy by supply chain disruptions dwarfs any additional cost for the federal government to provide additional funding for this purpose. For example, in March 2022, a Canadian Manufacturers and Exporters survey and reported that manufacturers alone have lost about $10.5 billion in sales because of disruptions in the supply chain and are now experiencing nearly $1 billion in increased costs7.

Supply chains issues are not only deep, such as in the manufacturing sector, but also broad - the Business Development Bank of Canada (hereinafter "BDC") reported in March 2022 that 85% of Canadian businesses were experiencing supply chain issues8. Addressing this issue through increasing truck drivers is important for every region and almost every sector.

Recommendations

That the Government of Canada:

Work with the provinces to provide dedicated funding of net new money through Labour Market Development Agreements and/or Workforce Development Agreements targeted to increase Canada's truck driving capacity through increased access to truck driver training programs.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Fredericton Chamber of Commerce

31. Expedite Foreign Credential Recognition for New Immigrants Across Canada

Description

A skilled and flexible workforce is key to continued prosperity and growth in the Canadian economy. As the number of native-born Canadians plateaus and the average age rises, immigrants play an increasingly vital role in filling our labour needs, sustaining Canada's economic strength and quality of life. More and more new Canadians are joining the workforce, but in many cases, their skills and education are not recognized. While educational standards and qualifications may differ between jurisdictions, it is incumbent on Canada to facilitate an efficient foreign credential recognition process that allows skilled immigrants to integrate quickly into our workforce and use the full range of their skills and knowledge to meet our labour needs.

Background

The average age of Canada's workforce is rapidly increasing. Statistics Canada data shows that the number of Canadian residents age 55 and older represented 25 per cent of the working age (15-64) cohort in the 1990s. That increased to 30 per cent by 2007, 36 per cent by 2016 and is forecast to reach 40 per cent by 2026.[56]. This has profound impact on the availability of labour to fuel the Canadian economy.

Canadian employers are increasingly turning to immigrants to fill the labour gap. Many newcomers come to this country with years of experience, skills and educational achievements in their native countries. However, many are challenged to find work in their desired field due to the complex rules, regulations and the inefficiency of Canada's foreign credential recognition program.

Some industries are projecting critical shortages in the next five years. In the health sector, the labour shortage for Registered nurses and psychiatric nurses seen in recent years is expected to persist into 2028 and could become more acute as the projected number of job openings is expected to total 191,100, while 154,600 new job seekers are expected to be available to fill them.[57] In the transportation industry, the Atlantic Provinces Trucking Association estimates that by 2025, Canada will need 50,000 new drivers.[58]

[56] https://www150.statcan.gc.ca/n1/pub/75-006-x/2017001/article/14826-eng.htm
[57] Highlights version of Tested Solutions for Eliminating Canada's Registered Nurse Shortage - https://www.cna-aiic.ca/-/media/cna/page-content/pdf-en/rn_highlights_e.pdf Job Bank Canada https://www.jobbank.gc.ca/marketreport/outlook-occupation/993/ca
[58] Conversation with the Executive Director of Atlantic Provinces Trucking Association, Jean-Marc Picard, May 30, 2022.

There are a multitude of players involved in the assessment and recognition of foreign qualifications. There are nearly 500 professional regulatory authorities and numerous credential assessment bodies in Canada, as well as hundreds of post-secondary and vocational institutions and countless numbers of employers, immigrant serving agencies, and most importantly, immigrants and other internationally trained workers.

In May 2022, the Government of New Brunswick introduced the Fair Registration Practices in Regulated Professions Act which mirrors legislation already in place elsewhere in Canada. If approved, it would require regulatory bodies to:

- Establish transparent, objective, impartial and efficient application and registration processes.
- Comply with the Canada Free Trade Agreement, which ensures recognition of credentials among New Brunswick and other Canadian jurisdictions.
- Report how their registration practices comply with requirements of the legislation and, if necessary, order them to take all appropriate steps to ensure compliance.

This is but one provincial attempt to address this issue, but the federal government must show leadership to create a national strategy on credential recognition.

Underemployment and the immigrant wage gap is estimated to cost the Canadian economy roughly $50 billion or 2.5 per cent in GDP per year. 64 per cent of immigrants find it difficult or very difficult to find a job that matches their skills and credentials.[59] Underemployment among immigrants can be a barrier to prosperity and could be caused by a range of factors including credential recognition, undervalued international experience, language and lack of professional network. The negative economic impact of those who are working but underemployed due to lack of learning recognition is equivalent to approximately $5 billion.[60] Helping newcomers get their credentials recognized can narrow that gap, increase immigrant retention and help employers with their labour force needs.

Canada needs a more coordinated, efficient credential recognition system.

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[59] RBC Economics 'Untapped Potential', 2019 http://www.rbc.com/economics/economic-reports/pdf/other-reports/untapped-potential.pdf

[60] Deloitte 'Uncovering Underemployment', 2019 https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/public-sector/ca-en-uncovering-underemployment-aoda.pdf

Recommendations

That the Government of Canada:

1. Take a leadership role with the provinces and self-regulating professional societies and associations responsible for establishing standards for the training, certification and lifelong education of their members to expedite the process to recognize the skills and education of new immigrants. A primary focus should be accorded to industry sectors where it is estimated that a shortage is imminent, such as health (registered nurses), transportation (truck drivers), and business and finance (high demand in multiple jurisdictions).

2. Make a commitment to reduce the amount of time under the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications from one year to six months.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Greater Moncton Chamber of Commerce

Supporting Organizations: Saint John Region Chamber of Commerce, Kelowna Chamber of Commerce, Peterborough + Kawarthas Chamber of Commerce and Lethbridge Chamber of Commerce

32. Attracting and Retaining More International Students Through Canadian Work Experience

Description

Jurisdictions across Canada are searching for ways to attract and retain more international students. A significant impediment to these efforts are policies that make it more difficult for these students to obtain work experience while attending Canadian post-secondary institutions. These restrictions have both (a) legal ramifications: example: permanent residency / citizenship requirements; and (b) practical implications: example: connecting with the student's host community, making post-graduation career contacts, and gaining work experience - which employers are increasingly demanding from graduates.

Background

The Fredericton Chamber of Commerce submitted a resolution in 2021 with the following information. The case remains the same so it follows as originally written, but post-pandemic the recommendations should be expanded as the labour shortage is reaching critical proportions across the country and notably in Ontario.

Canada needs to grow its population, lower its average age, and increase the number of skilled workers to fill key positions that enable business growth. Indeed, the latter has been a Canadian chamber priority for several years and is an issue in every province and territory. Immigration has been long been identified as a key component to present and future growth. This was borne out in the latest census data: Canada added approximately 1.7 million people between 2011 and 2016, with two-thirds of this increase attributable to immigration.

International students provide:

- A direct economic boost to local economies across Canada
- A highly-skilled talent pipeline that can help address labour shortages
- A demographic counterbalance to aging populations in many parts of the country

The positive direct economic impact of attracting international students is substantial:

- The total annual expenditures of international students, including their visiting families and friends, contributed $18.4 billion and $22.3 billion to economic activities in Canada in 2017 and 2018, respectively. This translates into a $16.2 billion and $19.7 billion contribution to Canada's GDP in 2017 and 2018, respectively.
- GDP contributions include both direct impacts and indirect impacts, where firms supplying goods and services to the education services and other sectors are also taken into account.

- An impressive 16.3% growth in the number of long-term international students in 2018 accounts for most of the higher spending and associated economic impact compared with 2017. Students from India contributed most to this overall increase, with Ontario accounting for the biggest increase in the number of international students.

- In 2018, Ontario, with the largest number of students, made the largest contribution to GDP with 55.3% of the total followed by British Columbia, with 19.8% and Quebec, with 11.9%.

- The amount of international students' overall annual spending translates to 180,041 jobs supported in the Canadian economy in 2017. The comparable value in 2018 was 218,577 jobs supported.

- International students' annual spending directly and indirectly contributed $3.1 billion in tax revenue in 2017. The comparable value in 2018 was $3.7 billion.

However, the greater impact is retaining international students after graduation to start businesses, create jobs, fill skilled positions and become integral community members. Retention efforts should begin from the time the students arrive and increasing work experience opportunities not only better prepares graduates for the workforce, but it also creates those networking opportunities and connections in communities that cannot otherwise be replicated.

The most recent substantive progress in this area was Bill C-6, An Act to amend the Citizenship Act and to make consequential amendments to another Act, which partially address some of the pertinent issues for international students, for example:

- International students will be able to count each day spent during their studies as a half day towards their permanent residency or citizenship requirements (up to a maximum of one year)

- Permanent residents will only have to be in Canada for 3 of the preceding 5 years to qualify for citizenship (down from 4 of 6).

The changes to the Citizenship Act are a start, however, international students will still face significant barriers to working while attending a post-secondary institution and getting on a clear path to permanent residency. Some of the employment-based barriers faced by international students in Canada include:

- Ineligible for the Canada Summer Jobs program or the Student Work Placement Program

- Voluntary co-op terms and internships require a separate work permit for international students

- Inability to work more than 20 hours per week off-campus for full-time students and not at all for part-time students (pre-pandemic)

Balancing work with study has long served a twofold purpose for students: it offers a means of covering some of the ever-growing costs of a post-secondary education, and it is an opportunity to develop workplace skills to complement one's studies.

For international students, the ability to work, whether on- or off-campus, is also an opportunity to adapt to a new community and make invaluable contacts and friendships. It is a vital means of enriching the international student experience in Canada, and of enriching the diversity of the communities that surround post-secondary campuses.

Remote learning was a necessity during the pandemic, but this has also led to a disproportionate population of international students in major centres who don't seek academic opportunities in more rural areas with smaller community colleges; communities that are prepared to welcome newcomers to study and ultimately, choose to stay.

The implications for business and the economy are clear. The country needs the next generation of consumers to sustain growth and the next generation of taxpayers to support our aging population. Businesses need skilled workers to innovate and grow. Estimates put the national cost of skills shortages and mismatches at $70 billion annually. Increasing the number of international students at Canadian institutions represents an opportunity to address all of these concerns, but the employment restrictions detailed above are a barrier to fully realizing Canada's potential as a destination of choice.

Recommendations

That the Government of Canada:

1. Allow international students attending either a public institution, or private institution in any province or territory, that is registered on the Designated Institution list to:

a. Qualify for the Canada Summer Jobs program and the Student Work Placement Program

b. Participate in voluntary co-op terms and internships without obtaining a separate work permit

c. Count all time spent in Canada as an international student towards citizenship eligibility (i.e increase from half time to full time)

2. Make permanent and remove sectoral/industry restrictions for the temporary, pandemic-related measure that allows international students to work at least 24 hours per week off-campus

3. Make permanent the temporary pandemic-related measure to count studies abroad towards hours needed to be eligible for post-graduate work permits

4. Make it possible for government funded employment services to serve international students and connect them with employers

5. Restrict or cap remote learning opportunities in urban centres to encourage on-site learning at smaller, rural post-secondary institutions and facilitate a more equitable distribution of students throughout rural areas

Endorsements

The National Workforce Policy Committee abstains from endorsement of this resolution as it conflicts with other resolutions being put forward this year.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Belleville Chamber of Commerce

Supporting Organizations: Peterborough + Kawarthas Chamber of Commerce

33. Childcare

Description

The rise in employment rates among women and the corresponding increase in dual-income earner families has increased the need for adequate childcare services. Across Canada, there is a widespread shortage of qualified, well-trained ECE workers. Inadequate childcare services puts additional pressure on businesses that are already experiencing access to skilled labour and are increasing the cost of turnover, absenteeism and health benefits. Any program that offers resources should also be accessible by all types of providers including the private, public, not-for-profit, and indigenous providers.

Background

The federal government has made a series of landmark investments to begin addressing the affordability crisis in child care. The work done to reach agreement with all provinces and territories to work toward $10 per day child-care is evidence that this is a vitally important issue across the country.

In Budget 2021, the government laid out a plan to provide Canadian parents with, on average, $10-a-day regulated child care spaces for children under six years old, within the next five years, including a 50 per cent reduction in average fees by the end of 2022. The government's significant $30 billion investment, over five years, in early learning and child care will help Canadian families afford the cost of living, and ensure every child has the best start in life. This includes $2.5 billion for Indigenous early learning and child care.

However, there is an ongoing need for these programs to be evaluated so they can meet the needs of families. Specific challenges around recruiting and retaining child-care workers must be considered in order for subsidized child-care spaces to achieve their transformative potential.

The cost of child care is one factor affecting accessibility, and we support the recommendations from the 2021 policy resolution "Ensuring an Inclusive Recovery: Securing Safe, Reliable, High-quality, Flexible and Affordable Childcare for Business Owners and Entrepreneurs."

Another factor reported across Canada is a widespread shortage of qualified, well-trained ECE workers. Because of this shortage, operators can be less stringent in hiring and vetting practices. In Surrey, for example, the Fraser Health Authority has reported a high number of licensing exemptions.

Over the last three decades, the need for child care has grown steadily, with the rise in employment rates among women and the corresponding increase in dual-income earner families. This has accompanied changes in the composition of Canadian families, notably increases in lone-parent and step-families, impacting both the need and type of child care required. Beyond need, the demand for quality child care has also increased, due to the potential benefits on peer socialization, school readiness, and numeracy and language skills. In Canada, options for child care are varied, ranging from nannies, home daycares, daycare centres, preschool programs, and before and after school services. Finding the most appropriate child care arrangement can, at times, be challenging. Parents must often balance the need between the overall quality, convenience, availability and cost of child care. ,

In urban regions, prime employment areas for a diverse and skilled workforce, home-ownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2 to 3 bedroom units). Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Building a universal, affordable, quality child care system in Canada is a smart use of public resources that will have ripple effects across the provincial economy by:

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.
- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.
- Creating new jobs.

Surrey released their Surrey Child Care Report for 2020-2021 detailing a comprehensive analysis of Surrey’s ability to provide childcare access for workers, and a lack of coordinated childcare planning and service delivery. The key findings of the report illustrated the lack of childcare resources and support services for families in the advent of Surrey’s booming population.
Early Childcare Educators (ECE) cannot receive training in adult education facilities in Surrey.

Research done by Dr. Paul Kershaw of UBC found that work-life conflicts of parents raising young children is actually costly for employers with resulting higher absenteeism rates, greater turnover, and increased use of employer funded extended health benefits. Further, the cost to the BC business community, according to Kershaw, is over $600 million annually and over $4 billion for Canadian businesses. These costs are exasperated by the costs to the Canadian health care system of over $2.5 billion and child welfare of over $1.2 billion. Inadequate childcare is too costly to ignore.

We have seen that childcare facilities can opt into a BC Child Care Fee Reduction Initiative (CCFRI). However, this adds is a layer of regulations that the facilities are required to adhere to. For example, any fee increases (whether it is nominal, regionally aligned and minor or a great amount) must be approved by the Ministry and greater amounts of information may be required of the provider. There is no policy on turn-around for a decision, which alarms many providers. The process has not been well communicated with private facilities as many are still unaware of how to enroll in the program. A federally funded program should not include this extra layer of regulation.

Recommendations

That the Government of Canada:

1. In collaboration with provinces & territories, enhance childcare, enhance child care quality and address the continuing recruitment and retention crisis in the child care sector

2. Work with Work with provinces & territories, as well as post-secondary institutions, to ensure ECE training is accessible, affordable and an attractive career option; and

3. Continue to monitor, evaluate, and invest in Early Learning and Child Care, Multilateral early Learning and Child Care Frameworks.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Greater Victoria Chamber of Commerce

Supporting Organizations: Fort McMurray Chamber of Commerce and Surrey Board of Trade

34. Facilitating Labour Mobility to Address Labour Shortages, Harness the Opportunity of Remote Work and Promote Economic Growth Across the Country

Description

In discussions of interprovincial trade, interprovincial labour mobility is often cited but receives less focus.

Labour mobility has also taken on a new, different and increasing significant meaning because of the work from home phenomenon / remote work option that occurred over almost overnight as a result of the COVID-19 pandemic. Remote work has and will continue to impact the future of work. Labour mobility is not only physically geographic, it now has a virtual, time and horizontal components. As a result, many sectors, international firms and countries are upping their game in the international war on talent[61],[62].

Background

As we emerge from the COVID 19 pandemic, facilitating labour mobility requires renewed attention for two additional reasons. At the time of this writing there are more than one million job vacancies across the country. This labour shortage is affecting all parts of the country, all sectors and every size of business. Addressing this labour shortage is key to Canada's economic recovery. An important piece in the labour shortage puzzle is a skills mismatch, wherein the qualifications individuals have do not match job requirements, or individuals who have these qualifications are not located where the job demand is. Facilitating labour mobility, both physically and virtually would help in addressing the latter and allow us to both retain Canadian workers and recruit internationally.

Secondly, in order to help future proof the country against future pandemics and other major events, increased labour mobility would allow for a temporary - and even more permanent – of mobility of professionals to where they are needed when (e.g. health care workers, safety officers, engineers and other technical professionals & tradespeople not covered by the red seal designations). Further, as noted by T. Tombe and D. Schwanen in a September 2020 CD Howe report:

Labour mobility across occupations, sectors and regions is an important way in which economies can respond to shocks. Therefore, flexible labour markets and policies easing potential barriers to mobility are an important consideration for governments as we gradually recover from the pandemic and associated lockdown.

[61] https://financialpost.com/news/economy/virtual-brain-drain-pandemic-immigration
[62] https://podcasts.salesforce.com/public/38/Future-of-Work%2C-Now-a7caa9ad/3da2cf02

In order to ensure an inclusive recovery, economic growth, resiliency and future-proofing against future global events, Canada need to harness the opportunities of remote work.

Currently there are two main agreements that govern labour mobility in Canada and regionally. The first is the 2017 Canada Free Trade Agreement (CFTA). The CFTA reaffirms the labour mobility provisions and obligations that were established under the 1995 Agreement on Internal Trade (AIT). Although the CFTA has achieved success in reducing many labour mobility barriers, in cases where certification requirements or occupational standards for a regulated occupation are very different from one jurisdiction to another, a government may approve an exception to full Labour Mobility based on a legitimate objective (e.g. the protection of public security and safety, public order). There are currently 15 professions on the exemption list. Furthermore, under the CFTA a process of occupational harmonization must be undertaken (which is more complicated and burdensome that a mutual recognition process). Importantly, the regulatory colleges and educators have a central role and need to involved in these discussions.

The second, which actually pre-dates the CFTA is The New West Partnership Trade Agreement (NWPTA). Under the NWPTA, British Columbia, Alberta, Saskatchewan and Manitoba are the first jurisdictions in Canada to commit to full mutual recognition or reconciliation of their rules affecting trade, investment or labour mobility so as to remove barriers to the free movement of goods, services, investment, and people within and between the three provinces. However, this only applies to the Western provinces.

