



June 20, 2022

## Standing Committee on Natural Resources

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### Consultation on Creating a Fair and Equitable Canadian Energy Transformation

The Canadian Chamber of Commerce welcomes the opportunity to participate in the Standing Committee on Natural Resources' ongoing consultation on [creating a fair and equitable Canadian energy transformation](#). As Canada's largest business organization, we understand the economy and the environment should advance in lockstep. Coupling environmental and economical initiatives is vital for achieving net-zero and increasing prosperity for all Canadians.

To ensure Canada's pathway to net-zero is competitive, enhances investment, creates jobs for Canadians and promotes innovation, how we get there matters. Investments that support business-led transitions, offset market development, and a predictable business environment are crucial to meeting these goals. Canada's business community is eager to lead the development of the net zero framework to enable the greatest economic opportunity for the next generation of Canadians.

To create sustained growth, Canadian businesses need the capital and capacity to fill labour needs. Government policies must support the conditions for businesses to be inclusive, invest and grow. Our shared prosperity depends on a strong business community that can innovate, attract talent and capital, and expand into new markets. Canadians from all sectors, regions and backgrounds must be able to participate in the workforce and share in the benefits.

Yet Canada faces significant challenges in achieving an orderly transition to net zero.

The Commissioner of the Environment and Sustainable Development's 2022 report on [Just Transition to a Low-Carbon Economy](#) emphasizes that Canada is behind on its plans to help workers in the fossil fuel industry transition to a green energy economy. The Commissioner's report noted that the Government of Canada has only implemented 4 of the 10 recommendations of the 2018 Just Transition Task Force, which consulted widely with communities, workers, and industry. Moreover, the report found that in the case of the coal phase-out, the transition has been handled on a business-as-usual basis, relying on existing program mechanisms such as the employment insurance program to deliver support. Moreover,

Of equal concern, businesses across Canada continue to face longstanding issues with labour shortages. As part of the Chamber's review of [the Canadian Survey on Business Conditions Q1 2022](#)<sup>1</sup>, which surveyed nearly 18,000 businesses, we found that businesses report they continue to struggle with recruiting and retaining staff. 60% of survey respondents indicated they will be taking more proactive measures over the next year to address the talent shortage, including increasing wages to existing

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<sup>1</sup> The Canadian Survey on Business Conditions (CSBC) was created in the spring of 2020 by the Canadian Chamber of Commerce and Statistics Canada to ensure decision makers have timely, relevant data about what businesses are going through and how they are planning for the eventual recovery. The quarterly survey examines issues like the impact COVID-19 on businesses, changes businesses are making to adapt to evolving restrictions, and the challenges they expect to face as the recovery begins.

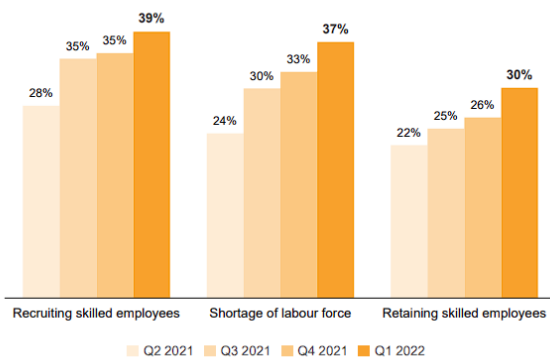


employees (45%), providing increased wage offering to new employees (24%), offering flexible scheduling (23%), and encouraging employees to participate in on-the-job training (20%). Despite such workforce development innovations, the private sector continues to face labour challenges—as highlighted in the following graphs.

## Labour shortages are causing businesses difficulty to attract and retain employees, with Quebec being the most impacted

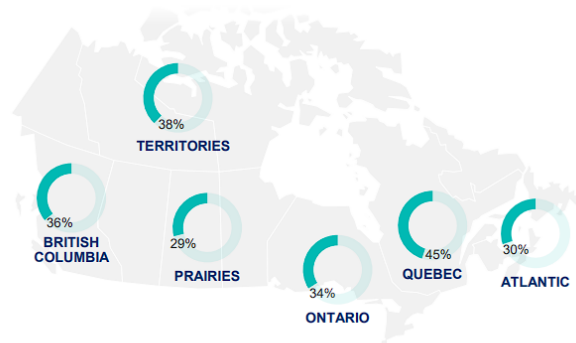
### LABOUR CHALLENGES HAVE STEADILY INCREASED FOR BUSINESSES OVER THE LAST YEAR

Over the next three months, which of the following are expected to be obstacles for your business?  
% of respondents, by labour obstacle



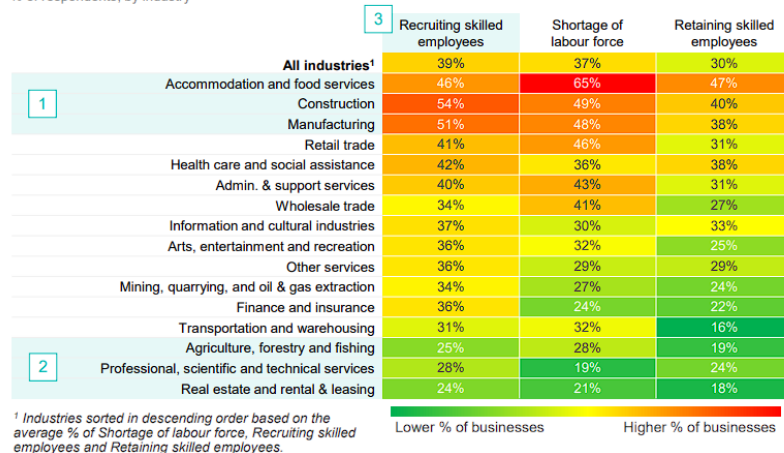
### BUSINESSES IN QUEBEC FACE HIGHER EMPLOYEE RECRUITMENT AND RETENTION CHALLENGES THAN THE REST OF CANADA

