

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## City of Edmonton

### Responses

#### 1. Economic Recovery and Growth

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

Investment in high value public infrastructure projects that provide significant economic returns to Canada and to its communities are needed for continued economic growth. In Edmonton's case, a key priority is full build-out of LRT, which – at an estimated cost of up to \$7.0 billion – will generate an estimated \$12.4 billion in total economic output, \$5.5 billion in GDP, \$3.7 billion in wages and salaries, and just over 51,000 full-time equivalent jobs. It will also contribute to the achievement of Canada's environmental objectives through a significant reduction in Greenhouse Gases. More generally, with respect to the Gas Tax Fund, the City of Edmonton would like to see this fund indexed to inflation so that federal investments keep pace with economic growth and its value is preserved for municipalities. Further, it is vital that the next Long-Term Infrastructure Plan be sustainable, predictable, flexible, and transparent. Sustainable funding - long-term, indexed to match inflation and economic growth pressures, and derived from sources of revenue that grow with the economy. Predictable funding - committed over the long-term such that municipalities can plan for the future. Flexible funding - allows municipalities to draw on their own priorities. Funding is available in wide envelopes and a variety of project types, for projects in a variety of stages (from conceptualization to shovel-ready), may be available for a complete or partial project (where the municipality has an ability to cover a portion of a large project but requires funding from other orders of government to complete the project). Transparent funding - respects that there is one taxpayer, and that the Canadian public should be aware of how their hard-earned dollars are being spent. Canadians want to know that their governments are working together to ensure that needs are being met. A formal application process and funding flowing directly to municipalities helps to ensure that Canadians know that the government is responding to their needs.

#### 2. Job Creation

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

Expansion of our capacity to move people and resources to expanding global markets would be a significant economic driver in both Canada, and Edmonton specifically. Investments in critical growth projects, such as enhanced regional transportation infrastructure designed to move people and goods in and around Edmonton, are vital for trade connections with new and emerging markets such as Asian markets. These investments will also provide improved access to, and support for, the North. Federal investments in needed public infrastructure such as the full build-out of Edmonton's LRT system, or investment in infrastructure tools such as indexing the Gas Tax Fund to inflation and creating a new Long-Term Infrastructure Plan that is sustainable, predictable, flexible and transparent are important in promoting job creation, and will serve to enhance quality of life for Edmonton's growing population and its ongoing performance as an economic powerhouse. Edmonton is an important strategic gateway to

the Fort McMurray area, the North and the Pacific Rim Port of Prince Rupert. Initiatives that strengthen heavy-haul trade corridors leading from Edmonton, including additional grade-separation of the Yellowhead Highway through the city, and Port Alberta to Prince Rupert, the Industrial Heartland and Fort McMurray will enhance Edmonton's ability to support the skilled jobs related to the fabrication and deployment of refinery modules to the oil sands and nearby upgraders.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

An aging population and skill shortage in large part can be addressed with (1) greater engagement of urban Aboriginals and (2) supports for immigration and immigrants. The City of Edmonton recommends greater engagement of urban Aboriginal citizens through investments in education, training, and social and cultural supports as key national workforce development priorities. The full and successful participation of urban Aboriginals in our economy represents significant opportunities for addressing skills shortages and supporting local, provincial and national economic growth through needed labour force participation, business entrepreneurship, innovation and strategic leadership. Targeted funding and support to municipalities in the work they do to meet the needs and foster talent development of urban Aboriginals is essential in this regard. This is an opportunity that Canada simply can not afford to miss. The City of Edmonton is very pleased with the Government of Canada's commitment to reforming the immigration system to better respond to the needs of the labour market, as well as the Government's ongoing work with provinces and territories on a common approach to facilitate the recognition of foreign credentials. It is with this in mind that the City of Edmonton makes the following recommendations:

- o Provide additional/continuing support for economic and social integration of immigrants - Communities are where major businesses set up shop and where workers live, and as such they provide a critical foundation for nurturing and expanding important international networks. Further, reforms in funding formulas to allow for support of inter-provincial new immigrants is essential in ensuring that available funding follows the need.
- o Provide direct support for the City of Edmonton in the integration of immigrants and support for NGOs that provide critical services to immigrants to develop a talented and productive Canadian workforce.
- o Actively support industry, municipalities and provincial and territorial governments in their overseas recruitment efforts in order to address skills shortages.
- o Increase pathways to permanent residency for temporary foreign workers and remove the cap on the Provincial Nominee Program so that Alberta's economic growth will not be hindered.

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

See response to Question 3.

### **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

Other challenges faced by Canada's municipalities, particularly Edmonton, include:

- o Affordable housing and homelessness - In part because of support from the Government of Canada, Edmonton's 10-Year Plan to End Homelessness has already demonstrated remarkable success in that more than 1789

individuals have been successfully housed (as of February 2012). Important steps to further address affordable housing challenges include support for construction of new rental housing, incentives for lower rental costs, and a commitment to renewing the affordable housing bilateral agreement between the federal and provincial governments.

o Violence reduction and safe communities - Edmonton is now home to one of the largest remand centres in Canada and is the only major municipality in Western Canada with a high concentration of federal inmate facilities. There are over 400 parolees living in Edmonton today, and according to the Parole Board of Canada, approximately 40 percent of those on statutory release are expected to reoffend or breach their parole. The Government of Canada has already taken key proactive steps in Budget 2011 through its commitment to invest \$20 million over 2 years in youth crime prevention programs and through benefits and tax credits for seniors, families and volunteers. It is critical to maintain and enhance this type of commitment to Canadians, and municipalities, on important community safety issues over the coming years, in particular support for Edmonton's Violence Reduction Strategy.