Going forward, there needs to be a concerted and sustained national effort on the part of the Government of Canada to reduce barriers to labour mobility. The gains from easing labour mobility restrictions are large. In the above mentioned September 2020 CD Howe report, the authors, looking just at the province of Alberta, estimate that for each 1,000 workers that move into the province, the corresponding economic growth is $141 million. From a national perspective, when a worker moves elsewhere in Canada to become more productively employed, there is also value for Canada's economy as a whole.

Importantly, these regulatory changes cannot happen in a vacuum, and there are two additional issues vis-à-vis labour mobility that need attention. The first is individual incentive. A 2016 Statistics Canada study found that the majority of unemployed individuals indicated that they would not move to another province or elsewhere in their province for a job offer, citing reasons of a desire to stay close to family and friends and/or that that their spouse & children would not want to move. In the 2022 Federal Budget, the government promised continued leadership on trade and labour mobility, including a mobility deduction for tradespeople, yet much more can and needs to be done.

In addition, it is important to address the real and perceived negative consequences of labour mobility (e.g. tax implications for provinces and territories) through a focus on the mobility of job, not individual. We need to get rid of the notion of winners and losers among provinces/territories & urban/rural, as well as focus on inclusivity to ensure that all who want to benefit from labour mobility can. This is where the federal government can demonstrate national leadership.

Recommendations

That the Government of Canada:

1. Acknowledge that the future of work and labour mobility must effectively and innovatively address remote and flexible work, convening a national discussion with all stakeholders to identify challenges and opportunities, and develop recommendations.

2. Show national leadership in developing policy and best practices on incentivizing mobility at an individual's level, alongside addressing key barriers such as connectivity, transportation, housing affordability and employment insurance. As part of this recommendation, there must be concerted efforts at a national level to lower moving costs to ensure inclusive labour mobility.

3. Adopt standard policy and practices that encourage mutual interprovincial/territorial and national recognition of credentials and qualifications (e.g., building upon and emulating the red seal program model).

4. Recognize the business community and other relevant stakeholders as an important stakeholder in labour mobility and give us a role at the CFTA table.

5. Adequately resource the CFTA secretariat to be able to lead and effectively facilitate reducing labour mobility barriers.

Submitted By: Canadian Chamber of Commerce National Workforce Policy Committee

Supporting Organizations: Ontario Chamber of Commerce

35. Improving International Student Retention Through Post-Graduation Work Permits

Description

Retention of international students is critical as a source of skilled labour across Canada. International students represent an underutilized resource that we must engage and retain to fill current gaps in the labour market.

We must make Canadian work experience accessible to international students. All private post-secondary institutions with a Designated Learning Institution number should be eligible for Post Graduate Work Permits as are their public counterparts.

Background

The average age of Canada's workforce is rapidly increasing. Statistics Canada data shows that the number of Canadian residents aged 55 and older represented 25 per cent of the working age (15-64) cohort in the 1990s. That increased to 30 per cent by 2007, 36 per cent by 2016 and is forecast to reach 40 per cent by 2026. This has profound impact on the availability of labour to fuel the Canadian economy.[63]

As of Q4, 2021, Canada recorded 915,545 job vacancies. Immigration, Refugees and Citizenship Canada (IRCC) data shows 621,565 study permits were issued in 2021, up almost 17.7 per cent from the 528,190 in 2020.[64]

In addition, COVID-19 has caused untold hardship on Canadian businesses across all sectors. Nowhere has this been more apparent than in the "Hardest Hit Sectors". The hospitality, tourism, and entertainment operators that have managed to survive the ups and downs of the pandemic are now all facing the same issue: trying to recruit from a labour pool that has migrated to other industries. The threat of an uncertain future coupled with government programs designed to facilitate this migration have left these hardest hit employers with a non-existent labour pool to draw from. This results in businesses who are unable to fill current vacancies leaving them ill-equipped to mount a post-pandemic recovery.

Characteristically representative of the challenges across the "Hardest Hit Sectors" at large, while total employment in Canada returned to pre-pandemic levels in September, 2021, restaurants alone still haven't recovered at least 200,000 of the 800,000+ workers they had to let go in the spring of 2020. One in 4 workers in the food industry have migrated away leaving a massive gap in the talent pool.[65]

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[63] Statistics Canada. Table 14-10-0328-03 Job vacancies, proportion of job vacancies and average offered hourly wage by occupation and duration of job vacancy, quarterly, unadjusted for seasonality
[64] https://www.immigration.ca/canada-study-permits-bounce-back-to-almost-pre-pandemic-levels
[65] https://www.restaurantscanada.org/support-restaurants/#page2

A September, 2021 report from the Business Development Bank of Canada found 55% of Canadian entrepreneurs were having trouble hiring the talent they needed to fill vacancies, limiting their growth. In the same May, 2021 survey, 64% of Canadian entrepreneurs said they were forced to limit the growth of their business, missing out on opportunities, because of the lack of workers.[66]

The two most pressing reasons cited in the BDC survey for the failure to recruit new talent are: a lack of candidates (45%), and a lack of required hard or soft skills (44%). Both of these issues can be resolved by expanding temporary employability programs to international graduates of all provincially approved diploma, advanced diploma, certificate and postgraduation certificate programs at Canadian post-secondary institutions through the Post-Graduation Work Permit program.

Federal regulations defining Post-Graduation Work Permit eligible programs and institutions render many international graduates of Canadian post-secondary institutions and programs ineligible to apply for a Post-Graduation Work Permit, even if counterparts in equivalent programs at other institutions would qualify. This is true even for international graduates who have been vetted by the Canadian student visa application process and who are studying at Canadian post-secondary institutions that have been vetted through the Designated Learning Institution (DLI) program.

The Post-Graduation Work Permit Program (PGWPP) allows students who have graduated from eligible DLIs to obtain an open work permit to gain valuable Canadian work experience. Skilled Canadian work experience in National Occupational Classification (NOC) skill type 0 or skill level A or B that is gained through the PGWPP helps graduates qualify for permanent residence in Canada through the Canadian experience class within Express Entry.

Tying Industry Needs to Education:

International students are needed to fill the workforce shortage many industries are facing today but both full-time and part-time international students are currently excluded from being able to access the PGWPP.

The training needs of industry can be filled by public and private post-secondary institutions, but there are limitations. For example, BC public post-secondary institutions require their curriculum to be approved by the BC Government, which could take many years, while private institutions can create programs that quickly satisfy industry needs.

[66] https://www.bdc.ca/en/about/analysis-research/labour-shortage

Rural areas in Canada do not have the same public post-secondary institutional investments as urban cities. In these rural areas, private institutions can fill that gap, and offer training and programs that will help build and expand the rural economy. International students need incentives to go and live in rural areas. While programs exist to incentivize immigrants to make rural parts of Canada their home, the lack of educational access and programs that support that access deter people from settling in those areas.

Recommendations

That the Government of Canada:

1. Enable international graduates of any post-secondary programs to qualify for a Post-Graduation Work Permit, where:

a. The Institution is qualified as a Designated Learning Institution (DLI) for the purposes of Canadian student visas, AND

b. Program attributes meet or exceed established IRCC thresholds for a Post-Graduation Work Permit, AND

c. The program is designed to train students into a field with persistent unfilled vacancies, AND

d. The credential conferred is an associate, bachelor's, master's, or doctoral degree, or diploma or advanced diploma, certificate, or postgraduate certificate as defined by the province in which the institution operates.

Endorsements

The National Workforce Policy Committee supports this resolution.

Submitted By: Greater Moncton Chamber of Commerce, Mississauga Board of Trade and Newmarket Chamber of Commerce

Supporting Organizations: Vaughan Chamber of Commerce, Surrey Board of Trade, Saint John Region Chamber of Commerce, Kelowna Chamber of Commerce, Peterborough + Kawarthas Chamber of Commerce, WestShore Chamber of Commerce and Lethbridge Chamber of Commerce

Natural Resources and Environment

36. Infrastructure Investment Essential to Mining Sector Growth

Description

The lack of adequate infrastructure is a significant obstacle to mining development in Canada. Greater investments in necessary infrastructure are needed to help relieve the current financial burden of construction costs placed on mining companies, to unlock the vast potential of Canadian communities, and to access the critical minerals that will help us reach our climate goals.

Background

The mining industry directly employs over 377, 000 workers across the country in mineral extraction, smelting, fabrication and manufacturing, and indirectly employs an additional 315,000 people. Proportionally, the mining industry is also the largest private sector employer of Indigenous peoples, providing over 16,500 jobs. In 2020, the minerals sector directly and indirectly contributed $107 billion, or roughly 5%, to Canada's total nominal GDP.

Our modern lives depend on mining. From the critical minerals and energy needed to build and propel clean transportation, to the materials without which smartphones, computers and digital connectivity would not exist, to the inputs for critical medical equipment needed to combat COVID-19, such as rapid test kits, personal protective equipment and antimicrobial surfaces, the world needs responsible mining.

Large infrastructure projects have the potential to enrich the regional, provincial and federal economies and to ignite an economy in remote areas where opportunities were previously non-existent. They improve accessibility and encourage diversification of the economy; however, the cost to establish the required infrastructure is frequently too prohibitive for private-sector investment alone. Major mining projects often require significant investment in new infrastructure, which is vital to ensure that mining companies have the ability to find, extract and remove ores at a competitive cost.

The future of Canada's mining industry lies increasingly in remote and northern regions, but the infrastructure deficit in this part of the country challenges project economics. The Mining Association of Canada and mineral industry partners undertook extensive research on how remote and northern mining costs compare to those in the south. That research indicates it costs 2-2.5 times more to build the same precious or base metal mine in the North (off-grid), is 60% more expensive to operate, and increases harmful environmental impacts when compared with the same mine in a centrally located region. Most importantly, 70% of this cost differential derives from the infrastructure deficit. These heightened costs also curtail attractiveness for exploration investment that is critical to filling the pipeline with the future Canadian mining operations on which continued economic, social and sovereignty benefits are contingent.

In addition to greater investment in enabling infrastructure for key mining projects across the nation, better coordination of that spending is needed to make these investments effective. Infrastructure planning should be coordinated between all levels of government, industry, and local communities as well as other economic development projects to ensure synergies and the opportunity to multiply benefits amongst all groups.

Recommendations

That the Government of Canada:

1. Promote mining sector growth and stimulate regional economic development by immediately establishing enhanced funding partnerships and innovative funding models to invest in needed transportation, energy, housing, social, and information infrastructure (including the Geological Survey of Canada); and,

2. Work with provincial/territorial government, private industry, and Indigenous communities to better coordinate infrastructure spending by aligning infrastructure planning with community and industry needs as well as other economic development projects.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Thunder Bay Chamber of Commerce

Supporting Organizations: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce and Timmins Chamber of Commerce

37. Promoting Canadian Energy as the World's Most ESG Responsible Oil & Gas Source

Description

World demand for oil is projected to rise over the next several decades. With governments simultaneously shifting to clean energy sources, governments will be looking for environmentally sustainable oil sources to meet that demand.

Canada produces among the world's most responsible oil on ESG merits, and this presents an opportunity to gain our global market share as governments turn to cleaner and socially responsible sources of energy. Our governments must promote it as ESG friendly to ensure we are the world's first choice for oil.

We must continue innovating in making our oil even more environmentally friendly through several initiatives to maintain our status as the world's most ESG responsible oil source for decades to come.

Background

World demand for oil is projected to increase to 106.3 million barrels per day by 2040. Simultaneously, governments are shifting to clean energy resources. Alberta can meet increased demand as the world's 3rd largest oil reserve while also offering the world's cleanest and most ESG responsible barrel of oil. This is an unprecedented opportunity for Alberta to gain their market share and provide security of supply.

The oil sands industry is a leader in the ESG space and recognizes the need to reduce emissions even while energy demand grows.

Alberta was the first jurisdiction to put a price on carbon in 2007. Average emissions per barrel has decreased by an average of 27-percent in Alberta compared to an average of 13-percent by other major oil producers.

Alberta's oil also leads governance strength and contributions to society. Alberta oil producers contributed over $50-million to community investments in 2015 and 2016 alone. Major infrastructure in the oil sands is also owned by local Indigenous groups limited Partnerships, such as Thebatcha and Astisiy .

The government also needs to continue working with industry in its efforts to become even cleaner. They can do so by to continuing to partner with the industry to reduce emissions and achieve their goal of net zero emissions from production, including supporting carbon capture, utilization and storage initiatives, and supporting research and development.

As the world seeks cleaner energy, we have the unique opportunity to lead the world's energy transformation by producing net-zero oil to become the world's supplier of choice.

Our government needs to reinforce to that we offer the world's most ESG responsible oil and are ready to meet the needs of increased demand. We also need to continue challenging ourselves to improve our ESG efforts to maintain our competitive advantage.

Recommendations

That the Government of Canada:

1. Continue to partner with the oil and gas industry to reduce emissions. This includes working together to help the oil sands achieve its goal of net zero emissions by 2050.

2. Continue to promote the Canadian Oil & Gas Industry as a leader in ESG performance and innovation.

3. Reduce emission intensity per barrel by continuing support for carbon capture, utilization, and storage programs.

4. Support companies as they develop new technologies that drive our journey to net zero.

5. Enable policies that promote industry competitiveness, regulatory efficiency and facilitate infrastructure investment.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Fort McMurray Chamber of Commerce

Supporting Organizations: Lethbridge Chamber of Commerce, Edmonton Chamber of Commerce, Cold Lake Chamber of Commerce and Greater Saskatoon Chamber of Commerce

38. Natural Assets: Giving a Dollar Value to Forests, Green Spaces and Wetlands to Grow Canadian Business

Description

One of the pressing threats facing Canada and the world is the degradation of nature, exacerbated by climate change. The emerging ecological disaster is partnered with a destabilizing global economy, post-pandemic inflation and gaping inequality.

Canada can buffer these effects through taking advantage of its vast natural assets. This would ensure that nature is elevated to a position of core importance in business models – and that its value is properly accounted. Businesses would benefit from new accounting standards recognizing these changes and join global organizations in this advance[67].

Background

What is a natural resource?

- A resource can generate economic benefits and/or service potential.
- A resource is naturally occurring. It came into existence without actions of humankind.
- A resource is in 'natural state', not subject to human intervention.

The process of natural asset valuation has begun in Canada. Public sector entities in Canada led the process of natural asset valuation. Businesses are following quickly, due to rapidly emerging ESG (Environmental, Social, Governance) criteria, used to screen investments based on corporate policies. Investors increasingly apply these non-financial factors[68] as part of their analysis process to identify material risks and growth opportunities[69].

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[67] In May of 2022, the International Public Sector Accounting Standard Board released a consultation paper on natural resources. Outcomes of the process could change the way CPA Canada values natural resources. NGOs and other organizations are providing guidance to reporting organizations and users, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Corporate Reporting Dialogue and the International Integrated Reporting Council (IIRC). These organizations have developed environmental reporting standards for the calculation and disclosure of environmental metrics.

[68] https://www.intelligentinsurer.com/article/why-is-esg-is-now-a-jack-in-the-pandora-s-box-for-many June 8,2022

[69] Across the country, natural assets provide substantial economic benefits in their ability to mitigate the growing costs of extreme-weather disasters, and in particular, flooding. Naturally occurring ponds in Gibsons, BC, provide up to $4-million in storm-water storage benefits; a restored wetland in Manitoba provides a $3.7-million value in reducing floods, improving water quality and sequestering carbon; protecting four wetlands in New Brunswick delivers $1.4-million in reduced flood-damage benefits for Moncton; and wetlands provide a $49.8-million benefit to Quebec City for their ability to manage rainwater and reduce flooding. If these natural powerhouses didn't exist, we would have to build grey infrastructure at considerable cost to contain the damage they mitigate for free.
https://www.theglobeandmail.com/business/commentary/article-its-time-to-reveal-the-hidden-value-of-canadas-natural-assets/

More and more, companies find they must do business with ESG accredited businesses, to keep their stock market filings valid. An accepted framework for valuing Natural Assets would provide meaningful assistance to companies, stock markets and investors as to how to apply a realistic value when considering corporate investments.

Canadian accounting firms, particularly the multi-nationals, recognize and support changes in accounting practices to capture the importance of valuing natural assets issue[70]. Growth in client business is an anticipated outcome of the shift in accounting standards. Both public and private sector firms are rapidly demonstrating the need and the growth.

General principles around valuing natural assets focus on:

- Subsoil resources
- Water
- Living resources

Can a natural resource be recognized as an asset? To work for business, this question must be answered in an organization's GPFS – general purpose financial statements.

To be recognized, a natural resource must meet the definition of an asset and be measurable for the GPFS. Assets not meeting the recognition test are unlikely to be classified as assets, with downstream implications for company value, stock value and insurability.

Appropriate bases of measurement must be established once an item is recognized as an asset.

Businesses and public sector entities must understand and record:

- The specific natural resource description
- Accounting for activities related to each
- Apply asset recognition criteria
- Measure considerations specific to each resource
- Disclose considerations

There are already developed guidance and common practices on accounting activities relating to subsoil resources, i.e., mineral (including petroleum), and water.

[70] ibid.

Numerous Canadian municipalities began the shift to natural asset valuation criteria. They are measuring, valuing, investing in and managing forests, wetlands and foreshores for municipal service-delivery benefits, i.e., storm water management, drinking water filtration and coastal zone protection. This pattern can be transferred to business once accepted accounting standards are agreed, and insurability and valuation is codified.

Natural infrastructure assets play a role in climate resilience, and their contributions can be quantified in dollars and cents. In 2016, a framework was established by the Intact Centre on Climate Adaptation (University of Waterloo), Insurance Bureau of Canada and the International Institute for Sustainable Development to help assess this contribution[71].

Currently, public sector financial statements do not recognize natural infrastructure as assets. This practice will change once the prohibition in the CPA Canada Public Sector Accounting Handbook (Financial Statement Concepts, Section PS 1000, Paragraph 57), is modified.

Not only does this exclusion result in conservative financial reporting, it also means financial statement users cannot know the extent or value of natural infrastructure assets, and how they contribute to an entity's future ability to provide services. Financial statement users have no transparency concerning potential changes in the value of natural assets, and responsible investors no reliable measures.

If a business or a municipality has natural resources, such as wetlands, forests and ponds, it's prohibited from reflecting those as an asset on its financial statements. The municipality is also not required to report in its financial statements whether those natural resources have been damaged by pollution or natural disaster. This lack of transparency results in lower accountability for safeguarding natural resources[72].

