

RESOURCE INDUSTRIES - A CRITICAL INGREDIENT IN THE POST-PANDEMIC RECIPE

Issue

Canada must not only maintain our competitive advantages, but also actively leverage and enhance them in the recovery effort. As Canada emerges from the COVID-19 pandemic, it's essential that policy makers and the public understand the critical role that natural resource industries will play in rebuilding the provincial and federal economy in the short- and long-term. Canada's natural resource industries are more vital than ever to rebuild and strengthen the economy.

Background

A national coalition of businesses, unions, professional organizations and indigenous advocacy organizations joined together in the Summer and Fall of 2020 to draw up a blueprint for Canada's economic recovery as the country emerges from the COVID-19 crisis.¹ The Task Force for Real Jobs, Real Recovery (The Task Force) includes 23 member organizations from the energy, manufacturing, transportation, forestry, construction and industrial maintenance industries and represents over a quarter of a million businesses and over 2.5 million workers across Canada.

The Task Force developed a package of policy measures presented to key government decision-makers, as well as to the Industry Strategy Council, a recent federal initiative in response to the economic effects of COVID-19.²

In the first quarter of 2019, natural resource industries directly contributed \$236 billion to GDP, representing 11.3 per cent of the Canadian economy.³ Industry remains at the forefront of creating meaningful, well-paying jobs that support families and communities across Canada and provide much-needed economic opportunities and growth for remote, northern and Indigenous communities.

Resource industries are accustomed to change and are ready to work in partnership with government on a dynamic effort to achieve Canada's climate goals and build a more robust, inclusive and globally competitive economy.

Securing Canada's economic future includes a series of extensive, wide-ranging recommendations that could help us to achieve these goals, falling into three categories:

Enhance critical infrastructure

The World Bank is a key organization that many international organizations and corporations utilize when determining whether to invest in a country. The Federal Government needs to improve Canada's ranking on the World Bank's Logistics Performance Index by 2025 as a goal in partnership with Indigenous populations, industry associations, the private sector and all levels of government.

¹ <https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf>

² <https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf>

³ <https://businessinsurrey.com/wp-content/uploads/2020/08/FULL-Securing-Canada%E2%80%99s-Economic-Future-reduced.pdf>

Infrastructure development is a vital investment that will lead to recovery. The Federal Government should build roads, rail, deep seaport and IT infrastructure, especially in areas where infrastructure gaps constrain socioeconomic development. Additionally, the need for pipelines cannot be understated. Pipelines are the safest way to transport oil, a natural resource that will be used for decades to come due to its diversity of application.

Low-carbon economic policy is becoming increasingly popular among provinces. The Federal Government has also initiated various low-carbon initiatives. In order for a robust low-carbon national strategy, limiting the barriers interprovincially is essential. Establishing a national low-carbon energy grid and promote electricity interties between provinces will be paramount in this effort. The government should also establish a Plastics Technology Innovation Fund (PTIF) with an initial funding allocation of \$200 million, managed by Natural Resources Canada (NRCan) to meet net-zero goals.

The Federal Government should also mandate a stronger resource development focus for the Canada Infrastructure Bank.

The Federal Government should ensure optimal delivery of direct and indirect funding to upscale and commercialize critical technologies.

Ensure access to resource lands for development

Canada relies on its natural resources to ensure economic growth and resiliency. From farming to resource extraction, we must ensure that our land is used responsibly. Decisions for land use must be based on science-assessments that determine the value of an area's resource potential, while considering competing or complimentary land use or interests. Any decision should be coordinated with, Indigenous, provincial and territorial governments on conservation commitments and Indigenous and Treaty rights.

Build meaningful employment

Building meaningful employment by ensuring job creation, building employment resiliency, advancing Indigenous employment and enhancing skilled workforce mobility is an important aspect to post-pandemic prosperity. Additionally, establishing a regulatory and policy environment that encourages investment in resource-based industry in order to get Canadians back to work will be needed.

