

# Bill 2: The Open for Business Act

## Backgrounder

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The top priority of a United Conservative government will be creating jobs, and getting Alberta back to work.

Bill 2 under a UCP government would be the *Open for Business Act*, which would reverse job-killing NDP policies, restore workplace democracy, bring balance to Alberta labour laws, and incentivize the creation of youth employment.

### ***Alberta's Jobs Crisis***

The value of work to individuals is more than just a paycheque – it is important to enjoy the dignity of work, to develop skills, and to be self-reliant.

But according to recently released figures from Statistics Canada,<sup>1</sup> there are now 182,500 Albertans out of work. That includes 24,000 more out of work in the private sector now than when the NDP came to power. Alberta has an unemployment rate of 7.3 percent,<sup>2</sup> the highest outside Atlantic Canada – even higher than Nova Scotia.<sup>3</sup> This does not include those who have given up looking for work altogether.

The UCP will promote greater opportunities for full-time rather than part-time work, greater opportunities for long-term rather than short-term work and in fact more work altogether. A UCP government will restore balance to Alberta's labour laws, while ensuring protection of workers and their incomes.

### ***The NDP's failed policies***

A few years ago, some of Alberta's economic difficulties were caused by market factors beyond the Alberta government's control. Today however, other energy-dependent economies that compete with Alberta are reporting high growth and investment, and low unemployment.

Capital spending on oil and gas in the U.S. for example, is now 75 percent higher than in Canada. The Texas oil and gas sector is booming. Ours is self-evidently not. Texas faced similar headwinds in 2014. But its drilling activities are now back to 90 percent of its 2014 levels. Our industry, by contrast, is still stuck at 40 percent utilization.<sup>4</sup>

Alberta's continued recession is a result of the NDP's high-cost, low efficiency, unfair policies that hurt job creation by undermining incentives for entrepreneurs. Fortunately, while world market conditions are beyond the control of any Alberta government, the NDP's policies can be changed and prosperity restored for Albertans, by the UCP's *Open for Business Act*.

### ***Failed NDP Policies – High cost***

- Minimum wage – The minimum hourly wage has increased by nearly 50 per cent<sup>5</sup> even though inflation was just seven percent. In an Alberta-specific report, The Canadian Federation for Independent Business estimates that since 2015, the increased minimum wage has meant an extra \$10,700 per worker for a small business, or \$107,000 annually for a small business with ten employees.<sup>6</sup> That's two \$50,000 jobs that could not be created.

- Holiday pay - Restaurants have been forced to pay all staff holiday pay, even when a restaurant isn't open on the holiday. Having to pay all staff statutory holiday pay to not work on days when the business is closed adds a significant labour cost, which small businesses find unfair.

According to a Restaurants Canada survey of its members, when a restaurant is open on a statutory holiday, revenues will rise by just 10 to 15 percent. Meanwhile labour costs can more than double, especially when the additional Canada Pension Plan, Employment Insurance, and Workers Compensation payroll costs are added to the additional wages an employer must pay on a statutory holiday.

The new NDP-imposed system for calculating holiday pay is also unnecessarily complex. The Canadian Federation for Independent Business says in comparison to the old calculation of holiday pay, the new NDP method “feels like a throwback to some form of grade 12 advanced calculus – it is complex, confusing, and riddled with red tape.”

#### *Failed NDP Policies – Low efficiency, strangled by red tape*

- The Canadian Federation of Independent Business says regulation across Canada costs more than \$36 billion annually with nearly one-third of unnecessary “red tape” that could be done away with.<sup>7</sup>
- Regulation for a small business cost almost \$6,744 per employee<sup>8</sup> –that's almost \$34,000 for a business with five employees – one whole entry-level job.
- Alberta's “red tape” problem may not have started under the NDP government – Alberta has never scored higher than a “D” since 2011 – but it has certainly worsened under the NDP. The CFIB gave Alberta an “F” in its both its 2017 and 2018 Red Tape Report Cards.<sup>9</sup>

#### *Regulatory delays in the energy industry*

- Alberta's biggest job-creators also face regulatory red tape and those delays are sending oil and gas jobs to Saskatchewan and Texas. The Canadian Association of Petroleum Producers estimates Saskatchewan has as much as a 140-day advantage over Alberta in getting wells licensed. Texas has as much as a 190-day advantage.<sup>10</sup>
- A recent survey of energy executives conducted by the Fraser Institute found that 68 percent believe that the province's regulatory burden is a deterrent for investment.<sup>11</sup>



*Failed NDP Policies – Unfair rules*

- New regulations without the ability to comply: In 2018, the NDP required business owners to send their employees to training demanding that “designated safety representatives” take 16 hours of additional training in new safety rules. That new law was effective June 1, 2018. The province only posted the provincially-approved courses that counted as credit for the full training in January 2019 – seven months later<sup>12</sup>, even though the law’s provisions state business owners not in compliance with the Occupational Health and Safety Act could face \$500,000 fines or jail time<sup>13</sup>.

*Failed NDP policies – Alberta's Labour Laws*

Alberta's labour laws and practices are clearly out of balance.

- New Canadians and others may be subject to deceptive practices to obtain their signature for unionization<sup>14</sup>
- Some allege harassment.
- Workers who try and appeal to the Labour Relations Board struggle with red tape.
- Appellants in such matters are given mere days to appeal unfair labour practices.
- The secret ballot for unionization is no longer mandatory, opening workers up to intimidation from both unions and management in certification decisions.
- Current NDP approaches to job creators and workers unnecessarily multiply the red tape and regulation burden for job creators; the NDP's approach also makes it more difficult for employees to see their complaints quickly resolved.