The econometrics of this challenge are becoming better known, and an example additional to the above would include carbon sequestration – the ability of nature to capture carbon dioxide in the atmosphere – which slows down the rate of climate change – again demonstrating impact on Canadian businesses.

[71] Recent statistics suggest that the loss of natural infrastructure in Canada is already a pressing problem. In southern Ontario, an estimated 72% of the original wetlands have been lost to development (e.g., agriculture, urban sprawl and other land conversion). In Alberta, approximately 64% of the original wetlands in settled areas no longer exist. In BC, more than 70% of the original wetlands have disappeared in the lower Fraser Valley and parts of Vancouver Island, and an 85% wetland loss has been documented in the South Okanagan.

[72] As Canada advances its climate commitments made under the Paris Agreement, the United Nations' Sendai Framework for Disaster Risk Reduction, and the Pan-Canadian Framework on Clean Growth and Climate Change, it needs to revise its accounting rules to enable public sector entities to use natural infrastructure for climate change mitigation and adaptation. If it does not change its internal accounting rules, Canada's natural assets will continue to degrade and disappear – and the costs of climate catastrophes will continue to climb.

Many businesses continue to see green initiatives as corporate social responsibility rather than central financial operations. This confuses investors[73].

There is a strong interest in getting Canadian governments, private companies and standards bodies on the same accounting page as many international firms through the work of the Capitals Coalition[74]. A series of roundtables in Ottawa and Toronto are ongoing so that stakeholders can share information and best practices. This will allow more regular sharing of information and assist Canada to be represented in the work of the Capitals Coalition globally.

New reporting could include:

- New/updated Canadian accounting standards to measure and value natural resources
- Update regulations to balance environmental profit and loss against actual profit and loss
- Re-allocation of capital to incentivize investors to redirect investments in green-aware companies
- Working closely with the Capitals Coalition in the Impact Management Project, helping investors measure and report the impacts of their investments.

Investing in green infrastructure creates jobs. A European study recently concluded sustainable infrastructure projects create five jobs more per $1 million invested than traditional projects.[75]

Ecological habitat and water have implications for business, industry, commercial, residential and personal property and welfare. Who is entitled to use water, at what proportions and how land is valued and accounted remains under study. Many regulations, federally and provincially protect and identify those values. This ask is straightforward: appreciate and evaluate the wealth of natural assets. The practicality of this ask is complex with implications for the country's future economic health in both the private and the public sector.

[73] The Capitals Coalition is a global group – encompassing many larger companies, governments, international organizations and standards bodies – that shares knowledge from around the world, establishes global standards and advocates to convince the various players to synchronize their efforts. It has also developed a series of protocols that combine current thinking from different organizations. https://capitalscoalition.org/canadian-cities-are-counting-on-nature-its-paying-off/ October 21, 2017
[74] Mark Carney, UN Special Envoy Climate Action & Finance
[75] CPA Financial Statement Concepts, Section PS 1000, paragraph 57; and use the results of the International Public Sector Accounting Standard Board consultation paper 2022 results.

Recommendations

That the Government of Canada:

1. Support CPA Canada in revising their accounting rules to enable private and public sector entities to value natural infrastructure, particularly in the financial, agricultural and subsoil industries.

2. Work to ensure cooperation at an international level, and help establish universal standards, i.e., at the United Nations, the World Trade Organization and at regional trade forums which will benefit Canadian businesses.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Kelowna Chamber of Commerce

Supporting Organizations: Surrey Board of Trade, Penticton & Wine Country Chamber of Commerce, Peachland Chamber of Commerce and Greater Westside Board of Trade

39. Domestic Reclaimed Water Use

Description

Health Canada does have starting guidelines for domestic reclaimed water use in toilet and urinal flushing, however there is opportunity for increased water reuse for toilet flushing, irrigation, and industry among Canadian jurisdictions, increasing sustainability and reducing costs for business.

Background

In May 2001, British Columbia published a Code of Practice for the Use of Reclaimed Water[76], which serves as a key reference and guidance document for the use of reclaimed water in British Columbia and is designed to support the regulatory requirements prescribed in the Municipal Sewage Regulation. In 2002, it was stated that roughly three per cent of wastewater in B.C. is reused (Maralek et al, 2002) and reuse is a key component in British Columbia's water conservation strategy.

The Canadian Government released the Canadian Guidelines for Domestic reuse Water for Use in Toilet and Urinal Flushing in 2010, which to date is the only national guidance on water reclamation and reuse[77]. According to a 2020 report, BC is the only province with approved regulations on water reuse, and Alberta and Ontario have published guidelines on water reuse[78].

Statistics Canada indicates that grey water is a huge source of potentially reusable water[79]. Treated grey water can be reused for toilet flushing, irrigation, and industrial use. Currently there are no regulations to approve greywater recycling in most provinces and territories. Canadian statistics have shown that 35 per cent of the average household's water is considered grey water (showers and bath water). Thirty per cent of the average household water usage is for toilet flushing. Therefore, if the use of grey water were regulated, it could be reused for toilet flushing which conserves fresh water for other uses.

The Federation of Canadian Municipalities has stated that "flushing toilets with grey water can reduce household water use by up to 30 percent,"[80]while a 2011 Alberta WaterSMART report to the Alberta Government stated that "if greywater was reused strictly for toilet flushing in municipal homes, Alberta would conserve an estimated 59 million cubic metres of water a year, or up to 25 percent of all residential water consumption"[81].

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[76] https://a100.gov.bc.ca/pub/eirs/finishDownloadDocument.do?subdocumentId=3385
[77] https://www.ontario.ca/document/water-and-energy-conservation-guidance-manual-sewage-works/water-reclamation-and-reuse
[78] Van Rossum, T. Water Cycle, ISSN: 2666-4453, Vol: 1, Page: 98-103, 2020
[79] https://www.mcgill.ca/waterislife/waterathome/how-much-are-we-using
[80] https://fcm.ca/en/resources/gmf/case-study-guelph-tests-home-grey-water-recycling-systems
[81] https://watersmartsolutions.ca/wp-content/uploads/2018/08/Greywater-Recycling-and-Reuse-in-Alberta-2011

A residential greywater reuse study performed by the City of Guelph found that it was possible to save 16.6L of water per day per person “making more sustainable use of the groundwater supply”, and “reducing effluent going into the Speed River”. There was a high satisfaction reported from homes that were a part of the study, and little reported concern regarding grey water safety.

Recommendations

That the Government of Canada:

Work with all Provinces and Territories to encourage the use of domestic reclaimed water and storm water in toilet flushing, irrigation, and industry.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Camrose Chamber of Commerce

Supporting Organizations: Sherwood Park & District Chamber of Commerce

40. Helping Industries and Communities Transition to a Net Zero Economy

Description

Since the introduction of the federal carbon tax in New Brunswick, Ontario, Manitoba and Saskatchewan on April 1, 2019, businesses risk being unable to make the transition to a net-zero economy while remaining prosperous. Certain industries are more exposed to the impacts of a carbon tax due to a variety of factors, and as such they are at risk of subsidizing other communities and industries at the cost of investing in technologies that would reduce their own carbon footprint. This economic 'drainage' could result in a national failure to meet emissions reduction targets.

Background

On April 1, 2019, the federal carbon stop came into effect as a backstop measure in those provinces that did not have a carbon emissions reduction program in place: Ontario, Manitoba, New Brunswick, and Saskatchewan. The legislation imposes a price of fifty dollars a tonne in 2022 and is set to increase by fifteen dollars a tonne each year until 2030.

The Canadian Chamber of Commerce supports carbon pricing as a policy to combat climate change, but it must be implemented in a fair and effective way. The federal government's stated purpose of reducing the country's carbon emissions to combat climate change is an admirable goal, but the legislation, as designed, has gaps that could risk that end goal.

The federal government's current plan is to return the revenue collected under the carbon tax to families via a Climate Action Incentive Payment (CAIP), but this approach is misguided. The most effective way to reduce carbon emissions is not just to impose a carbon tax, but to use the proceeds of that tax to invest in technologies to help businesses move to a net-zero economy.

The industry is concerned that the carbon tax could be an economic drain for them. Businesses pay directly into the federal carbon out-put based pricing system, which acts as an additional cost of business at a time when our economic competitors are reducing regulatory burdens and corporate taxes.

Because there is no connection between what an industry or a region of a province pays into the carbon tax and the reinvestments of these proceeds, there is a likelihood that some industries and communities will see a net economic loss and others will see a net economic gain. In effect, there is a risk that those industries that are most exposed to carbon emissions may end up subsidizing those who are least exposed and ultimately failing to effectively curb the country's carbon footprint. The Government of Canada needs to commit to tying the reinvestment of carbon tax proceeds not just to the families in the province from where the tax was collected, but also to the region and the industries from whom it was collected to ensure the program does not penalize certain industries or regions and reward others at their expense.

Energy-intensive industries are at high risk of ‘economic drain’ and will require the dedicated support of the government to help reach the province’s emissions targets. These industries will pay significant fees for carbon emissions while facing major technological hurdles to reducing their carbon emissions – hurdles which will take millions of dollars and many years to overcome.

While they are paying these costs, there is a real risk that the proceeds from the carbon tax will be directed away from their industry and offer little support in the costly development of net-zero technologies. Energy-intensive industries may never be able to transition to a net-zero economy and may simply leave Canada or disappear, along with the jobs they provide. Government must also take into account the time necessary to research, develop, and implement emissions reduction technology. Government must ensure that exposed industries are able to develop and implement carbon reduction technologies by recycling revenues into these same industries.

The Canadian Federation of Independent Business states that businesses are expected to contribute 50 percent of the burden of the carbon price, but are only getting seven percent of the rebates. 90 percent of the federal carbon-tax revenue is going to individuals through income-tax rebates. Ottawa collected $719.8-million in fuel-charge revenue from Ontario, Manitoba, Saskatchewan and Alberta in fiscal 2019-20 and 2020-21 but just over 14 percent of that $719.8-million pool of money was directed to specific projects in those four provinces, with the remaining $618-million waiting to be spent in the future.

While the cost pass-through as a result of the carbon tax will be mitigated for sectors under the federal OBPS, the reduction in competitiveness pressures will not be as large as the tax rebate, and for some firms, it may not be reduced by much at all. Overall, the impact of the carbon tax will vary by sector. Sectors that are more trade-exposed are less likely to pass cost increases to consumers. These sectors (and the firms within them) have to absorb the added cost, which results in lower profits, undermined competitiveness, and loss of investment.

The carbon tax itself acts as a price incentive to develop net-zero technology, but it should also be accompanied by financial investments by the government to help innovation. For Canada to reduce its carbon footprint and meet its international climate change obligations, the federal government should prioritize investments in developing technologies to help the industry transition to a net-zero economy.

Recommendations

That the Government of Canada:

1. Direct a majority of the revenues from the carbon tax towards efforts that directly facilitate businesses' transition to a net-zero economy, such as investments in net-zero processes and technology; and

2. Ensure that carbon tax proceeds are reinvested proportionately back into the industries from whom they were collected to ensure those industries are able to transition to a net-zero economy

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Greater Sudbury Chamber of Commerce

Supporting Organizations: North Bay and District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce, Timmins Chamber of Commerce and Thunder Bay Chamber of Commerce.

41. Promoting Biodiesel Use in the Marine Sector as a Decarbonization Tool

Description

Canada has set decarbonization targets for itself, aiming to reach net-zero emissions by 2050. In order to do that, the transportation sector needs to do its part, including the marine sector. To achieve decarbonization in the maritime industry at the scale and speed required to meet the goals of the Paris Agreement, readily available solutions are needed to reduce greenhouse gas (GHG) emissions for existing shipping fleets, especially those operating in the Great Lakes and St. Lawrence Seaway, as well as on our coasts.

Background

Inland and coastal shipping are key drivers of the U.S. and Canadian economies. The Great Lakes-St. Lawrence River navigation system is an efficient, low-cost marine superhighway that connects our cities/towns and businesses to markets throughout North America and around the world. It supports the economic success of a bi-national region with a GDP valued at more than CDN$6 trillion. Marine-related industries also contribute significantly to the health, education and general prosperity of society through supporting well-paying, family-supporting jobs and making a significant contribution to taxes in Canada and the U.S.

Although shipping is already the most environmentally friendly mode of transport, producing less CO2 per tonne/km when compared to air, rail or trucking, it is necessary for this sector to account for its emissions footprint and to help the country meet its carbon-reduction commitments. One of the most promising solutions is already in the works.

Biodiesel is a drop-in fuel option for vessels that does not require retrofitting or major modifications to ships or infrastructure. This second-generation biodiesel is sourced in North America and is made from waste agricultural products and does therefore not affect food production or supply chains. It can power ships the same way as traditional fuels, but allows for a lifecycle basis reduction, which is the best method of measuring impact, of over 80% of GHG emissions. The fuel can also be delivered through existing supply and bunkering facilities.

As part of a commitment to the decarbonization of its ships, Canada Steamship Lines (“CSL”) launched its biodiesel demonstration program in 2019 with tests on the auxiliary engine of one vessel in its Great Lakes fleet.

In 2020, the program progressed to testing on the main and auxiliary engines of two vessels, and in 2021, trials were conducted on eight CSL Lakers.

CSL’s pilot project was successful in demonstrating the technical viability of biodiesel for existing marine engines and its efficacy as a transition fuel towards the decarbonization of the marine transportation sector.

Over the duration of CSL's trials, various grades of biodiesel were tested on bulk carriers and self-unloading bulkers on a range of engine loads and configurations. The fuel's Nitrous Oxide ("NOx") emissions were measured in accordance with EPA 7E, while sulphur content was measured in accordance with ISO 8754.

Emissions testing and fuel analysis was conducted at different bio-content concentrations to measure environmental compliance. In 2019, B50 fuel, a blend of 50% biodiesel and 50% marine diesel oil (MDO) was initially tested and increased to B80 fuel, a mix of 80% biodiesel and 20% MDO.

In 2020, the ships trials commenced with a B50 fuel, progressed to B80 and reached B100, which is pure biodiesel made of 100% bio-content second-generation biofuel. In 2021, eight CSL vessels used B100 continuously for a duration of five to eight months.

During each test, engine emissions were measured at 25%, 50%, 75% and 100% load according to their technical file, as well as at their normal operating loads to demonstrate a typical operation.

Throughout all of these tests, biodiesel has performed admirably well as an alternative fuel, making it an obvious choice to encourage the decarbonization of marine operations in Canada. However, some issues remain, which the Canadian government can contribute to eliminating.

Regulatory hurdles remain as biodiesel are not currently approved for marine use in Canada or the U.S., despite mounting evidence in their support. There have been strides forward, such as the testing protocol that allowed CSL to use biodiesel, as well as studies conducted by the U.S. Department of Energy Bioenergy Technologies Office, but both countries have yet to allow full use of these alternative fuels. And until that happens, it remains difficult for companies to plan for the necessary infrastructure investments required to make biodiesel truly accessible across the Great Lakes – Saint Lawrence shipping corridor.

Next, biodiesel need to be recognized as a key part of the country's marine decarbonization strategy that works with shipowners' needs and particularities, built by considering all of the particularities of the regions affected by inland water navigation. This should also include a national strategy for the production of Canadian biodiesel, where the crops used to produce this fuel could be sourced by Canadian refineries and transported by Canadian companies to their destination of use. However, to do so will require measures to compete with the U.S. biodiesel production industry, which benefits from generous tax credits and incentives.

Finally, and most importantly, there is the economic aspect. Biodiesel remain, depending on market fluctuations, up to three to four times more expensive than traditional fossil fuels used in the marine sector. In addition, it was observed that biodiesel has a slightly lower calorific value than traditional fossil fuel. This 9% - 11% difference was observed in all engine types and does mean that the cost to obtain the same power output as fossil fuels is slightly higher. The current transportation market, already seeing massive inflation, cannot absorb these various costs naturally. However, when weighed in with the significant decarbonization results, the case for a government-led credit system or subsidy becomes clear. Government has long been advocating for a greener future for the transportation sector, and this solution ticks all the boxes.

With the final publication of the Clean Fuel Regulations, a regulatory amendment would be required to include a 3x multiplier on the creation of marine carbon offset credits from the use of biodiesel. Thus, each carbon offset credit generated by the use of biodiesel would create, on a temporary basis, the equivalent of 3 carbon offset credits for sale under the CFR system.

This would give companies the ability to sell these additional carbon offset credits to generate the additional revenue needed to offset the additional cost of purchasing biodiesel, until prices reach a fairer level.

For all these reasons, biodiesel represents a viable means to reduce GHG emissions from shipping without a large capital investment from shipowners, and a way for Canada to develop a new industry. With the proper government-led measures in place, Canada can quickly, efficiently, and with minimal disruption move to this transitory solution and make the Great Lakes – St. Lawrence corridor the first low-carbon shipping region in the world.

Recommendations

That the Government of Canada:

1. Recognize that the use of biodiesel is a way to reduce lifecycle GHG emissions in the marine sector, and should be included as a solution in the government's upcoming marine decarbonization strategy;

2. Create a marine credit multiplier (3x) under the Clean Fuel Regulations, allowing for GHG offset credits produced by marine companies to be worth more, in turn allowing them to compensate the extra price of biodiesel with no cost to the government; and

3. Implement a tax credit of at least $0.35 / litre for biodiesel production, in order to rival the system currently in place in the U.S. and attract biorefineries to our side of the border, eventually leading to an increased production and diminished cost.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Chambre de commerce du Montréal Métropolitain

Supporting Organizations: Fédération des chambres de commerce du Québec

42. Ensuring the Future of Canadian Oil and Gas

Description

Canada has an abundance of natural resources that generate direct wealth for Canadians through production and export. Increasingly, these commodities represent a large contribution to Canada's economic growth; however, Canada still spends $20 billion or more on oil imports annually. Access to markets for commodities, specifically oil and gas, represents a significant obstacle in Canada's ability to secure a competitive position in the global economy. Further, failure to develop these projects leads to negative impacts on Canadian businesses and ultimately their families.

Background

The Canadian oil and gas industry employs 399,000 workers across the country[82]. In January 2022, approximately 146,000, or 6.3% of workers in Alberta, were directly or indirectly employed in the forestry, fishing, mining, quarrying, and oil and gas extraction sector[83].This production generated an average of $209 billion between 2018-2020[84], which in turn funded many public services. This highlights the importance of the oil and gas industry for the wellbeing of Canadians. For every 1 job created in the oil sands, 1 indirect and 1.5 induced jobs are created throughout Canada[85].The significant drop on oil prices beginning in 2013 has left Canada in a vulnerable position.