Government should coordinate with industry to address pending shortages and the disruption of the natural resource sector's labour force. The Federal Government should work with provinces and territories to modernize Canada's education and training ecosystem to better support lifelong learning. To prevent shortages, the federal government should work with provinces and industry to address barriers to mobility for tradespeople and apprentices in natural resources and supporting industries.

Ensure innovation and environmental competitiveness

Canada has an unmatched array of natural resources and the world-class talent and expertise to build the resource powerhouse of the future – one that can drive national prosperity while simultaneously making Canada a world leader in emissions reduction technology and action on climate change. The federal government should champion and promote Canada's world-class emissions reduction technology, and the regulatory practices that lead to the safest and most environmentally-sustainable natural resource products.

Maximize Indigenous economic participation

The integration of meaningful reconciliation into Canada's economic recovery strategy is paramount. To do so, governments must engage and work in partnership with Indigenous communities to review and amend the Indian Act, improve existing Indigenous engagement and accommodation processes and resolve outstanding land claims to create a secure environment for investment.

To create lasting growth and development, the federal government should consider lending Indigenous communities use of the federal sovereign guarantee to ensure Indigenous entrepreneurs and businesses can access the proper capital and financial tools to succeed. Various levels of government should also prioritize procuring at least five per cent of goods and services from Indigenous-owned businesses to help grow the economy.

A review of tax incentives such as the Mining Exploration Tax Credit, with a focus on helping to develop Canada's North and benefitting Northern Indigenous communities, would provide benefit to these communities. Additionally, government should work with Indigenous governments to develop a framework to guide the development of the Indigenous natural resource workforce.

By acting on these recommendations, as part of Canada's economic recovery policy, the federal government can ensure our nation-building resource assets aid environmental goals and help secure our economic future.

Recommendations of the Task Force:

1. Improve Canada's ranking on the World Bank's Logistics Performance Index by 2025 in partnership with the private sector and all levels of government;
2. Build roads, rail, deep seaport, pipelines and IT infrastructure, especially in areas where infrastructure gaps constrain socioeconomic development;
3. Establish a national low-carbon energy grid and promote electricity interties between provinces;
4. Establish a Plastics Technology Innovation Fund (PTIF) with an initial funding allocation of \$200 million, managed by Natural Resources Canada (NRCan) to meet net-zero goals;
5. Mandate a stronger resource development focus for the Canada Infrastructure Bank;
6. Ensure optimal delivery of direct and indirect funding to upscale and commercialize critical technologies;
7. Ensure land use must be based on science-assessments that determine the value of an area's resource potential, and coordinated with territories and provinces;
8. Ensure job creation, build employment resiliency, advancing Indigenous employment and enhancing skilled workforce mobility;
9. Establish a regulatory and policy environment that encourages investment in resource-based industry;
10. Coordinate with industry to address pending shortages and the disruption of the natural resource sector's labour force;

11. Work with provinces and territories to modernize Canada's education and training ecosystem to better support lifelong learning;
12. Champion and strategically promote Canada's world-class emissions reduction technology, and the regulatory practices that lead to the safest and most environmentally sustainable natural resource products;
13. Consult and work in partnership with Indigenous communities to review and amend the Indian Act, improve existing Indigenous consultation and accommodation processes and resolve outstanding land claims to create a secure environment for investment;
14. Consider lending Indigenous communities use of the federal sovereign guarantee to ensure Indigenous entrepreneurs and businesses can access the proper capital and financial tools to succeed;
15. Prioritize procuring at least five per cent of goods and services from Indigenous-owned businesses
16. Review tax incentives such as the Mining Exploration Tax Credit with a focus on helping to develop Canada's North and benefitting Northern Indigenous communities; and,
17. Work with Indigenous governments to develop a framework to guide the development of the Indigenous natural resource workforce.

THE CHAMBER RECOMMENDS

That the Federal Government in coordination with Provinces and Territories:

Work towards meeting the recommendations in the The Task Force for Real Jobs, Real Recovery Report.

Submitted by the Surrey Board of Trade