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Sent: Friday, November 16, 2018 11:08 AM

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Subject: Submission for Western Canada Growth Strategy

Please find attached a submission from Alberta's Industrial Heartland Association for the Western Canada Growth Strategy consultations.



**Alberta's
Industrial
Heartland** 
Celebrating 20 Years

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Towards a Western Canada Growth Strategy Submission by Alberta's Industrial Heartland Association

Background

Alberta's Industrial Heartland

Alberta's Industrial Heartland is a 582-square kilometre value-add energy cluster northeast of the City of Edmonton that has attracted \$40 billion in capital investments and created over 6,000 direct, highly skilled middle-class jobs, and 27,000 indirect jobs to-date. Alberta's Industrial Heartland (AIH) is guided by a non-profit association of five municipalities, established over 20 years ago. Alberta's Industrial Heartland Association is designed to attract sustainable development with spin off benefits across Alberta and throughout Canada.

Value-Added Energy Opportunity

Value-added energy products touch every corner of our country and every sector in our economy. They create fertilizers for farmer's crops and packaging to keep our dairy products fresher, longer. They provide lightweight, durable plastics used in transportation and auto manufacturing to make buses and cars more fuel efficient. Whether a child visits the BC Children's Hospital in Vancouver or the Stollery in Edmonton, they are receiving first rate medical care thanks to petrochemicals that make IV bags and sterile tubing that deliver lifesaving blood and medicine, stethoscopes, aspirin and even diapers. And our daily work and home lives would be markedly different in western Canada without petrochemicals that make up over half of the components in smart phones, tablets and computers.

We have the resources, the talent and the opportunity to manufacture more of these products here in western Canada. In fact, we have the chance to attract \$30 billion in new investments to Alberta's Industrial Heartland alone by 2030, with spin off economic benefits across western Canada.

Value-Add Energy Economic Benefits

- *For every petrochemical job created, five additional jobs are created in the broader economy.*
- *Manufacturing propane into polypropylene increases the revenue generation by five times.*
- *These facilities operate for 30, 40 and 50+ years.*
- *The average petrochemical salary is 45% higher than the average manufacturing salary in Canada.*

A Lower Carbon Economy

Not only do these investments bring jobs and community benefits, but value-added energy production in Canada from clean natural gas liquids will result in lower global greenhouse gas emissions than if produced elsewhere from oil or coal, and moreover, production of these necessary products at home will reduce the need to import them, further reducing global emissions. This is the future of our energy economy in western Canada and will help lead Canada and the world in the transition to a lower carbon economy. But we have to be willing to work together at all levels of government to ensure the investments and benefits end up here in western Canada.

Discussion Questions

What does a stronger western Canadian economy look like 10 years from now?

Ten years from now, a stronger western Canadian economy is an economy that gets full value for our abundant natural resources, that diversified the products we make and the markets we trade with. It is an economy that leverages our core strengths and grows our existing clusters to become world class and globally competitive. It is an economy that generates demand for more highly-educated, highly-skilled workers to be trained and employs a workforce that reflects the diversity of our communities. We are the best at what we do, we produce products and services in high demand and we are unique in our ability to deliver them at the highest quality and efficiency.

What are the best ways to spur new growth in western Canada?

One of the best ways to spur new growth in western Canada is to focus on getting full value for our natural resources, including (but not limited to) the energy, forestry and agricultural sectors. Value-added natural resource production and processing increases the multiplier effect, provides research and development opportunities and a generates high-paying STEM-related jobs.

Alberta's Industrial Heartland is poised to attract \$30 billion by 2030, but only if all levels of government are working together to create a competitive investment climate. We need a series of tools in our toolbox in order to create the right climate for attracting jobs, investment and the means to diversify our economy. A competitive investment climate consists of five key elements that all levels of government must focus on collectively:

- **An investment-friendly regulatory environment** including clear and consistent policies that ensure certainty, transparency and timeliness and are free from political intervention.
- **A competitive tax framework** that considers and minimizes the cumulative impact and layering effect of all taxes and added costs on business.