Traditionally, the United States has been Canada's largest buyer, but their supply surplus has positioned them to energy independence and exportation. What this means is that Canada is finding itself in an increasingly competitive relationship with its biggest trade partner. In fact, in 2010 Canada imported only 6% of its oil from the United States, that number jumped to over 60% in 2015 and 77% of the share of total oil imports in 2020[86].

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[82] Canadian Association of Petroleum Producers. "Frequently Used Statistics, November 2021"" accessed February 21, 2022, https://www.capp.ca/wp-content/uploads/2021/12/Frequently-Used-Stats-Nov-2021.pdf
[83] Alberta Government. "Alberta Labour Force Statistics January, 2022," accessed February 21, 2022. https://open.alberta.ca/dataset/87e357cd-b3eb-4cf1-8171-35dc8a0c58f9/resource/16202e0c-2d79-4f23-ac48- 2ba8e14d4d74/download/lbr-lfs-package-2022-01.pdf373 Canadian Association of Petroleum Producers.
[84] https://www.capp.ca/wp-content/uploads/2021/12/Frequently-Used-Stats-Nov-2021.pdf
[85] Jeff Gaulin, "The State and Future of Canadas Oilsands" Canadian Association of Petroleum Producers Presentation to Lethbridge Chamber of Commerce, April 28, 2016.
[86] Market Snapshot: Crude oil imports decreased in 2020, and so did the cost https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2021/market-snapshot-crude-oil-imports-decreased-in-2020-and-so-did-the-cost.html#:~:text=The%20bottom%20chart%20shows%20the,the%20remainder%20from%20several%20others

Regardless of its current price of oil, Canada still has to sell its oil and gas at a discount due to the lack of market access[87]. This equates to $18 or $19 billion that could otherwise be gained by selling directly to the Asian-Pacific market. Loss of this revenue puts severe pressure on all Canadians, as evidenced by job losses and strain on social services currently being experienced across the nation.

Despite economic uncertainty, Canada has been unable to complete and major pipeline projects. In particular, Trans Canada's Energy East and Mainline projects were cancelled due to significant regulatory hurdles. Moreover, despite receiving the necessary regulatory approvals, Canada's remaining pipeline projects, Line 3 Replacement Project, and the Trans Mountain expansion have all faced delays related to market uncertainty, environmental regulatory concerns, and political opposition[88], with the Keystone XL project being cancelled in its entirety by the US Government, leaving up to 900,000 barrels of Canadian oil per day without market access.

A key piece of critical infrastructure that has construction underway is the Trans Mountain Expansion Project (TMEP). The pipeline runs from Edmonton to the west coast, and is a key component in getting Canadian oil to tidewater – and ultimately to international markets. Total tax and royalty payments from the construction and operation of the first 20 years of TMEP will total $46.7 billion to Canada, with $5.7 billion to B.C., $19.4 billion to Alberta, and $21.6 billion to other provinces and territories[89]. This will bring 58,000 person-years of employment, with the majority of these being well-paid family supporting jobs.

On February 22, 2019, the National Energy Board released its report supporting the Trans Mountain pipeline expansion. However, construction delays due to regulatory hurdles and Covid-19 have seen this project's budget increase nearly $10 billion[90], and the "in-service" date moved from 2019 to 2022, and now 2023.

[87] DIFFERENTIALS EXPLAINED: WHY ALBERTA CRUDE SELLS AT A DEEP DISCOUNT https://www.oilsandsmagazine.com/market-insights/crude-oil-pricing-differentials-why-alberta-crude-sells-at-deep-discount-to-wti
[88] Fraser Forum. "Cost of cancelling Trans Mountain could be staggering," accessed April 16, 2019, https://www.fraserinstitute.org/blogs/cost-of-cancelling-trans-mountain-could-be-staggering
[89] Canadian Energy Centre "A Matter of Fact: Seven reasons the Trans Mountain Pipeline Expansion is good for Canada" https://www.canadianenergycentre.ca/seven-reasons-the-trans-mountain-pipeline-expansion-is-good-for-canada/#:~:text=Conference%20Board%20researchers%20found%20that,by%20the%20rest%20of%20Canada.
[90] Trans Mountain expansion is running over budget by billions of dollars and months behind schedule https://financialpost.com/commodities/energy/oil-gas/trans-mountain-expansion-running-over-budget-by-billions-of-dollars-and-months-behind-schedule#:~:text=CALGARY%20%E2%80%94%20After%20facing%20interruptions%20caused,completed%20this%20year%20as%20planned.

Ultimately, in an increasing competitive global oil and gas market, Canada needs to take action. The United States has moved from becoming a reliable customer, to seeking energy independence through exportation of oil to international markets, particularly Canada. This is why Canada needs to develop its own reliable infrastructure to make sure all Canadians have access to a stable supply of oil.

Recommendations

That the Government of Canada:

1. Prioritize supplying all Canadians with a secure and stable source of Canada's natural resources; and,

2. Support projects which ensure market access, whether national or international, for Canada's natural resource.

Endorsements

The Natural Resources and Environment Committee abstains from endorsement of this resolution. While the Committee supports its intent, the Committee abstains since support for the oil and gas industry has been well articulated in recent resolutions such as: (1) Canada-US Energy Relations, Supplies and Infrastructure; (2) Improving Competitiveness, Connectivity and Market Access by Creating a National Infrastructure Corridor; (3) A Resource Sector Driven Recovery; (4) A Path Forward for Canadian Energy; (5) The Importance of a Canadian Natural Resource Dialogue.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Lethbridge Chamber of Commerce

Supporting Organizations: Fort McMurray Chamber of Commerce

43. Supporting the Transition to Net Zero Through Electrifying Infrastructure and New Skills Development

Description

The move to net zero will require unprecedented investment in the electrification of all sectors of the economy and require new ways to retrain and develop the workforce of the future. Ignoring the role strategic policy plays in taking advantage of the opportunities for global leadership and competitiveness in achieving net zero can result in catastrophic economic implications for Canada.

Background

The recently published Canadian Energy Outlook 2021 – Horizon 2060, produced by the Institut de l'énergie Trottier, sums it up plainly: "Massive electrification is required to reach net zero" (Langlois-Bertrand et al., 2021, p. 149).

Accompanying the net-zero emissions imperative is what Mark Carney, the former governor of both the Bank of Canada and the Bank of England and now UN Special Envoy for Climate Action and Finance, has described as "the greatest commercial opportunity of our age" (Bloomberg News, 2020). The flip side of this is the risk of inaction: failure to do our part to tackle climate change resulting in businesses and an economy that are rendered less competitive.

The transition to a net-zero economy is expected to have a significant impact on the labour market in Canada and while approximately 75%—will not be directly affected by decarbonization, as these jobs are in sectors that are neither energy-intensive nor GHG-intensive (e.g., retail, finance, healthcare, education, and services) about 90% of the world's economy is covered by net-zero emissions targets (Net Zero Tracker, 2022).

Jobs will grow in clean energy sectors irrespective of the pathway that Canada takes to decarbonize and the workers who take up these jobs will require a breadth of technical and non-technical skills. Electrification of the economy will require identifying these skills and facilitating the task of preparing the workforce to acquire them and easing their transition from one set of jobs to another.

In the study Canada's Electrification Advantage in the Race to Net-Zero: Five catalysts to accelerate business electrification, May 2022, Institute for Sustainable Development, https://www.iisd.org/system/files/2022-05/ several opportunities and challenges are identified and assesses in detail.

The opportunities are described generally in the four sector briefs for (1) scaling up clean electricity, (2) heating commercial and institutional buildings, (3) electrifying medium-and heavy-duty vehicles, and (4) electrifying the manufacturing, mining, and construction industries. The most significant being the scaling up and the key barriers to business electrification.

Key Barriers to Business Electrification

Despite a clear value proposition—reduced GHG emissions and, in many cases, lower operating costs—clean electrification is not yet happening at the pace and scale required, in large part because private sector leaders are encountering barriers. Informed by our research and interviews, business leaders have identified three broad, crosscutting barriers to electrification:

1. A chicken-or-egg dilemma—or in electricity terms, a "plug-or-socket" dilemma: what comes first, new electricity demand (the plug) or new electricity supply (the socket)? In some parts of Canada, prospective consumers who are seeking to electrify and electricity utilities and system planners are each typically waiting for the other to move first. As a result, neither is moving. For both, uncertainty around whether—and when—the other will follow through presents a material risk of wasted resources. Meanwhile, in other parts of Canada, there is an abundance of new demand identified, but the supply must catch up and faces long lead times. Electrification will be stalled or stunted unless clarity and commitment to plan for both supply and demand are aligned.

2. Uncertainty around policy direction: Canadian businesses are interested in taking climate action but are holding back on major investments until the long-term policy signals are more certain. These signals include promised regulations that have yet to be implemented but also existing programs and policies that are not considered "sticky" by corporate Canada. For example, the federal carbon price is heavily discounted by many businesses to account for the risk that the price will not rise as quickly as planned or could be removed altogether by a future government.

3. The allure of "wild cards" over "safe bets" (as defined by the Canadian Climate Institute [Dion et al., 2021]): Perhaps because it is a "safe bet," electrification is not garnering the near-term attention and support required to fulfill its potential and start delivering emissions reductions. Instead, political attention and public investment are largely distracted by and focused on "wild card" technologies that, while needed to help reach the final stages of the transition toward net-zero, are both more uncertain and incapable of delivering the bulk of near- to mid-term emissions reductions.

Unlike other sectors, Canada's electricity sector operates in provincially defined and tightly regulated markets, with varying degrees of vertical integration and private sector participation. In addition, potential beneficiaries of electrification are spread across multiple sectors and business types. This fragmentation contributes to another overarching challenge that spans all three of the broad barriers described above: the absence of a clear champion for clean electrification.

Electrification, Jobs and Skills in the Transition to a Net-Zero Economy

Decarbonization will directly affect jobs through various channels and is impacted by the potential for massive electrification initiatives such as changes in production modes and technologies: changes in demand patterns: changes in macroeconomic conditions: changes in international trade.

These changes are discussed in the study “Jobs and Skills in the Transition to a Net-Zero Economy” conducted by The Diversity Institute, Future Skills Centre and the Smart Prosperity Institute. While the study is broad in nature it is highly applicable when considering the electrician requirements into 2050 and what will be required to ensure Canada’s competitiveness in a highly competitive labour market.

While the impact on the demand for skills is still unclear. Studies conducted over the years conclude that jobs in a decarbonized economy, new and old, will vary in their skills requirements. Most jobs will require a mix of generic skills associated with familiar occupations (project management, problem solving, mathematical skills). Some new net-zero jobs will emerge, which will require new combinations of skills (e.g., technical skills in renewables combined with communication skills) (OECD, 2012).

There is a growing consensus on the benefits of transitioning to a net-zero economy beyond simply controlling global temperature rises. These are often referred to as co-benefits, and a significant one is job creation. Jobs are created through a net-zero transition as a result of changes in technologies and demand, modes of production, macroeconomic conditions, and international trade. While the transition’s overall impact on jobs is expected to be positive, it will be spread unevenly across sectors. The business case for a decarbonized economy rests on the successful transition of workers from jobs expected to disappear to those that will emerge and grow. The questions that follow have to do with how these changing jobs across sectors will affect the demand for skills and how policy-makers should respond by creating skills policy that enables clean and resilient growth across a range of net-zero emissions futures.

Between 2015 and 2019, jobs in the environment and clean technology (ECT) sector in Canada increased from 313,250 to 338,695 (average annual growth rate of 1.97%), making up approximately 1.8% of all jobs in the country. Out of these, the largest chunk (22%) of these jobs was in the utilities sector, predominantly in electric power generation, transmission, and distribution. This was followed by the engineering construction sector with 19% of jobs, the services sector with 15% of jobs, and the manufacturing sector with 12% of jobs (Statistics Canada, 2021).

The employment trends in the ECT sector are driven by a range of technical, economic, and policy factors. Technological innovation is a major factor as it improves efficiency, lowers costs, drives usage, and ultimately changes jobs and skill requirements (IRENA, 2018). However, the impact of technological innovation on jobs and skills is not uniform and varies across sectors.

Technology and policies drive the demand for jobs and skills. The supply is mainly determined by the strength of institutional frameworks and skills ecosystems. The jobs and skills relevant for a net-zero economy are still being identified as climate policies translate into investments. Training institutions are only beginning to understand the implications of transitioning to net-zero economies and need to respond by changing their curricula and skills training initiatives to a greater extent than they have done so far (Martinez-Fernandez et al., 2013).

This cannot happen without Indigenous communities at the table from the beginning, as net-zero projects will be located on Indigenous lands, and net-zero policies will directly impact Indigenous rights and title. Indigenous communities have long understood the urgency of climate change and spoken out, drawing upon the first-hand experience of its impacts. While historically excluded from project development and ownership, Indigenous communities have become leaders in developing clean energy projects as proponents and through equity partnerships. Consequently, Indigenous leadership and knowledge in sustainability, land management, and clean power projects will prove essential to achieving net-zero in a manner that respects Indigenous rights and ensures that projects benefit from free, prior, and informed consent, as set out in the Declaration on the Rights of Indigenous Peoples, and advances reconciliation (Von der Porten et al., 2022).

Recommendations

That the Government of Canada:

1. Take on the leadership role in convening the premier's and spearhead the development and implementation of a national electrification strategy as a central element of achieving a prosperous and equitable net-zero economy. Which would then in turn be reflected in provincial climate action plans, understanding that the optimal approach to electrification will very from province to province.

2. Seek out business, Indigenous, and political leaders to step up as climate action leaders and electrification champions to capitalize on Canada's electrification potential

3. Coordinate action by policy-makers, educational institutions, and employers as needed to support as smooth a transition as possible of workers from one set of opportunities to another.

4. Adopt the principles of action as laid out in study "Jobs and Skills in the Transition to a Net-Zero Economy" conducted by The Diversity Institute, Future Skills Centre and the Smart Prosperity Institute with a focus on electrification.

• Policy Action 1: Develop a net-zero aligned career roadmap based on bridging labour market information and data gaps.

• Policy Action 2: Design reskilling and upskilling programs that respond to changing demographics, including provincial programs for workers in transition.

• Policy Action 3: Create training programs that emphasize the importance of social and cognitive skills for future work.

• Policy Action 4: Foster a skills ecosystem that is based on a set of horizontal and vertical partnerships and that mainstreams green career considerations.

• Policy Action 5: Create mechanisms that support workers through a net-zero transition.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Sault Ste. Marie Chamber of Commerce

44. Critical Minerals – Critical for Everything from Batteries to National Security

Description

As countries weathered waves of infections owing to the pandemic, resources were stretched thin, and industries were halted due to government-mandated shutdowns. Canada urgently needs a trade and economic strategy for our own critical mineral deposits. Building our domestic production capacity by expediting projects, like the Ring of Fire, is essential to reduce our vulnerability to supply shortages in times of crises.

New technologies require base metals—for example, copper for electrification and nickel for battery EVs - resources that are critical to the transition to a net-zero economy. Canada is well positioned to support investments that amplify the development of Canada's Critical Minerals Strategy and the battery value chain.

Background

Critical minerals are the building blocks for the clean and digitized economy. Canada's critical minerals are essential to Canada's economic security, required for Canada's transition to a low-carbon economy, and a sustainable source of critical minerals for our partners.

They are essential for everything from sensors, fuel cells, electric vehicles, microwaves and magnets to smart missiles and air pollution controls. The uses of critical minerals are limitless and as we develop more sophisticated technology, they will become more essential to everyday life.

From the 1960s until around 1985, the United States was the world's largest producer of REE, with all production originating from the Mountain Pass mine in California. Starting in the mid 1980s, China began REE mining and extraction operations and became the largest contributor to global REE production. By the 2010s, China was producing nearly 85% of the world's supply of REE and supplying 95% of processed REE.[91]

There were 10 active REE mining operations in 2017 (table 1).

https://businessinsurrey.com/wp-content/uploads/2022/06/Picture@.png

On July 31, 2021, a US working group discussed the implementation of President Biden and Prime Minister Trudeau's commitment to strengthen cooperation on critical minerals supply chains[92]. To further North American relations, incentives on purchasing critical minerals from Canada must be in place.

[91] Bradley S. Van Gosen, Philip L. Verplanck, and Poul Emsbo, Rare Earth Element Mineral Deposits in the United States, U.S. Geological Survey, Circular 1454, 2019, p. 4, https://doi.org/10.3133/cir1454.
[92] https://www.state.gov/united-states-and-canada-forge-ahead-on-critical-minerals-cooperation/

While a joint action plan is important because of the level 52% of Canada's mineral and metal exports are to the United States[93], Canada must strengthen its own supply chain and ensure that it remains competitive with other nations, especially as minerals can be used as leverage in trade disputes[94].

Capturing the Battery Value-Chain

The joint venture between LG Energy Solution, Ltd. (LGES) and Stellantis N.V. will invest more than CDN $5 billion (USD $4.1 billion) to build a facility in Windsor to manufacture batteries for EVs in Canada, representing the largest automotive manufacturing investment in the history of the province. FVT Research Inc., a Vancouver area manufacturer of battery-electric drive systems vehicles that are five tons and heavier for mining equipment, garbage trucks, transport trucks, and transit buses, competes with US-based firms operating under the Biden "Buy America" policy. Peter Xavier, Vice-President of Glencore's Integrated Nickel Operations in Sudbury knows it is not just a nod toward being more environmentally tuned in, it is also something that makes good economic sense.

The importance of creating the right policy environment for investment in these opportunities is mission critical to Canada's economy and harnessing the value-added economics of natural resource development while being global leaders in environmental sustainability and leading climate change innovation.

Green technologies will need hefty amounts of rarer metals, such as lithium and cobalt for batteries, tellurium for solar panels, and neodymium for the permanent magnets used both in wind power generation and EVs. The required pace of transition means that, for some of these commodities, we will soon need ten times or more than is available today. This resource demand and Canada's abundance of supply to support decarbonization gives Canada the potential to generate significant economic opportunity and first mover competitive advantage in the battery value chain if action is taken immediately.

Battery cell manufacturing, the most important step in the battery value chain, is estimated to account for up to 40 percent of battery-industry value creation by 2030. Manufacturers are investing billions of dollars in new battery-cell plants. If demand for battery cells grows at about 30 percent per year, the equivalent of about 90 additional gigafactories, as we know them today, will be needed in the next ten years worldwide.

Challenges include securing funding, carrying out a billion-dollar project on budget, recruiting the right talent, and training hundreds of workers. Other potential issues include securing the capacity of capable machinery producers as well as qualifying and developing a supply chain.