Over the next three months, which of the following are expected to be obstacles for your business?  
% of respondents averaged by labour obstacles, by region



### LABOUR CHALLENGES ARE WIDE SPREAD, BUT IMPACTING SOME INDUSTRIES MORE THAN OTHERS

Over the next three months, which of the following are expected to be obstacles for your business?  
% of respondents, by industry



1 Two thirds of businesses in **accommodation and food services** see labour force shortages as a significant short-term challenge; **construction** and **manufacturing** are expecting the **most recruiting challenges**.

2 **Agriculture, forestry and fishing, professional services** and **real estate** are the **least likely to expect workforce-related challenges**.

3 **Recruiting skilled employees** was the **most prevalent challenge** with at least 30% of businesses in 13 of 16 industries expecting it to be a short-term obstacle.

These labour challenges are set against the backdrop of limited successes in the federal government meeting its own emissions targets. Since 2005, Canada has only managed to reduce its overall greenhouse gas emissions from 739 to 730 megatons of carbon dioxide equivalent. Yet, between 2023 – 2030 the Government of Canada is aiming to reduce emissions by 287 megatons of carbon dioxide equivalent. Such ambition needs to be matched by strong funding, program, and policy supports.



While there is no easy solution to addressing labour challenges while reducing emissions, the Chamber believes Canada needs a comprehensive strategy that looks at immigration, re-skilling and up-skilling, new training approaches, and talent pipeline management systems all working in synergy. To that end, the Chamber appreciates consideration of the following recommendations:

- 1. Focus on supporting sustainable jobs.** Canada must develop its labour force to secure opportunities in existing and emerging sectors. A sustainable jobs strategy should focus on decarbonizing existing industries (e.g., oil and gas), expanding supports for established green energy sectors (e.g., nuclear, wind, and solar), and developing workforce capacities in emerging fields (e.g., hydrogen and energy storage).
- 2. Build closer collaboration among governments, employers, and educational institutions.** Skills shortages are becoming an obstacle in realizing the potential of a green economy. The Government of Canada can serve as the connector between academia, certifying bodies (e.g., professional corporations and standard setting organizations), and industry to ensure that Canadians are equipped with the necessary skillsets to excel in a net zero economy. Moreover, the Government of Canada should work to improve the accessibility and recognition of new immigrants' qualifications to ensure full participation in the skilled workforce market.
- 3. Create flexible, accessible, navigable upskilling and reskilling options.** Developing a culture of lifelong learning can create talent pipelines through targeted matchmaking programs. This approach will help build resilient employees and businesses alike, reduce risks for all groups, and create a more diverse workforce. The Government of Canada should work towards optimizing current Employment Insurance programs as well as establishing tax and fiscal strategies that incentivize both employer and employee investments in ongoing learning, both on-the-job and with increasing educational or technological qualification levels. Existing programs need to be evaluated every 3-5 years for alignment with Net Zero Accountability Act objectives.
- 4. Execute a data-driven energy transformation.** Our ability to secure an equitable energy transformation will be inhibited by our lack of data and understanding. It is difficult to measure how various workers and businesses will be affected by the energy transition, especially for groups that are historically underrepresented in existing research. As the shift to net zero may disproportionately burden disadvantaged and marginalized Canadians, the Government of Canada should increase efforts and funding toward socioeconomic research projects and data gathering to better understand impacts and opportunities.
- 5. Establish new opportunities for diversity-owned business and those with diverse workforces to access federal contracts and work with industry on decarbonization projects receiving government funding.** Discriminatory barriers have historically inhibited the entrepreneurial capacity for most diversity-owned businesses, Indigenous peoples, and visible minorities. The transition to net zero provides unique opportunities for historically marginalized Canadians to secure public procurement contracts and work with private sector project proponents as partners on project receiving government decarbonization funding. Further, there is an opportunity to explore the advancement of Indigenous participation in Canada's energy future as one pathway to Reconciliation via increasing access to capital and equity ownership for energy transition projects and/or decarbonization technologies.



- 6. Adopt a regional approach to workforce development and energy transformation.** The Chamber recognizes that each province's approach to decarbonization and workforce development will be determined by its existing infrastructure, natural-resources availability, and policy / regulatory environment. Accordingly, we welcome the introduction of Natural Resources Canada's Regional Energy and Resource Tables. Regional labour challenges and opportunities are the responsibility of all levels of government and should thus be a priority at these tables.

A sustainable jobs strategy is vital to ensuring the success of Canada's energy transformation. As such, we must aim to enable more than just skills training. The Government of Canada should strive to facilitate the attraction, retention, and advancement of skilled labour while ensuring opportunities for historically marginalized Canadians.

Importantly, a sustainable jobs strategy must be coupled with a practical, principled, yet flexible approach to emissions reductions that recognizes domestic and global opportunities for climate leadership.

Moving forward, the Chamber welcomes continued engagement with the Standing Committee on Natural Resources on this important topic. Members of the Chamber's [Net Zero Council](#) and wider network are keen to support effective and sustainable net zero policies within Canada. Together, we can advance a lower emission energy future that fully capitalizes on Canada's opportunity to benefit from net zero.

Thank you for your time and consideration.

**Submission provided by:**

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