- **Investment attraction tools** both monetary and non-monetary that seek to de-risk and reduce upfront capital costs to attract projects in our core strength and growth sectors.
- **Economy-enabling infrastructure** that improves western Canada's ability to access markets and supports further growth of existing clusters.
- **A skilled and diverse workforce** that can help us compete globally and reflects the diversity of our communities.

Opportunities for the Western Canada Growth Strategy to contribute to a competitive investment climate:

- Tax credit or grant programs targeted at attracting value-add diversification investments and/or growth of existing value-add clusters.
- Investments in trade corridors, market access and cluster infrastructure.
- Financial support for existing initiatives and programs targeted at diversifying the workforce and encouraging more young women and Indigenous youth to enter STEM programs and careers.

What will help the Indigenous economy continue to grow?

First and foremost, the answer to this question must come from western Canada's Indigenous communities. Although, specific to the Edmonton Metro Region, a census of the Indigenous population was conducted and the most commonly reported occupational categories for Edmonton's Indigenous males were trades, transport and equipment operators and related occupations. Those occupations are directly dependent on the success of our natural resource economy, particularly the energy sector.

More support from governments for programs and groups like Trade Winds to Success and Women Building Futures who help train Indigenous men and women for good careers in the skilled trades will help increase Indigenous economic participation. Thirty-five per cent of Women Building Futures students are Indigenous women and they have an employment rate for graduates of over 95%. Companies in Alberta's Industrial Heartland like Pembina Pipelines and the North West Redwater Sturgeon Refinery have partnered with Women Building Futures to hire graduates and apprentices on their jobs sites. These programs are working and could be even more impactful with additional government support.

However, in order to continue to provide training and educational opportunities to Indigenous men and women in western Canada, we also need to continue to attract new investments in our core strength sectors that create skilled trade and technical job opportunities.

How can we improve economic participation in the west of under represented groups, including women, youth and new immigrants?

Groups like Women Building Futures are helping women train and find careers in the skilled trades and deserve further support from government and industry for those efforts. However, we must also focus earlier on encouraging young people to pursue courses in STEM, post-secondary programs, and, subsequently, careers in STEM-related fields if we are to attract new value-add investments and compete globally.

Government should focus on financial support for existing programs that are successful (in addition to support for new programs and initiatives). One such group in Alberta is the Women in Scholarship, Engineering, Science and Technology (WISEST). WISEST offers year round outreach, education and mentorship programming for thousands of girls (including Indigenous girls) to introduce or re-introduce them to the opportunities of a STEM education and career.

Ultimately, the best way for government to improve economic participation of under represented groups is to ensure that we keep attracting new investments and high value jobs and support groups and initiatives that introduce, train and place under represented groups in these jobs.

How can governments, industry, and western Canadians work together to grow the regional economy?

In order to have a meaningful and positive economic impact, we must all – governments, industry and western Canadians alike – be leveraging and focusing our resources on shared outcomes and goals that are based in our core strengths. We must act as enablers rather than obstacles to each other's economic activities and goals. In that respect, when one of the western Canadian provincial government's sets out an economic diversification strategy and invests tax dollars in the pursuit of those goals, the best thing the federal government can do is to: 1) do no harm – not adding obstacles, taxes or regulations that would impede the province's ability to obtain those economic goals and investments; and 2) invest in those same strategies and goals to leverage provincial and local dollars to greater effect.

Increased communication, streamlining and mutual investment by all levels of government toward the same outcomes will achieve greater results for all of Canada. These same principles apply for increasing participation of under represented groups in our economy – if government, industry and western Canadians leverage their resources and will towards the same goals and build on our strengths, we will all benefit.

Conclusion

Thank you for this opportunity to contribute *Towards a Western Canada Growth Strategy* and to continue working together towards a stronger, more sustainable western Canadian economic future.