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[93] https://www.wilsoncenter.org/sites/default/files/media/documents/article/our_growing_dependence_on_critical_minerals2.pdf

[94] https://www.cbc.ca/news/business/china-us-rare-earths-1.5154338

There are already six or seven at-scale cell manufacturers with ten or more years of track record and significant volumes and plants in several countries. Customers want options for sourcing batteries, but generally, no more than three or four, so ten to 15 suppliers should suffice to supply the global market. Since more than 15 players have already announced their intention to begin cell manufacturing in Europe alone, we expect the industry to consolidate.

Companies face a variety of obstacles in the race to scale, but they can overcome those challenges using the following strategies.

- Become a low-cost producer
- Recruit skilled workers
- Secure raw-materials supply
- Improve product sustainability
- Form partnerships with customers

Regulatory Hurdles and Investment Opportunities for Mining

The Ring of Fire is a mineral resource-rich area of approximately 5,120 km2 located in the James Bay Lowlands region of Northern Ontario. Since the early 2000s, significant deposits of copper, zinc, nickel, platinum, palladium, vanadium, and gold, along with the first and largest deposit of chromite in North America, have been discovered. These critical minerals can play a key role in positioning Canada as a global supplier of choice. This project aligns with the Government of Canada's Critical Mineral Strategy.[95] Based on current projections, the Ring of Fire is estimated to hold more than $117 billion in geological riches[96], with deposits being significant enough to sustain activity for 100 years.[97]

The Ring of Fire may be a Northern Ontario or Ontario project, but it should be a Canadian priority as it will have far-reaching impacts across the nation. In the first 10 years of the Ring of Fire development, all levels of government stand to increase their tax revenues by nearly $2 billion, with the federal government projected to accrue between $870 to $940 million[98], in addition to further royalties that may be applicable with new mineral extraction. In the long term, the federal government is expected to receive $2.89 to $3.25 billion in taxes from the Ring of Fire.[99] It is estimated the Ring of Fire will sustain over 5,500 full-time equivalent jobs annually within its first 10 years, and will significantly increase the GDP and economic activity in multiple sectors.[100] While the mining and mining supply sectors will greatly benefit, the Ring of Fire will also generate economic opportunities within the manufacturing, construction, utilities, wholesale/retail, trade, and financial services sectors, among others.

95 https://www.nrcan.gc.ca/our-natural-resources/minerals-mining/critical-minerals/23414
96 https://www.thesudburystar.com/news/local-news/column-stalled-ring-of-fire-worth-more-than-117-billion
97 "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 1.
98 "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 15.
99 Ibid.
100 "Beneath the Surface," Ontario Chamber of Commerce, 2014, pg. 1.

The polymetallic deposits are of global significance and have the potential to enable the diversification of Canadian exports; a current goal of both the federal government and the business community.

It has been more than a decade since its discovery, but progress on infrastructure development remains slow, development timelines are uncertain, private sector investors are increasingly frustrated, and the region's peoples face significant social and economic hurdles. Currently, there is a moratorium on mining development until a "broad and deep" terms of reference for the environmental assessment has set the stage for a "robust investigation."

However, there are opportunities on which to capitalize. The Ring of Fire is in direct alignment with the federal government's objectives such as the Critical Minerals Strategy, raising the living standards of Indigenous peoples and involving them more genuinely in resource development.

Now is the time for the federal government to scale up efforts and work with the Government of Ontario, Indigenous groups, industry, and community partners to capitalize on the opportunity and advance this project forward.

Climate change policy impacts off-grid mines in a substantial way. These off-grid mines currently use diesel power because they cannot easily access or implement net-zero technology to meet climate targets due to financial or logistical constraints. The majority of Canadian nickel and cobalt is currently extracted at off-grid mines. These mines are hit first and hardest with carbon caps, which will negatively impact these mines making them uncompetitive in the global sector.

Recommendations

That the Government of Canada:

1. Working with the Indigenous communities, Provinces, and Territories, develop a strategy to enable the development of critical mineral extraction projects and refining processes, including permitting, tax, and regulatory measures to support the development of this sector, specifically expediting environmental reviews and approvals related to the Ring of Fire project;

2. Actively promote the Ring of Fire, along with other mining projects, in the global arena as a trade and investment opportunity through Global Affairs Canada

3. Facilitate value-chain collaborations through industry forums, and encourage talks between the mining sector, electric vehicle producers, and cell manufacturers as it relates to the batter value-chains;

4. Invest in research and educational institutions to develop talent and advance technology;

5. Attract cell manufacturers by establishing proactive public policies and working with the provincial and municipal governments and First Nation communities, to develop a fast-track process for permitting and land leasing;

6. Reduce capital limitations in entering the battery value chain by working with all levels of government, First Nations, lending institutions, venture capital markets, and angle investors;

7. Explore with the United States the possibility for joint purchasing and stockpiling of critical minerals and create partnerships in the batter value chain; and

8. Create a level playing field for mines that cannot access electricity grids and create different climate change targets.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Surrey Board of Trade, Sault Ste. Marie Chamber of Commerce and Greater Sudbury Chamber of Commerce

45. Adapting the Federal Disaster Financial Assistance Arrangements (DFAA) Program to Address Climate Change

Description

Seeking to make changes to the Disaster Financial Assistance Arrangements (DFAA), administered by Public Safety Canada (PS).

Background

One of the most visible consequences of a warming world is an increase in the intensity and frequency of extreme weather events, resulting in increased costs and the inability to access insurance in “high risk” areas.

In the event of a large-scale natural disaster, the Government of Canada provides financial assistance to provincial and territorial governments through the Disaster Financial Assistance Arrangements (DFAA), administered by Public Safety Canada (PS).

Insurance companies are raising premiums as a result of elevated claims in the past couple of years, due to climate change. This is a continuation of a trend in the insurance industry of what experts call a "hardening" of the insurance market. There is an opportunity for the DFAA program to tackle this global issue in an innovative and responsible manner.

Through the DFAA, assistance is paid to the province or territory – not directly to affected individuals, small businesses or communities.

Since the inception of the program in 1970, the Government of Canada has contributed more than $6 billion in post-disaster assistance to help provinces and territories with the costs of response and of returning infrastructure and personal property to pre-disaster condition.

A recent report released by the United Nations, confirms that climate-related disasters jumped 83 percent — from 3,656 events during the 1980-1999 period to 6,681 in the past 20 years,

Natural Resources Canada released a new report that attempts to address a question that’s being asked with more and more frequency: what is the economic impact of climate change? In 2020, severe weather caused $2.4 billion in damage in Canada, the fourth highest on record in nearly four decades, Over the past 40 years, a Public Safety Canada report from 2020, estimated that damages from extreme weather events in this country has cost the economy roughly $31 billion,

Insurance works by pooling together the resources of a large number of people who have similar risks into a “collective pot”. Single individuals in this arrangement can make larger withdrawals than they paid into the pot if they experience a major event and need coverage.

The key thing to be aware of is that, in any given year or region, if more money is coming out of the “collective pot” through claims, or less people are putting money into the pot (deciding not to buy insurance), then the amount of money the remaining individuals need to put into the pot (premiums) has to go up. Otherwise, the system isn’t sustainable and insurance providers can’t offer coverage without going out of business.

As climate change increases the frequency and intensity of natural disaster events, insurance has become a growing challenge for communities in “high risk” areas.

Between 2009 and 2020, Canadian insurers spent an average of $2 billion annually on losses related to natural catastrophic events —this is in excess of a 400% increase when compared to the annual average paid out from 1983 to 2008, according to the Insurance Bureau of Canada (IBC).

Insurance companies are raising premiums due to these elevated claims. This is a continuation of a trend in the insurance industry of what experts call a "hardening" of the insurance market. This occurs when there is high claims activity and policies are harder to come by. We've been in a hardening market since 2019 due to these issues.

Increased risk tied to climate change can also affect the supply of insurance available given market. As insurers weigh their risk exposure globally, they may pull out of “high risk” areas, which can result in decreased competition, higher prices and less choice for both property owners and businesses needing insurance. This can lead to areas in the province where insurance simply unavailable.

One challenge with a program such as DFA, is that one does not want to create an incentive for individuals to not purchase insurance coverage, because they know they have DFA as a fall-back for “free”. The result, as discussed earlier, is that as less people purchase insurances, the premiums for the remaining individuals increases and becomes more difficult to access. This is a self-fulfilling snowball effect which will only make the situation worse.

Countries around the world are trying to tackle this same issue and are implementing a wide variety of approaches ranging from private or public insurance which is either voluntary or compulsory. Every possible combination of these options is in force somewhere.

The experience in other countries, particularly the United Kingdom and the United States, suggests that the solution is for insurance in high-risk areas to be subsidized—either by low-risk policy holders, as in the United Kingdom, or by government, as in the United States.

To provide a clear example, in BC we are starting to see the results of these scenarios, where insurance has become so costly in some areas that many property owners and businesses opt to do without. This issue could be addressed by making insurance coverage uptake high as possible in areas of high risk. This would result in lower overall premiums for everyone living in these high risk areas. This could be achieved through the development of a government grant program for property owners in high-risk areas to help offset the high cost of insurance and incentivize individuals to purchase it. This grant program could be something akin to the BC Home Owner

Grant. Although a grant program such as this would cost government funding dollars, it would also offset the costs associates with DFA payouts.

Referencing the latest Statistics Canada Census data (2016), focusing on private dwellings in BC, specifically the numbers of dwellings which are "occupied by usual residents" (not recreational properties), we get a sense of the number or primary dwellings in BC.

This data can be subdivided it by "Census subdivision type" which enables us to eliminate Cities, District municipalities, Towns and Reserves – which are virtually all covered by some fire protection or are Federal property. In theory this leaves us with a good estimate for the number of dwellings which do not have fire protection (some of these areas could have fire protection, but we will leave them in to be conservative).

If we then assume a 75% program uptake and a grant of $1,000 per dwelling – which should cover a substantial portion of a fire insurance policy.

Here is a summary of the calculations:

Total: Private dwellings occupied by usual residents, 2016: 69,019

Insurance "grant" value: $1,000.00

Percentage of uptake: 75%

Total Program Cost: $51,764,250

Total estimated Small Businesses not located in fire protection areas: 19,202

Insurance "grant" value: $1,000.00

Percentage of uptake: 75%

Total Program Cost: $14,401,811

Recommendations

That the Government of Canada:

Update the DFAA Program, to allow Provinces and Territories to apply for funding to create a new grant program for property owners in high-risk areas to help offset the high cost of insurance and incentivize individuals to purchase it.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Kamloops Chamber of Commerce

46. Align the Species at Risk Act to Respond to Regional Biodiversity Conservation Needs

Description

As Canada’s natural resource industries strive to be responsible, constructive partners in achieving national biodiversity objectives, alignment and coordination with federal, provincial, and territorial, as well as land use ministries, as proposed in the National Accord for Species at Risk, is essential.

Background

Stakeholders within the natural resource industries have raised concerns with respect to the Species at Risk Act (SARA), noting that it is not delivering positive outcomes on the ground[101] and creates overlap with current provincial or territorial regulations. While each province and territory have their own approach to managing endangered species and have jurisdiction over the vast majority of crown lands in Canada, SARA adds another complication because the Federal government now has the ability to intervene if it feels provinces are not doing an adequate job of protecting endangered species. We see this now in the Peace Region of B.C for caribou. The science on caribou conservation appears to be oversimplified (one solution fits all) creating unreasonable approaches from one part of the country to the next.

To provide an example, there exists three pieces of legislation in Ontario and three separate ministries that oversee endangered species including the Crown Forest Sustainability Act (CFSA) under the Ministry of Natural Resources, the Endangered Species Act under the Ministry of the Environment, Conservation and Parks (MCEP), as well as the Federal Government’s SARA. The CFSA seems to be the best approach as it targets managing large landscapes over time and space. By ensuring we have the natural distribution of habitats on our forests for the long run, this provides the best opportunity to ensure habitat for as many species as possible.

The ESA in Ontario focuses more on individual species than on habitat. This leads to conflicting goals - even between endangered species. For example, whip-poor-will requires a younger conifer forest while caribou want older forests. The CFSA approach accommodates this by providing a diversity of habitats better.

Incorporating Indigenous knowledge also appears to be very limited based on our experience in NE Ontario - especially when it comes to identifying range boundaries for caribou.

[101] Natural Resources Canada, “Implementing Ecosystem-based Management Approaches in Canada’s Forests”, 2008.

In addition to this, forestry companies are faced with job loss, mill closures, and reduction in total industry wood supply requirements in staggering numbers. Impacts in caribou-specific regions have already seen a direct or indirect job loss between 278 to 2837 positions. Furthermore, the expected reduction in provincial Gross Domestic Product ranges from $27 million to $166 million and reduced tax revenue between $16 million and $166 million in these respective regions. Figures that are echoed by forestry industries in other provinces[102].

https://www.saobserver.net/news/chambers-warn-of-job-loss-due-to-backcountry-closures-for-caribou/

Encouraging sustainable development projects means adopting an effective approach to optimizing environmental, social, and economic priorities on the landscape that reconciles the needs of conservation of biodiversity and ecosystem function with that of resource development, community priorities, and the needs of other land users[103].

Under SARA, the Committee on the Status of Endangered Wildlife in Canada is required to assess species at risk[104] however, the process of listing a species is discretionary[105]. Planning for conservation should be done at the landscape level and should ensure that all values of the land are understood and considered in decision making.

Currently, industries are struggling to accept the application of a single-tool approach taken by government to achieve broad conservation objectives. Given that biodiversity and ecosystem functions are dynamic and occur over a great expanse, industry has little confidence that an overreliance on protected areas of fixed location and size would effectively achieve the broad conservation objectives identified.

Resource industries continue to demonstrate resource stewardship vital to our nation's economy, for industries maintaining market access, and job creation[106]. These efforts should be designed to foster trust and cooperation between governments and stakeholders and that solutions be pragmatic.

The current process under the Canadian Environmental Assessment Act is structured to assess only large, clearly defined projects such as proposed mines, rather than the cumulative effects of human and other industrial activities in a given region[107]. The result of which means projects being delayed or shelved.

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102 https://vancouversun.com/opinion/columnists/vaughn-palmer-john-horgans-lack-of-consultation-with-industry-concerns-west-fraser-boss
103 Ibid.
104 Species at Risk Act, SC 2002, c 29, s.14 [SARA].
105 Ibid.
106 https://www.ourcommons.ca/DocumentViewer/en/37-1/ENVI/meeting-9/evidence
107 https://www.pdac.ca/docs/default-source/priorities/public-affairs/cmif-emmc/cmif-brief-2018-emmc-final-en.pdf?sfvrsn=cfc08598_0

SARA's scope, which disproportionately focuses on mining and forestry industries, creates delays and uncertainty for projects in regions where species listed under SARA or their habitat are found on provincial Crown land[108]. In addition, SARA does not yet have a full suite of compliance tools, policies and coordination mechanisms for effective implementation.

A specific concern related to the Species at Risk Act is primarily related to caribou, and the arbitrary 35 percent cross-nation disturbance threshold-- a further disadvantage to industry with little evidence to support[109]. The Species at Risk Advisory Committee and the National Boreal Caribou Knowledge Consortium are important fora for exploring solutions with other industries, civil society and Indigenous partners, however the current approach fails both caribou and industry[110]. Some challenges are compounded by the lack of long-term compliance under SARA, and by inadequate coordination between the federal and provincial, and territorial levels of government, which have caused uncertainty for project proponents in several regions. A good example, the Canada-British Columbia Southern Mountain Caribou Protection Study noted that the federal government and the province have differing views on what habitat is required for recovery[111].

Coordination on the definition of critical habitat is essential to ensure recovery actions are consistent and provide clarity for land users. In order to generate realistic predictions, species distribution models require the accurate co-registration of occurrence data with environmental variables. A common approach to species at risk, as outlined in the National Accord for the Protection of Species at Risk, is necessary for the successful protection and recovery of species at risk[112] across the country. As such, a more effective, inclusive, and stewardship-driven approach is needed.

[108] http://www.cfs.nrcan.gc.ca/pubwarehouse/pdfs/28282.pdf
[109] https://www.pdac.ca/docs/default-source/priorities/public-affairs/cmif-emmc/cmif-brief-2018-emmc-final-en.pdf?sfvrsn=cfc08598_0
[110] Email correspondence with Chamber member in the forestry industry, June 2019.
[111] https://www.registrelep-sararegistry.gc.ca/virtual_sara/files/ProtectionStudy-Smc-central-v01-0217-Eng.pdf
[112] https://www.registrelep-sararegistry.gc.ca/6B319869-9388-44D1-A8A4-33A2F01CEF10/Accord-eng.pdf

Recommendations

That the Government of Canada:

1. Under SARA, work with provinces and territories to ensure caribou disturbance thresholds are based on regional circumstances, scientifically supported, and published in the short-term.

2. Consider an alternative multi-species approach that is region-specific and allows for regional variability and consideration of location-based circumstance.

3. Improve transparency and access to species at risk data to help identify gaps and research funding priorities, while ensuring actions on the ground are informed with best available information.

4. Work with provincial and territorial governments to encourage consistent and complementary approaches to species protection and recovery, and to ensure the application of available information needed to support protection and recovery efforts.

Endorsements

The Natural Resources and Environment Committee abstains from endorsement of this resolution. While the Committee supports efforts to bolster regional biodiversity and conservation, member organizations were unclear on the timeliness of the proposal and need for policy action in this space.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Timmins Chamber of Commerce

Supporting Organizations: Greater Sudbury Chamber of Commerce, North Bay & District Chamber of Commerce, Sault Ste. Marie Chamber of Commerce and Thunder Bay Chamber of Commerce.

47. National Greenhouse Gas Offset Credit Market

Description

Governments and industry alike continue to drive down emissions by phasing out carbon-intensive energy products such as coal, investing in carbon capture, utilization, and storage (CCUS), and adopting innovative renewable energy technologies. While a net positive for the environment and commitments to climate goals, an unintended consequence has been the dilution of provincial carbon credit markets. Creating a national offset market would incentivize national and international investment in GHG reduction and sequestration technologies and programs, while also encouraging cooperation on achieving national and international emissions targets.

Background

Governments and industry alike continue to drive down emissions by phasing out carbon-intensive energy products such as coal, investing in carbon capture, utilization, and storage (CCUS), and adopting innovative renewable energy technologies. While a net positive for the environment and commitments to climate goals, an unintended consequence has been the dilution of provincial carbon credit markets.

Currently, Alberta and British Columbia are the only two provinces with offset credit markets. Within both provincial systems, the implementation of more green technologies and initiatives has led to an equal increase in the number of offset credits issued to businesses. Currently, both markets trade offset credits just below the price of carbon ($40 per tonne).

Within both provincial systems, the implementation of more green technologies and initiatives has led to an equal increase in the number of offset credits issued to businesses. Lacking a national offset market, the supply of credits currently outstrips provincial demand, leading to credits being devalued and therefore not maximizing industry incentive to further invest in greenhouse gas (GHG) reduction technologies.

To stabilize the value of offset credits and incentivize further investment in emissions reductions technologies, demand must increase. One method of increasing demand is the implementation of a national offset market, allowing provinces to trade unilaterally with each other. A national offset market creates the unified credit system that ensures long-term stability on the value and duration of offset credits. In turn, businesses are provided the confidence required to make large scale, ambitious, investments in GHG reduction technologies.

As part of Canada's commitments to the Paris Agreement, the Government of Canada pledged to reduce national GHG emissions by 30% below 2005 levels by 2030. While several initiatives have been implemented to meet this goal, the Government has been slow to implement the economic mechanisms required to incentivize investment in GHG reduction. Recognizing this, in March 2021, the Government of Canada announced draft regulations to establish a Federal GHG Offset System, with the goal of financially incentivizing activities that contribute to GHG reductions. If implemented, the Offset System would support a national carbon trading market where regulated facilities that exceed their emissions limits can purchase offset credits from offset project proponents selling them.

The introduction of a national offset market would be a step towards introducing opportunities for offset project developers, emitters, and private investors to earn revenues from GHG reductions and removals. The potential for credit-based revenue streams provides stakeholders with the economic incentives needed to execute on GHG reduction projects which may have otherwise not been investable, thus spurring investment and innovation in GHG reduction and removal technologies.

Currently, Alberta and British Columbia are the only two provinces with federally recognized output-based pricing systems (OPBS) for the sale and purchase of carbon offset credits. While these systems are working, they are not without risk. The viability of offset markets is premised upon two things: understanding, measuring and, verifying emissions for which an offset credit is issued, and addressing market / investment risk such as transaction enablement and recording, credit assurance, etc.

Under provincial systems, some provinces or industries will have a lower cost of abatement -- i.e. a lower cost to reduce emissions by one tonne. Introducing a national offset market would allow provinces to collaborate with each other on emission reductions and work with the Federal Government to set national standards and guidelines that address risks associated with offset markets. In doing so, all parties involved would benefit.

In practice, a national offset market could work as follows:

It costs an Alberta energy company $50 to reduce emissions by 1 tonne, and an Ontario manufacturing company $100 to reduce emissions by 1 tonne. For every 1 tonne of emissions reduced, a credit is produced and valued at $40. In this scenario, neither the Alberta energy company, nor the Ontario manufacturing company, have the financial incentive to continue reducing emissions as the price of a credit is lower than the cost to reduce.

In a national market, it can be assumed that the price of a credit increases based on market competition. In this scenario, a credit costs $60. This price would incentivize the Alberta energy company to continue investing in emissions reductions as they can sell the credit to the Ontario manufacturing company for a profit. Similarly, the Ontario manufacturing company has an incentive to purchase credits as a more cost-effective means of reducing emissions. Now, Canada's emissions are lower and both companies are more profitable.

Looking ahead, a national offset market will also be an important step towards meeting Canada's international commitments under Article 6 of the Paris Agreement. Article 6 of the Paris Agreement enables countries to voluntarily cooperate with each other to achieve emissions reductions through both the transfer of national carbon credits (Article 6.2 & 6.4) as well as through non-market approaches (Article 6.8), such as technology transfer and financing. Failure to implement the national frameworks required to meet these commitments risks Canada's standing as an international leader on climate change and GHG reductions, and potentially jeopardizing access to capital that flows from these opportunities.

Ultimately, the goal of any national offset market must be incentivizing national and international investment in GHG reduction and sequestration technologies and programs, while also encouraging cooperation on achieving national and international emissions targets.

Recommendations

That the Government of Canada:

1. Implement a national GHG offset system based on consultations with industry, provincial and territorial governments, and Indigenous partners; and,

2. Support capacity-building for the rollout of Article 6 of the Paris Agreement.

Endorsements

The Natural Resources and Environment Committee supports this resolution.

Submitted By: Calgary Chamber of Commerce

Finance & Taxation

48. Ensuring the Success of the Federal Government's E-payroll Initiative

Description

Shortly after coming to power, the Liberal Government launched its "E-Payroll" initiative. Every Canadian employer will be required to file comprehensive employee pay information every payroll cycle. The Government will have access to this information for policy purposes, and to administer tax and benefit systems.

E-Payroll has the potential to be one of the largest and most complex projects in the history of the country, offering both significant opportunities and risks. It implies the once-in-a-generation redesign of a wide range of key data management and reporting processes for employers, workers, and the Federal Government, and a massive IT investment by Government and employers to conform to those new processes.

Background

The December 16, 2021, Mandate Letters of the Minister of Families, Children and Social Development and the Minister of National Revenue direct them to "work … toward the implementation of a real-time e-payroll system, and ensure that businesses of all size benefit from this work", continuing direction received in earlier Mandate Letters.

The thousands of Canadian payroll professionals employed by business today spend more than half of their time managing Government compliance reporting (T4s, Records of Employment, WSIB reports, etc.). These processes are critically important in securing timely access to earned benefits by workers, and in tax reporting. Many were originally designed in the 1970s and 1980s. Reporting is mainly event based; annually for tax purposes, or when individual employment events occur, such as hiring or termination.

Historically, only employers had the detailed information about an individual's employment history, including compensation details relating the amount and timing of payment, required to administer of a wide range of Government programs. Through compliance reporting employers do a significant part of the necessary information gathering. During the Covid-19 pandemic, the Federal Government also argued that access to detailed payroll information would have permitted better program design.

Re-engineering compliance reporting to take advantage of current information technology certainly has the potential for a significant positive outcome for governments, employers, and workers. The key to success will be ensuring that the program delivers benefits to all stakeholders and does not simply impose a significant compliance burden on employers to funnel a massive amount of detailed information to Government.

There are important questions about the program design.

- Data privacy. Full personal details (all information potentially impacting an individual's pay and benefits) will be transmitted electronically every pay cycle. Establishing safeguards in the transmission, storage and use of this information will be a key issue for Government.

- Change management and technology investment. Employers will see a huge change in administrative practice, filing pay detail for most workers 24 or 26 times per year, rather than just once (year-end tax reporting), or when an employment event occurs (hire, term, etc.). This will be a significant change in practice for many employers, especially small businesses, and an additional compliance burden for all. Significant investment will be required to develop and operate new IT systems.

- Operational issues. Infrequent and exceptional payroll data will have to be coordinated between employer and Government systems. This includes retro payments, error correction, incomplete information from employees, employers that are not using automated systems, taxable benefits that are calculated annually, etc.

- Integration with other compliance requirements. There are many compliance systems outside of the Federal Government (Province of Quebec, WSIB, CPP for example). It may be difficult to capture the benefit of reduced administrative burden for employers if these traditional systems need to be maintained.

The key question is: What will employers be able to stop doing, and when? E-Payroll was initially presented as part of meeting the 2015 Liberal platform commitment of “lower costs, less red tape” for business. Realizing this objective implies a massive change management process in which business needs to be closely engaged.

Recommendations

That the Government of Canada:

1. Create an ongoing formal role for business representatives in setting project objectives and providing oversight. Employer groups need to carefully monitor execution, and support for the project should be strictly conditional on having the ability to understand and influence direction.

2. Engage the organizations that currently provide the IT infrastructure and services that enable payroll processing and compliance management to leverage existing infrastructure and to facilitate the orderly and effective transition to an E-Payroll environment.

3. Focus on assessing and reducing the cost-of-compliance for employers, including personnel and IT costs, and the cost of change management. A successful project will reduce this overhead and materially improved productivity.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Oakville Chamber of Commerce

49. Add Lithium to the List of Qualifying Mineral and Metals Under the Income Tax Act

Description

With economic development potential similar to oil and gas, and spin-off benefits to value-added manufacturing and service industries, untapped lithium resources present an important new industry to Alberta. By repurposing existing oil and gas infrastructure and expertise, Alberta will be able to grow an economically diverse opportunity with minimal environmental impact.

Background

In 2018, the International Energy Agency (IEA) made a prediction that had the potential to disrupt the auto industry: by 2030, there would be nearly 125 million electric vehicles owned by people around the world, they said.[113] That was a significant increase compared to the 3.1 million electric vehicles globally owned in 2017. Electric vehicles and other electronics require lithium-based energy storage products. One source of lithium is found in the brine of salt flats. In order to obtain this lithium, holes are drilled into the flats to pump the brine to the surface. This allows lithium carbonate to be extracted through a chemical process.

Canada has known lithium spodumene (hard rock) resources in Quebec, Ontario and Manitoba. While Canada has only started to understand its inventory of lithium brine resources, it is evident that lithium dissolved in subsurface brines in western provinces present a unique and elegant opportunity for economic development in jurisdictions with existing oil and gas infrastructure and expertise. Lithium enriched brines occur within certain reservoirs which historically have been tapped for oil and gas. Industry estimates suggest lithium is present in globally competitive quantities in these deep reservoirs and that Canada's expertise in resource development could be applied to compete globally in the growing lithium market (Battery Metals Association of Canada, 2019).[114]

The Income Tax Act, Canada (the Act), as it is currently written precludes companies developing lithium brine mining projects from issuing flow-through shares (FTS) which is a means of securing financing for the mining, development and production of lithium-based products. In order to be able to issue FTS for financing purposes, the issuing corporation must be a principal-business corporation.

[113] 1 https://www.cnbc.com/2018/05/30/electric-vehicles-will-grow-from-3-million-to-125-million-by-2030-iea.html

[114] 2 https://www.bmacanada.org/wp-content/uploads/2022/04/AB-Li-Supply-Chain-Summary-Report_CLA_Final-1.pdf

Subsection 66(15) of the Act provides the relevant definitions that apply for the purpose of the issuance of FTS. The constraining issue that precludes lithium mining companies from being considered a Principal-Business Corporation is the absence of the term ‘lithium’ from paragraph (f.1) of this definition.

Recommendations

That the Government of Canada:

1. Amend the definition of the term “mineral”/ “mineral resource” in subsection 248(1) of the Act to add the term “lithium” to the list of qualifying minerals and metals.

2. As per sub-paragraph 248(d)(ii) the following should be included in the list of qualifying principal minerals extracted: “lithium and its derivatives, including lithium carbonate, lithium hydroxide and lithium chloride”.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Sherwood Park & District Chamber of Commerce

50. Restore the Integration of Corporate and Personal Income Tax

Description

A fully integrated income tax system, as stated by the Carter Commission Report, would avoid double taxation under the corporate income tax system and the private income tax system, while ensuring that there is relative indifference between earning income through a Canadian corporation, by salary or by dividend. It would also address other distortions in Canadian taxation.

Background

The Royal Commission on Taxation, better known as the "Carter Commission", conducted its comprehensive review of the Canadian income tax system over 50 years ago in 1966, rendering its report to Canadians in 1972. The Carter Commission Report introduced, among other recommendations, the concept that income should be taxed at the same rate regardless of whether it was earned in a corporation or personally. This concept has become known as the concept of "tax integration" of the personal income tax system (PIT) and the corporate income tax system (CIT). To accomplish this objective the Canadian Income Tax Act has various tax integration mechanisms. In effect what this means is that the Canadian personal and corporate income tax systems are integrated to yield the same overall tax liability regardless of the structure used to earn the income, which, in theory, should not influence a taxpayer's decision as to whether the income should be earned personally or through a corporate structure. These tax integration mechanisms have two major components.

The first relates to active corporate income, also called active business income (ABI). There are two stages of taxation of corporate earned business income. For a Canadian Controlled Private Corporation (CCPC) that earns active business income that qualifies for the small business deduction (SBD) there is a low rate of corporate tax charged, which is currently 11% (combined federal and provincial rates) in Alberta. That same income, if earned personally, would be taxed at 48% in Alberta at top personal marginal tax rates. How is this remaining 37% of tax charged to maintain integration? The dividend tax credit mechanism achieves the first element of integration at the PIT level. When a dividend is paid to the shareholder it is "grossed-up" to a taxable dividend and the taxpayer pays tax at full personal marginal tax rates but receives a dividend tax credit more or less equal to the tax the corporation originally paid. As a result (in theory) the overall tax rate is the same and tax integration is achieved.

The second tax integration mechanism relates to passive or investment income earned in a corporation. In this case the objective is to ensure that there is no tax benefit to earning investment income in a corporation by paying a lower rate of tax. This is accomplished by taxing the investment income earned by the corporation at high rates, in past years about the same as would be paid by an individual earning the income directly.

However, in this case, part of the tax is allocated to the refundable dividend tax on hand (RDTOH) account with this amount being refunded to the corporation at a prescribed dollar rate for every dollar of taxable dividends paid to a (human) shareholder. Theoretically, this amount is passed to the shareholder to be taxed under the PIT system thereby again achieving tax integration.

Under these mechanisms, personal income tax returns allow taxpayers to gross-up their dividend income and then apply a tax credit to adjust the amount of taxes payable. The rates of gross-up and credit were initially set to achieve the full integration of CIT and PIT for small businesses. Since its creation in 1972, the dividend tax credit as well as statutory corporate tax rates have changed. As a result, in some years there has been over-integration for small business in the sense that the dividend credit was generous enough to reduce the combined tax on dividend income below that on other income. With the provinces levying differential rates of corporate tax on small business, and with federal and provincial surtaxes, the situation has become more complex. At present there is consistent over-integration throughout the provinces, with the departures from full integration being most significant for investment income earned by a corporation.

The most recent changes to the Income Tax Act, Canada (the Act) have resulted in dramatic and punitive changes with the way CCPC's are taxed on active and investment income earned. The result has been the absolute decimation of the Carter Commission's objective of integration of the CIT and PIT as we have witnessed the under-integration of all forms of income distributed from a corporation grow dramatically from mere tenths of a percentage point to approximately 10% per cent in the 2021 taxation year. As recently as 2012, the disparity between earning $1,000 of investment income in a corporation versus earning the same $1,000 personally was a mere $17.20 of additional tax paid.'

Today that same disparity has grown to $35.40, a 106% increase in the associated tax cost.

The value of a fully integrated income tax system, as stated by the Carter Commission Report, is to avoid double taxation under the CIT and PIT while ensuring that there is relative indifference between earning income through a Canadian corporation, by salary or by dividend. The full integration of the CIT and PIT has the further benefit of eliminating another non -neutrality of the existing corporate income tax in Canada, the distortion of incorporation decisions. Without full integration, the combined taxation of corporate source income exceeds the taxation of comparable unincorporated businesses.

1 See Appendix A for a full comparison of the 2012 integration tables to the 2021 integration tables.

Recommendations

That the Government of Canada:

Undertake a full review of the integration mechanisms that currently exist within the Act, including, but not limited to: CIT rates for active small business, general and investment income; the additional tax on investment income earned in a corporation; the PIT dividend gross-up mechanism; and, the PIT dividend tax credit; the CIT RDTOH rates; eligible dividend PIT rates; non-eligible dividend PIT rates; and, PIT rates.

That upon completion of this review, the Department of Finance amend the applicable rates and provisions of the Act to ensure the restoration of tax integration as recommended by the Carter Commission Report.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Sherwood Park & District Chamber of Commerce

51. Reducing the Cost of Working Through Reform to GIS Thresholds

Description

Labour shortages, already a pressing issue for Canadian businesses before the COVID-19 pandemic, are growing and new ones emerging. Yet Canada's Guaranteed Income Supplement (GIS) program clawbacks are creating barriers to labour market participation for many employable older adults by discouraging the pursuit of income exceeding set values to qualify for GIS. This is increasing labour market pressures, negatively impacting quality of life and limiting Canada's potential economic output.

Background

Canada's retirement income system (RIS),[115] which includes GIS, functions on many of the assumptions that we had decades ago. Though some reforms recently have been introduced, innovation to Canada's RIS programs has been slow, especially in light of the evolving economic, demographic, social and labour market context. Research posits that a lack of integrated political decision-making, regulation and research is restricting RIS innovation.[116]

When Canada's public pension programs were designed over 50 years ago, the average age of the population was under 30. We're now on average over 40-years-old and living longer. About 23% of the working age population will be 65 years or older by 2024. Between 2021-2024, Canada will lose about 600,000 workers as people age and exceed 65-years-old, lowering the share of the population participating in labour markets.[117]

Further, many Canadians now face personal financial uncertainty.[118] Forty years ago, almost half of working Canadians had some form of pension coverage. Today, only about one-third do. Faced with living longer and fewer savings, worries about "inadequate savings for retirement, outliving their money, and affording health services that are not universally guaranteed (such as long-term care)"[119] are more prevalent.

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[115] Canada's retirement income system is federally-administered publicly funded, and contains three pillars: 1) Old Age Security (OAS) and the Guaranteed Income Supplement (GIS); 2) the Canada and Quebec Pension Plans (C/QPP); and, 3) tax-deferred and other private savings and workplace pensions.

[116] https://static1.squarespace.com/static/5c2fa7b03917eed9b5a436d8/t/5e41c25873b8a7233f398b72/1581367901417/Improving-Canada-s-Retirement-Income-System-Setting-Priorities_final.pdf

[117] https://thoughtleadership.rbc.com/squeeze-play-higher-wages-alone-wont-solve-canadas-labour-shortage-problem/

[118] https://www.cpacanada.ca/en/news/features/2021-11-04-labour-shortage

[119] https://static1.squarespace.com/static/5c2fa7b03917eed9b5a436d8/t/5e41c25873b8a7233f398b72/1581367901417/Improving-Canada-s-Retirement-Income-System-Setting-Priorities_final.pdf

What is concerning is that while Canada is experiencing a declining labour force and Canadians are facing increasing costs of living and inadequate savings for retirement, research[120], shows features of Canada's public retirement income system have significant work and income earning disincentives for older workers. The greatest impact is on recipients of Guaranteed Income Supplement (GIS), a government program intended to support low income seniors.

Basic Old Age Security (OAS) is a monthly payment available to all Canadian residents aged 65 and over. GIS is based on income and is available to low income OAS recipients. A single senior qualifies for GIS if their income is below $19,464; couples qualify if their combined income is below $46,656.

These thresholds are meant to provide "floors" to keep people out poverty. To provide greater context for GIS thresholds, in Alberta, for example, the thresholds to meet "low income status" for Alberta's Community Housing Program are much higher: $25,500 to $43,000 (bachelor, 2021), depending on where you live.[121] This represents the minimum income required to meet basic needs in different municipalities throughout Alberta.

What is discouraging low earning seniors from saving for retirement and taking employment is that GIS benefits are reduced or clawed back for other income earned, including employment and self-employment income, above $5,000 per year. For earnings between $5,000 and $15,000, GIS will be reduced by 50 cents for every dollar of income received.[122]

Further, because GIS is based on previous year's income, the effect of earning additional income can be experienced for up to two years. For example, if an individual receiving GIS earns other income over $5,000 in 2020, the GIS for that year is clawed back after they file their 2020 taxes and they will continue to lose the monthly benefit amount until they file their 2021 tax return showing no additional income. Although GIS is paid retroactively for qualifying years, the loss of GIS income for an entire year can have significant impact on quality of life during that time period.

In addition, other provincial income supplements, and health and basic needs programs are also restricted if the individual earns income. Although these individuals are in need of additional income to meet basic living expenses, the risk of losing benefits creates a major disincentive for earning additional income through part-time employment.

[120] Ibid.
[121] https://open.alberta.ca/dataset/423df5de-6562-4b06-9ccb-596e9d130bb5/resource/1128ae16-d050-4a98-860c-2e503d84a677/download/sh-2021-income-threshold.pdf
[122] https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/guaranteed-income-supplement/apply.html#h2.2-3.1

Reform of GIS clawback mechanisms to incentivize older workers to participate in the labour force aligns with recommendations from the Melbourne-Mercer Global Pension Index (MMGPI), which benchmarks and ranks retirement income systems across the world. In 2019, MMGI made three recommendations for improvement to Canada's RIS. One of those is: "Increase labour force participation rates at older ages as life expectancy increases."[123],

When Canadians work longer there are numerous benefits to the economy and workplaces:

- Modeling shows that the impact to Canada could be substantial in terms of extra labour supply and real output and would result in a substantial increase in living standards.[124],
- Studies show that 1) older workers' accumulated knowledge, leadership skills and high job match quality contribute to high productivity; and, 2) since experience is a key element in the commercialization aspects of innovation, an older workforce may increase this dimension of innovative capacity.[125]
- More seniors working drives economic growth and generates tax revenue for government.

Recommendations

That the Government of Canada:

1. Work with provincial and territory governments, industry and academia to create a modern framework for RIS that includes undertaking a comprehensive review of the GIS income thresholds and claw back rates to allow for higher earnings exemptions and income thresholds.

2. Ensure reform encourages and allows as much participation as possible in the workforce for GIS recipients, helps these individuals stay out of poverty, and allows them to maintain or improve their standard of living.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Grande Prairie & District Chamber of Commerce

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[123] https://static1.squarespace.com/static/5c2fa7b03917eed9b5a436d8/t/5e41c25873b8a7233f398b72/1581367901417/Improving-Canada-s-Retirement-Income-System-Setting-Priorities_final.pdf
[124] https://www.ic.gc.ca/eic/site/eas-aes.nsf/vwapj/SRIsr02.pdf/$FILE/SRIsr02.pdf
[125] https://www.ic.gc.ca/eic/site/eas-aes.nsf/vwapj/SRIsr02.pdf/$FILE/SRIsr02.pdf

52. Addressing Rural Family Physician Shortages Using Tax Deduction Incentives

Description

Nationwide, rural Canadians are facing critical shortages in family physician care. As of 2019, 14.5% of Canadian's did not have access to a regular health care provider. This shortage has occurred due to many intersecting variables that when combined, leave a void in the health care system. The family physician represents continuity of care in the health world, most often being the quarterback of records, evaluation, follow up and follow through. With 18% of Canadians living in rural communities being served by just 8% of the countries physicians there exists a large gap in our healthcare availability. In southwest Nova Scotia's western region alone, over 7,000 individuals currently find themselves without a family doctor.

Background

The landscape of family medicine has changed over the years. Many graduates seek hybrid positions when entering the workforce instead of establishing a full-time family practice. Hybrid positions are mixed with hospitalist, emergency room and locum hours, where doctors see patients, but in an environment of urgent, temporary care, instead of over the lifetime of the patient. The appeal seems to be the front-line nature of the work, coupled with the decrease in the overhead costs of maintaining an office. As a result, a large percentage of graduates are only taking 80% FTE in family practice, meaning that fewer graduates are available to fill family physician vacancies. As well, retiring physicians (carrying upwards of 3,000 patients) are being replaced with new doctors who need time to onboard new patients, taking approximately 1 year to onboard a targeted 1,300 patients, well below the retiring doctor's built-up list.

To exacerbate the problem further, rural areas historically have a more difficult time attracting doctors. Most doctors are looking for regions that are in or near urban centers and amenities. This has created a significant void in all rural areas of Canada. The result is 18% of Canadians who call rural areas home are being served by only 8% of our country's practicing physicians. Statistics Canada reported in 2019 that 14.5% of Canadians aged 12 and older did not have a regular health care provider.[126]

There is no doubt that people without access to comprehensive health care management are more likely to develop more serious healthcare issues through lack of early interventions, ultimately costing the taxpayer more.

[126] https://www150.statcan.gc.ca/n1/pub/82-625-x/2020001/article/00004-eng.htm

Also recent changes to the Income Tax Act eliminated the value of family trusts, which most doctors had in place for their families. It is estimated that in 2019, doctors paid an additional $8 million in provincial income tax due to these changes just in Nova Scotia (Doctors Nova Scotia).[127]

These variables create the need to offer strategic incentives.

Recommendations

That the Government of Canada:

1. Implement a "Rural Family Physician Tax Deduction" into the Federal Income Tax Act to mimic the Northern Residents' Tax Deduction, which is already implemented.

2. Tailor the tax deduction to mimic the Northern Residents' Tax Deduction which is applied through identification of specific areas in the North to compensate for isolation and higher living expenses. The tax system lists towns and cities that correspond with a pre-established level of deduction per day, which increases as the towns become further north or more isolated. In the rural physician scenario, physicians could be awarded tax deductions based on how far the rural town is from an urban medical center. The Federal deduction could be translated through to a Provincial deduction, causing the participating Province to alleviate tax as well.

3. Apply as a tax deduction, not a tax credit. As a tax deduction, the impact gives doctors tax savings in the higher tax brackets. It is important to note that doctors graduating with high tuition loans appreciate the ability to put earnings towards debt instead of tax.

4. Award all rural physicians this credit, not just new doctors. Retention is less expensive than recruitment.

5. Specifically target full time family physicians, to provide incentive to focus on family practice instead of the hybrid positions.

Endorsements

The Economics & Taxation Committee abstains from endorsement of this resolution.
The Committee felt it was not a business issue. They also had reservations about the degree this was federal jurisdiction rather than provincial.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Yarmouth & Area Chamber of Commerce

127 https://www.cfp.ca/content/66/1/31#:~:text=People%20in%20rural%20areas%20face,provincial%20levels%20to%20provide%20direction.

53. The Impact of the Mortgage Stress Test on Local Economies

Description

The mortgage financial stress test was introduced by the Federal Government in 2016, followed by an augmentation in 2018 to include all mortgages and a further rate adjustment in 2021 23. The stress test, initially designed to address household debt, has had negative consequences for many Canadians. Canada is now faced with strong inflationary pressures and rising interest rates. We must address the Mortgage Stress test so that it better serves Canadian homebuyers.

Background

The Stress-Test in Guideline B-20 is a regulation that was created as a way of determining what homebuyers can afford in the event mortgage interest rates rise between mortgage origination and renewal. This means that mortgage borrowers must not only qualify for a rate that they negotiate as part of a mortgage, but also a “stressed” version of their mortgage. “This entails subjecting their mortgage to a higher rate without adjusting the household’s financial situation. The borrower would still pay the rate they were preapproved for, they just need to qualify for a higher rate in order to lock it in.” It was intended that buyers do not overstretch their finances when dealing with financial hardship. This regulation affects buyers who are intending to put a deposit of at least 20 percent and buyers with default insured mortgages (i.e., anyone who makes a down payment of less than 20%). The buyer must qualify at a rate of 5.25%, or the rate offered by the lender plus 2% – whichever is higher. Ultimately, stress testing is about protecting the buyer, by ensuring that they can comfortably afford their monthly payment in case of interest rate increases.

The guideline however failed to consider a few things about the ‘borrower,’ with some factors laid out in a 2019 report by CIBC: “borrowers’ income is likely to rise during mortgage terms.” “Nor does B-20 allow for the fact that during the course of the mortgage term, equity position rises due to principal payments.” The regulation also does not provide an exemption for those who are purely trying to switch lenders to lower their interest burden or those who want to refinance to reduce their total debt burden.

According to RBC Housing Affordability Measures, on January 1st, 2017 (not long after the original stress test measures were put in place), aggregate housing affordability, measured as ownership costs as % of median household income, was at 43.5%. The new Mortgage Stress Test measures that affected both insured and uninsured buyers came into effect January 1st, 2018, and at this time housings affordability had already worsened to 46.1%. While there was an improvement in affordability in 2019 and during the first part of the extraordinary circumstances of the COVID-19 crisis, we are now in a place where aggregate housing affordability is in a worse spot since the introduction of the Stress Test at 54% in January 2022.

Another concern with the Mortgage Stress Test is its one-size-fits-all nature for the entire country. Utilizing a national policy on mortgage qualification will have a more dramatic and negative effect on slow housing markets as opposed to that on heated markets. The reason for this is that slow, unhealthy markets are sensitive to factors that affect the availability of capital, along with employment rates which impact borrowing capacity.

The COVID-19 pandemic and response has come with historic economic challenges. Canada is now faced with strong inflationary pressures and rising interest rates. The mortgage stress test is a tool that the Federal Government has employed to ensure individuals can meet the financial requirements for new and renewing mortgages. Given the current inflationary economic situation we face, the importance of the stress test is recognized. However, we believe that the current 200 basis point minimum is too burdensome, and that a 100-basis point threshold would be less onerous, while still providing protection for institutions and home buyers.

Recommendations

That the Government of Canada:

1. Lower the 200-basis points to a 100-basis point stress test, which achieves an appropriate protection to consumers in the event that rates rise, while not unduly pricing too many consumers out of the marketplace.

2. Provide a 30-year amortization option for first-time home buyers.

Endorsements

The Economics & Taxation Committee does not support this resolution. The Committee felt that with the current interest rate stance of the Bank of Canada, federal regulators would find the current stress test a prudent macroprudential policy.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Camrose Chamber of Commerce

Supporting Organizations: Sherwood Park & District Chamber of Commerce

54. Equitable Tax Distribution Policy to Assist Canadian Municipalities

Description

Municipalities nationwide continue to bear the brunt of the pandemic after providing a key role in Canada's response. Besides carrying the majority of infrastructure funding, they continue to face pressures surrounding a myriad of issues including housing, public transit, public safety, and the opioid crisis. These are issues that affect the lives of residents and business owners, yet the financial resources and legislative abilities provided to municipalities to find local solutions receive limited support. A formal review is needed with all 'partners' to find a way to create a fairer distribution plan to ensure the needs of Canadians are met through local solutions that can promote business confidence and economic prosperity.

Background

To paraphrase a quote from Mississauga's legendary mayor Hazel McCallion: 'The feds have all the money, the provinces have all the legislative authority, and the cities have all the issues.'

This observation draws attention to the fact that the 3,573 municipalities across Canada's 10 provinces and three territories are responsible for the construction, operations, and maintenance of nearly 60% of the country's public infrastructure yet receive only 12 cents of every tax dollar to cover these costs. They are 'community builders' who have very few options – other than property taxes and user fees which are regressive - to collect revenue to pay for these services.

There are additional potential revenue options for municipalities, such as development charges which do not often cover the full costs of urban growth and these new developments, or they could receive a share of fuel, sales, and income taxes, which are not provided by all provinces[128]. However, due to the pandemic and the role municipalities played in responding with economic relief and instituting public health measures - factoring in a drop of revenues like user fees - many are now looking at unanticipated deficits which they cannot manage since by law they must approve balanced operating budget and are now relying on provincial and federal support to cover shortfalls[129].

It could also be assumed that both the federal and provincial governments may also be facing their own shortfalls, considering there is a consolidated (federal, provincial, territorial) gross debt, according to the fiscal year ending March 2021, of $1.4 billion[130].

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[128] 'Fair taxes and municipal revenues' – CUPE, May 27, 2019 https://cupe.ca/fair-taxes-and-municipal-revenues
[129] 'Let's empower municipalities' – Policy Options, June 9, 2021 https://bit.ly/3PPuZgr
[130] 'Canadian public debt' – Wikipedia https://bit.ly/38yKRmz

However, a recent analysis of government finances conducted by Desjardins indicated these two levels of government saw improvements in their 2021-22 deficit estimates due to higher inflation and growth.

As a result, by the end of the 2022-23 fiscal year, six provinces (as well as three in 2021-22) are expected to have budget surpluses[131]. But how these funds have been used may vary.

Even with the Canada Community-Building Fund (formerly known as the Gas Tax Fund) in place to transfer funds to municipalities of all sizes, estimated at more than $2 billion annually for local priorities[132], it may not be sufficient to deal with a growing number of issues facing municipalities today.

While calls for an overhaul of our current tax system, which has not been reviewed since 1967, from various groups including the Canadian Chamber of Commerce continuing, this could be viewed only the first step towards a much larger review.

Municipalities, which are not recognized in the Constitution Act, 1867, and were established under provincial/territorial authority, need to be granted more legislative controls to assist them in ensuring they can provide the best local solutions to create economically healthier communities in order to create a solid base for businesses to succeed.

Recommendations

That the Government of Canada:

Work with provincial and municipal governments to review funding mechanisms to ensure municipalities have the ability to fund needs, including providing physical and social infrastructure that can assist in setting the stage for a robust and vibrant economic path that can help businesses to flourish. This formal review should include tax point transfers to provinces and direct funding to municipalities.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Cambridge Chamber of Commerce

Supporting Organizations: Greater Kitchener Waterloo Chamber of Commerce

[131] National Union of Public and General Employees, March 10, 2022 https://bit.ly/3x3b2v9
[132] ‘Federation of Canadian Municipalities’ https://bit.ly/3t9hUEK

55. Returning Carbon Tax Proceeds to SMEs

Description

Canada has a minimum price for carbon emission. In provinces without their own pricing system a federally imposed and administrated carbon tax is collected. However, the approx. 10% of proceeds that the federal government committed to return to SMEs and the M.U.S.H sector[133] under this system have not been returned beyond fiscal 2019-20. Impacted businesses have lost the ability to utilize these resources for emission reduction actions that could have spared them an ongoing, escalating tax burden while also experiencing inflation on the costs of such projects because of inexplicable government delay. The government needs to be accountable for its commitments regarding the collection and distribution of this tax.

Background

The federal carbon pricing system has two parts: a federally imposed and administrated carbon tax is charged on a suite of combustible fuels (gasoline, diesel, natural gas, etc.), known as the fuel charge and a performance-based system for industries, known as the Output-Based Pricing System.

The federal backstop can apply in part or in whole, for any province whose own climate change strategy does not conform with federal standards. Provinces have moved in and out of various aspects of the federal system since its launch. Currently, the federal fuel charge applies in Ontario, Manitoba, Yukon, Alberta, Saskatchewan and Nunavut. The federal Output-Based Pricing System applies in Manitoba, Prince Edward Island, Yukon, Nunavut, and partially in Saskatchewan.

When the federal government imposed carbon pricing it committed that no funds collected would be retained by the federal government. A system has been developed and has been returning approximately 90% of direct proceeds from the carbon tax to residents in applicable jurisdictions. However, the other 10% of proceeds have not been returned since the pause of the Climate Action Incentive Fund (CAIF) program in 2020.

To originally return the 10% of carbon tax proceeds not returned to residents, the federal government created the CAIF program. Launched in May 2019, the CAIF was originally allocated up to $218 million over 2 years, sourced from 2019-2020 fuel charge proceeds, to be delivered in the eligible jurisdictions.[134]

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[133] https://www.canada.ca/en/environment-climate-change/services/climate-change/carbon-pollution-pricing-proceeds-programming/climate-action-incentive-fund.html
[134] https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/greenhouse-gas-annual-report-2020.html

In the CAIF program, the money was designated through two streams: the MUSH Retrofit stream which provided funding to municipalities, universities/colleges, schools and hospitals to help them make energy efficiency improvements and retrofits to reduce energy use, costs and carbon pollution[135]; and the SME Project stream which provided support to small and medium-sized enterprises (SMEs) for retrofit projects in sectors such as building, transportation, industry, waste, agriculture and more.[136]. As of March 31, 2021 approximately $95 million of the adjusted allocation of $213 million was committed through the CAIF program.[137]

Canadian companies in certain jurisdictions have been put at a competitive disadvantage not having access to carbon tax proceeds compared to provinces with self-administered systems. This problem is escalating because while the federal government has not returned the carbon tax proceeds, businesses have not engaged in the emission reduction activities that the proceeds were intended to fund, which has led to them paying carbon tax on emissions they could have reduced if given access to the resources. Additionally, the federal government has continued to escalate the carbon tax, impacting the resources a business has available for emissions reduction projects. Finally, inflation over the last couple years has significantly driven up the cost of emission reductions activities which the federal government should have made the funding available for sooner.

Since the federal government's decision to pause the CAIF program, it has been sharing a new policy direction. Through various announcements, including federal Budget 2022, the Government of Canada has indicated that the approximately 10% of carbon pollution pricing fuel charge proceeds returns not returned to households will be returned to farmers, Indigenous peoples, and emissions-intensive, trade exposed small and medium-sized enterprises (EITE SMEs).

Budget 2022 announced that Environment and Climate Change Canada will be responsible for administering approximately $1.6 billion in carbon pollution proceeds returns to EITE SMEs in applicable jurisdictions. There is an expectation that funds would flow starting in fiscal year 2022-23 (which ends March 31, 2023) but no program details or timelines have been made available. This budget is significant, it will take some time for businesses to understand, plan appropriately, and implement this opportunity. Capacity issues will be a considerable concern in some jurisdictions, particularly with the limited scope of applicants available under the revised policy direction.

[135] https://www.canada.ca/en/environment-climate-change/services/climate-change/carbon-pollution-pricing-proceeds-programming/climate-action-incentive-fund/municipalities-universities-schools-hospitals.html
[136] https://www.canada.ca/en/environment-climate-change/services/climate-change/carbon-pollution-pricing-proceeds-programming/climate-action-incentive-fund/small-medium-enterprises-project-stream.html
[137] https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/greenhouse-gas-annual-report-2020.html

Further to this, federal programs with excessively limited or narrow scope for fund accessibility pull exploratory administration resources from a company without success, driving down future enthusiasm for engagement with government programs, a prime concern given the much broader eligibility of the previous program.

It is also unfortunate that given current indications, many SMEs that pay carbon tax through their business operation will not be able to access any return of it. Nevertheless, the federal government can still take action to address these concerns to ensure a prompt utilization of these dollars to introduce greater environmental benefits.

Recommendations

That the Government of Canada:

1. Commit to return all carbon tax proceeds beyond those already being returned to households to applicable jurisdictions through a promptly available, broadly accessible program.

2. Implement a program that allows eligible businesses to access the carbon tax proceeds without burdensome conditions, overly onerous reporting requirements or unnecessary information requests. The federal government needs to be a partner to business by making the process simple.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Saskatchewan Chamber of Commerce

Supporting Organizations: Battlefords & District Chamber of Commerce and Yorkton Chamber of Commerce

56. Creating a New RRSP Business Investment Plan

Description

Many Canadians have extensive savings in their Registered Retirement Savings Plan (RRSP) that they can currently access, tax-free, for means other than retirement such as purchasing a home, or to finance full-time training or education under the Lifelong Learning Plan. This opportunity to withdraw RRSP funds tax-free should be expanded to include starting a new business, purchasing an existing business, or investing in growing an entrepreneur's business.

Background

Raising capital to start or invest in growing a business is always a challenge. The COVID-19 pandemic has made this even more challenging for businesses, particularly for small and medium sized businesses. In fact, a growing number of SMEs report that they either cannot take on more debt or do not know if they can[138], . Coupled with rising labour costs and inflation, this limits their ability to invest in growing their business.

Many of these Canadian entrepreneurs have significant investments in registered retirement products that are not growing or growing very slowly as the economy recovers. Despite being available for other investment measures or education, those that want to use that capital to buy or start a new business are currently locked out from using their own savings from doing so.

Canada's RRSP is a hallmark savings available to Canadians to help plan for retirement. In both Canada and abroad, it is not uncommon for governments to allow citizens to borrow from their retirement savings in order to purchase or finance homes, businesses, or other necessary expenditures.

In Canada, the most well-known example of borrowing from retirement savings for other purposes is the Home Buyers' Plan (HBP). The HBP allows individuals to withdraw from their RRSPs to purchase or build a qualifying home for themselves or for a related person with a disability. Under the current rules, the federal the HBP allows first-time buyers to use up to $35,000 from their RRSPs to make a down payment on a home. Amounts withdrawn under the HBP must be repaid on a non-deductible basis to an RRSP over a period not exceeding 15 years, beginning the second calendar year following the calendar year in which the withdrawal was made. Any amount that is not repaid in a year will be included in the individual's income for that year.

Similarly to the HBP, the opportunity to use RRSP savings to start a new business, purchase a business, or invest in growing an existing business should be available to Canadians.

[138] 1. https://chamber.ca/news/new-survey-shows-no-relief-from-rising-costs-for-businesses-ahead-of-boc-rate-announcement-canadian-chamber-of-commerce/

In the United States, the Internal Revenue Service (IRS) allows individuals to borrow from their 401(k) accounts to help capitalize a new business endeavour[139]. The IRS rules allow individuals to borrow the lesser amount of:

- $50,000; or
- Half of your vested balance.

For example, if an individual has $80,000 in their 401(k) account, the maximum they could borrow in a calendar year is half of that balance—$40,000. Let's say they borrow $10,000 from their 401(k) in January of the calendar year. After that, they find that they need more money in July. In July, they can borrow a maximum of $30,000.

A similar approach could work in Canada, but more akin to the current HBP wherein the withdrawal would be a one-time opportunity up to a maximum amount.

Furthermore, the scope of borrowing from an RRSP for a business investment would need to proactively exclude the ability to use the funds to pay off any business debt and/or refinance an existing business. There are a sufficient number of credit vehicles available to small businesses to refinance their operations. If a business is unable to secure refinancing through a lending institution and can only rely on their RRSP for refinancing, then public policy should not allow the withdrawal due to the precarious financial state of the business.

Many Canadians have a significant amount of capital in their RRSPs that could be used to help them finance the purchase of a new or existing business. Even though it is technically currently possible to use RRSP assets as security for a loan, the tax consequences are quite severe which leaves that capital stranded instead of being put to a more productive use.

The Canadian Chamber would strongly urge the government to also ensure that there are built-in mechanisms to protect from misuse or disingenuous investments. This must include risk mitigation for scenarios where a business defaults, and ensure that only business owners or business partners are able to invest RRSP funds.

Canada's economy cannot grow – and Canadians cannot look forward to improvements in their standard of living – without higher levels of private-sector investment. We have an opportunity to accelerate that process by allowing Canadians to borrow from their own savings in order to help accelerate this process.

[139] 2. https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-loans#1

Recommendations

That the Government of Canada:

Allow Canadians looking to start a new business, buy an existing business, or invest in growing their existing business to withdraw one time up to $100,000 tax-free from their RRSPs provided they repay, on a non-deductible basis, the amount withdrawn over a period not exceeding 15 years, beginning the second calendar year following the calendar year in which the withdrawal was made. Any plan that allows the use of RRSPs for business investment must have built-in risk mitigation scenarios that account for business failures/defaults, and against any abuse or disingenuous investment.

Submitted By: Canadian Chamber of Commerce SME Committee

57. Flow Through Shares for Innovation Companies

Description

Innovative companies have difficulty accessing capital and investment and could benefit significantly from flow-through-shares if permitted.

Background

A flow-through share (FTS) is a tax-based financing incentive that is available to, among others, the mining and resource sectors. An FTS is a type of share issued by a corporation to a taxpayer, pursuant to an agreement with the corporation under which the issuing corporation agrees to incur eligible development, research and innovation expenses in an amount up to the consideration paid by the taxpayer for the shares.

The company incurs expenditures that flows through to the investor. The investor gets a deduction for the expenditures flowed through. This results in tax savings, with larger savings for those in the upper tax brackets. Also, the cost base of the investment is reduced by the amount deducted. As such, on the sale of the shares, the investor has a capital gain – capital gains are only ½ taxed. So, a more or less full deduction for the cost at 100%, with capital gain (at 50%) on the sale.

The “Canada as a Global Leader in Venture Capital Financing” resolution of the Canadian Chamber of Commerce also calls for the use of flow-through-shares for technology companies as it has generated billions of dollars in revenue for Canadian mining exploration.

Innovative companies invest significantly in technology and R&D and would benefit greatly from the ability to offer flow-through-shares and generate much needed capital.

Some of these companies leave Canada for the United States and other markets due to inadequate investment in Canada. Flow Through Shares would incent investors to invest the much needed private capital into these commercially viable and scalable companies.

The extension of flow-through shares for these companies should be looked at in the context of the Canadian Chamber of Commerce's call for a Royal Commission on Taxation in Canada.

Canada should extend flow-through-shares to ensure our most innovative companies have access.

Recommendations

That the Government of Canada:

Amend the Tax Code to permit flow-through-shares for innovation companies.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Brampton Board of Trade

Supporting Organizations: Mississauga Board of Trade

58. Exempt Spouses from Tax on Split Income

Description

Allowing Canadian-controlled private corporations (CCPC's) to split income would create consistency within the treatment of income taxes. It would also support the success and enhance the growth of small businesses, especially family-based businesses.

Background

Historically, owners of Canadian-controlled private corporations (CCPC's) have been able to split income with family members by paying dividends on CCPC shares owned directly, or indirectly through a Family Trust, to family members including spouses and children. Up until 2000, this strategy was available to small business owners with respect to the payment of dividends to all family members including minor children10, most often via the use of a Family Trust. The objective, and result, was the mitigation of the overall tax burden of the small business owner by being able to utilize the low marginal rates of tax for all family members by having these dividends taxed in the hands of family members rather than all in the hands of the small business owner.

In 2000, the Department of Finance introduced legislation to ensure that any dividends paid to a minor child (either directly or indirectly) would be taxed in the hands of the minor at the highest marginal rate, thus frustrating access to the child's low marginal tax rates. These changes were colloquially referred to as the "kiddie tax" but specifically represented the first efforts of the Department of Finance with respect to introducing a "tax on split income" (TOSI). In the Budget releases following the 2000 introduction of the "kiddie tax" the government expanded the reach and application of TOSI by including not only dividends received by a minor from a related private corporation, but also capital gains realized on the sale of shares of a CCPC to a non-arm's length purchaser, rents realized on real property owned by a non-arm's length party as well as interest on debt issued to related parties. At the time, adult children and spouses were not subject to the reach of the "kiddie tax" rules as these were specific to minor children.

On July 18, 2017, the reach of the TOSI rules changed dramatically with the release of the Liberal government's White Paper on the Taxation of CCPC's. This White Paper formed the basis for legislation announced in the 2018 Budget that sought to treat certain adult children and spouses in the same manner as minor children with respect to the receipt of dividends and other sources of income received from a CCPC. The TOSI rules are very complex and problematic for business owners and their advisors in that they specifically eliminate any opportunity for a CCPC to remunerate spouses of "principal" shareholders of certain businesses with dividends or other sources of income. Because of their complexity and the selective nature of their application, it has become clear that, not only do the rules place certain industries (in particular service-based businesses) at a distinct disadvantage when it comes to tax planning opportunities, it also reflects a distinct gender bias as the vast majority of female spouses who have previously been provided with a source of independently-reported income are now viewed as wholly-dependent upon their male principal-shareholder spouses.

The application of the new TOSI rules to spouses also reflects an inconsistency in the income tax treatment of the individual taxpayer versus the family and, in particular, spouses. The “family unit” has generally been viewed as the appropriate unit of taxation as opposed to the individual. Generally, spouses are considered together as a couple for many income-tested benefits, pension income-splitting and spousal RRSP’s which highlights the inconsistent approach to enabling principal shareholders to share income with their spouses. Beyond the pure income tax considerations, family law legislation in all provinces generally will recognize that both spouses make equal contributions in a marriage notwithstanding there may not be direct measurable capital contributions to a business. Family assets may be at risk for the purposes of financing CCPC debt, may be used indirectly in the execution of business operations or may form the quantum of funds contributed for business startup.

In addition to the shared-asset argument, spouses of principal shareholders are a critical informal source of support for business operations. A non-active spouse will often act as a sounding board and provide valuable perspective and advice to the active spouse.

Recommendations

That the Government of Canada:

Immediately amend the Income Tax Act to exempt spouses from the application of the tax on split income legislation.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Cold Lake Regional Chamber of Commerce

Supporting Organizations: Sherwood Park & District Chamber of Commerce and Langdon & District Chamber of Commerce

59. Driving Innovation in Canada

Description

As the federal government embarks on the development of an "Intellectual Property Strategy" and building a nation of innovators, there should be a focus on ensuring a two-pronged approach, through programs and tax-based mechanisms, to encourage business investment in intellectual property and innovation to improve productivity, economic growth, and incomes for Canadians.

Background

Canada currently sits 6th in the world for innovation quality and 16th in innovation overall in the Global IP Rankings. Another report, The Taylor Wessing 2016 Global Intellectual Property Index, ranks Canada as 4th overall in 2016 and at the top of Tier 2.

A number of countries (the U.K., Belgium, Luxembourg, France, Spain, Hungary, Ireland, Switzerland, and China) have adopted a "patent box" tax approach which sharply reduced the normal corporate tax rate on income derived from the exploitation of patents. The Netherlands widened the policy to an "innovation box" to encompass a broader class of intellectual property.

Many of the countries with a patent box tax regime rank above Canada on the world rankings. The various programs have even caught the eye of several provinces. British Columbia has had such a tax policy in place since 2006, Quebec included a patent box policy in its 2016 budget, and Saskatchewan announced a patent box tax policy in its 2017 budget.

The reference to "box" comes from having to tick a box on the tax form that indicates this type of revenue is being claimed.

The types of profits that qualify for the lower tax rate, and how acquired intellectual property is treated, differ significantly among countries and provinces. Additionally, the "patent box" rate varies considerably among nations and provinces. Finally, some countries put caps on the total tax relief companies can receive from patent boxes. In the case of Saskatchewan, the provincial government has installed time limits on the number of years of tax relief that can be attached to a patent.

Given the tax advantage provided in some countries for holding intellectual property, the question arises whether Canada should adopt similar incentives and, if so, how should they be designed?

For a number of years, the Canadian Chamber of Commerce and its network have been advocating for the implementation of an "innovation box" approach in Canada that would reduce the normal corporate tax rate for income derived from developing and commercially exploiting patented inventions and other intellectual property connected to new or improved products, services and related innovative processes to the benefit of Canada. These types of tax approaches support business investment in research and help bridge the commercialization gap.

An “innovation box” approach would encourage companies to locate intellectual property activity and the new high-value jobs associated with the development, manufacture, and exploitation of innovation inside Canada. If properly designed, it would promote and enhance the innovation capacity of sectors that leverage science and technology innovations throughout Canada. Firms in all sectors across Canada will have a greater incentive to adopt, commercialize or otherwise exploit the output of the R&D process here in Canada.

This would drive new and sufficient economic activity and government tax revenue to more than offset the immediate revenue costs of the proposal. The government could also apply the savings that will be realized from streamlining the SR&ED tax incentive program to offset all the immediate revenue costs of this proposal.

Finally, an “innovation box” approach would complement the existing SR&ED Investment Tax Credit program— firms would have an incentive to base their R&D activities in Canada AND to commercialize them in Canada.

Quebec also funds a “My First Patent Program”. Quebec SMEs with 250 or fewer employees that are able to demonstrate research and development efforts completed or in part can apply for a non-repayable contribution of up to 50% of eligible expenses, to a maximum of $25,000 for patent application projects, industrial design registration or integrated circuit topography.

Recommendations

That the Government of Canada:

1. Implement an “innovation box” approach to encourage more business investment in innovation processes in Canada.

2. Consult with senior business leaders/technologists to define what intellectual property would qualify, e.g. patents, copyright, industrial design

3. Ensure that any such regime adopted in Canada delivers the clarity and simplicity that encourages participation in innovation from both SMEs and large companies.

4. Develop a Canada-wide “My First Patent” program using the Quebec model as a guideline.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Red Deer & District Chamber of Commerce

60. Fair Taxable Benefit Exemptions for Employee Gift Cards

Description

Changes to CRA policy.

Background

Food and fellowship at work are often connected. After all, what's a staff meeting without coffee and donuts? (Indeed, to some, they're the only reason to show up.) Food provided by employers can be a vital part of important team-building exercises.

The COVID-19 pandemic has greatly increased the prevalence of remote work – in many cases, employers continue to offer remote work opportunities and have made some jobs permanently remote in nature. The lack of in-office meetings, and the resulting lack of food provided to employees at those meetings, means local restaurants and bakeries in central business areas are suffering.

In order to try to facilitate some of that in-person interaction over food in a remote work environment, and in order to spur local economic development, many employers have have been using coffee cards in small amounts for staff – but in doing so, they run into challenges when it comes to the assessment of taxable benefits for the receiving employees.

Under current Canada Revenue Agency rules, employers can provide employees with tax-free social events for up to $150 per person, which includes meals and entertainment. Employers are looking for clarity that electronic vouchers, for coffee, meals, etc., be included in the $150 limit. It is not recommended that CRA dilute the existing $500 non-taxable gifts and awards policy with meal vouchers and coffee gift cards intended for staff events.

Recommendations

That the Government of Canada:

Clarify that electronic vouchers and similar coffee/gift cards be covered under the existing non-taxable $150 social event policy.

Endorsements

The Economics & Taxation Committee supports this resolution.

Submitted By: Kamloops Chamber of Commerce

61. Access to Credit for Canadian Consumers and Businesses

Description

In these uncertain economic times, the Government of Canada should foster an environment of financial inclusion by ensuring Canadian consumers and businesses continue to have access to credit.

Background

In the mandate letter to Minister Freeland, the government committed to lowering the maximum allowable rate of interest in the Criminal Code (section 347), which is currently set at an effective interest rate of 60% (equates to a ~47% APR, the more common metric in lending markets). Section 347 regulates both consumer and commercial transactions, regardless of their amount. This change would have several unintended consequences for Canadians and businesses in need of credit.

Removes access to credit for Canadians with lower credit scores: In Canada, over 8 million Canadians are considered non-prime, meaning they would struggle to access credit from traditional financial institutions due to their lower credit scores. By lowering the maximum rate of interest in the Criminal Code, millions of Canadians would become ineligible for loans from non-prime lenders and be forced to seek credit from riskier, higher cost lenders – such as payday lenders – who are exempt from section 347 of the Criminal Code and currently charge interest at rates as high as 300% APR. Lowering the maximum allowable rate of interest will mean lenders will no longer lend to a whole segment of Canadians. Without access to credit, non-prime Canadians will struggle to rebuild their credit, as borrowing and repaying debt is the biggest factor (48%) to improving a credit score[140], . Reducing the rate of interest would compromise financial inclusion in Canada, further marginalizing non-prime Canadians by leaving them without access to credit and a way to improve their credit scores.

Funding of high-risk ventures will be jeopardized: Lowering the maximum allowable rate of interest would interfere with funding for high-risk and speculative ventures, since these transactions sometimes involve both interest and a share of the profits which, when combined, could exceed the 60% effective interest rate threshold. These include businesses, such as start-ups and technology companies, that are often ineligible for financing from traditional financial institutions and turn to “mezzanine financing” lenders who extend financing in arrangements that include “equity kickers”[141].

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[140] Source 2021 TransUnion LLC
[141] An equity in the borrower’s business should it achieve certain performance goals.

The courts have declined to clarify whether these arrangements violate section 347. A lower interest rate will place a greater chill on financing for these types of high-risk ventures since the threshold for triggering a violation under section 347 will be even lower. This will impact Canada's innovation sectors and global competitiveness, as these high-risk (high reward) ventures will have even more difficulty securing financing.

The formula used to calculate the rate of interest in the Criminal Code (effective rate of interest noted above) could make short-term loans with modest fees illegal: The calculation used to determine the maximum allowable rate of interest is such that short-term loans, for example bridge loans in real estate transactions, may violate section 347, since these loans require fixed service charges that are captured within the definition of "interest" and, when extrapolated to the full year, might increasing the cost of borrowing to be over the legal 60% effective interest rate threshold.

Recommendations

That the Government of Canada:

1. Maintain the current maximum allowable rate of interest in Canada, to:

- Safeguard financial inclusion by ensuring non-prime Canadians continue to have access to credit so they can rebuild their credit scores to get back to prime interest rates;
- Enable high-risk ventures to access financing so that Canada's innovation economy can continue to flourish; and
- Ensure access to short-term loans so that Canadians can make critical purchases, like their homes.

2. Ensure financial literacy resources continue to be provided for Canadian consumers and business.

Endorsements

The Economics & Taxation Committee abstains from endorsement of this resolution. Certain members of the committee felt this resolution to preserve the status quo would continue to ensure the full spectrum of businesses and consumers have access to credit, whereas other members wanted to consider alternatives.

The Chamber Network Screening Committee agreed this resolution meets its eligibility criteria.

Submitted By: Milton Chamber of Commerce