*Failed NDP Policies: Youth unemployment is up*

- In 2017, the Bank of Canada said 60,000 jobs across Canada could be lost due to excessive government hikes in the minimum wage country-wide<sup>15</sup>
- The vast majority of economic studies<sup>16</sup> find that excessive hikes to the minimum wage creates more unemployment, especially for the young.
- The economics of raising the minimum wage by 10% rise leads to a 3% to 6% reduction in youth employment<sup>17</sup> —and the NDP government raised Alberta's minimum wage by 50% in just four years

- Even an Ontario government-sponsored think tank study, in 2014, under the former Liberal government, concluded that “minimum wages have no effect on reducing poverty and may even exacerbate poverty slightly.”<sup>18</sup>

These forecasts have come true in Alberta under NDP policy

- Thousands of young people have given up looking for work. Youth participation in Alberta's economy is also dropping, to a record low of 62% in 2018, down from nearly 71% in 2015.<sup>19</sup>
- A staggering number have been out-of-work for two years or more and the number of young men without a job has never been higher since Statistics Canada began measuring this statistic in the 1960s.<sup>20</sup>
- The Youth Unemployment Rate is now 11.6%, up from 10.7% when the NDP came to office
- 37,200 young Albertans are looking for work

### ***Failed NDP policies: Hardship for small businesses***

The combination of government-imposed higher costs and inflexible labour laws and regulation have led directly to reduced hours and layoffs—and more work for small business owners.

- Waleed Abu-Manneh, owner of Shawarma Barlow, who already works 70 to 80 hours a week, told the Calgary Herald in 2017 that “I have to work more myself – especially for the new business – if you want to have lots of revenue to cover your costs.... I can't get more employees, so I have to work [more] myself.”<sup>21</sup>
- Kellie Ho, Hexagon Board Game Café, told CTV in 2018 that “As a small business owner, we have to find ways to minimize cost and... there might be a few hours decreased with some of our staff.”<sup>22</sup>
- Restaurants Canada reports that the number of workers employed in the restaurants, bars and hotels dropped by 10,200 employees between February 2015 and December 2018 and that average per restaurant staffing has been reduced from an average of 13 staff per restaurant in 2015 to 11.7 per restaurant in 2018.<sup>23</sup>

- Restaurants Canada says its recent survey shows that 95 per cent of Alberta's restaurateurs have been negatively impacted by recent changes to the province's labour legislation.

### ***UCP policies that work to create jobs and prosperity***

A UCP government will:

- Keep the general minimum wage at \$15/hour, recognizing that it is not feasible to reduce it
- Introduce a Youth Job Creation Wage of \$13.00 for workers who are 17 years of age or younger in order to incentivize the creation of first-time jobs for unemployed dependent teenagers
- Appoint a Minimum Wage Expert Panel to
  - consult with workers, employers, and policy experts
  - analyse and publish all of the available economic data on the labour market impact of the NDP's 50% increase in the minimum wage
  - assess whether hospitality industry workers who serve alcohol would likely generate higher net incomes (i.e. by working more hours) with a wage differential similar to those that exist in Ontario<sup>25</sup> Quebec<sup>26</sup> and British Columbia<sup>27</sup>
- Return to a regular / irregular workday distinction for calculating general holiday pay.
- Return to a holiday pay qualifying period of 30 work days in the last 90 days of employment.
- Return to allowing banked hours to be paid out at regular pay instead of time-and-a-half.
- Review all regulations as part of the UCP Red Tape Reduction Action Plan.
- Cut red tape by one third during its first four-year term of office.

### ***UCP policies that work to protect worker rights***

Freedom of association is a constitutional right, and the UCP supports the right of workers to join together for the purpose of engaging in collective bargaining.

To restore workplace democracy, enhance freedom of association, and protect worker rights, a UCP government will:

- Restore the mandatory secret ballot for union certification votes.
- Protect workers from being forced to fund causes and political parties without explicit opt-in approval.
- Reverse the replacement worker ban in the public sector.
- Require the Labour Relations Board to provide legal support to all union workers in order to better understand and exercise their rights.

***Making workplace safety more practical and effective:***

The UCP would make workplace safety more practical and effective by:

- **Strengthening new provisions in the Labour Relations Code** that have helped reduced the duplication of employment claims in multiple forums (e.g., Labour Relations; Employment Standards; Arbitration; Privacy).
- **Reviewing changes to Employment Standards, Occupational Health and Safety, and Workers' Compensation, and review existing Human Rights legislation.** We will streamline all Acts to be consistent with each other and remove duplication and overlap and unnecessary regulatory burdens and red tape for job creators, employees and union members. An example of duplication and overlap would be a discrimination or harassment complaint that can be filed to both Occupational Health and Safety and the Human Rights Commission. A UCP government would focus complaints to one body.
- **Keeping new forms of leave.**<sup>28</sup> Those include:
  - **Personal and Family Responsibility Leave**
  - **Long-Term Illness and Injury Leave**
  - **Bereavement Leave**
  - **Domestic Violence Leave**
  - **Citizenship Ceremony Leave** – A new unpaid leave provides up to a half-day of job protection for employees attending a citizenship ceremony.

- **Critical Illness of an Adult Family Member**
- **Critical Illness of a Child**
- **Death or disappearance of a Child**

The UCP will also retain:

- Some of the new procedural powers given to the Labour Relations Board, Employment Standards, and labour arbitrators, e.g., marshalling powers that allow the focusing of complaints although we will streamline more.
- New procedures relating to the duty of fair representation—e.g., the obligation of union and its process to properly represent a union member.
- Maintain essential services legislation
- This combination of enhanced freedom of association, retaining certain changes, and improving regulations for Alberta workers would restore balance to Alberta's labour laws, while ensuring protection of workers, their incomes and from workers being forced to fund political causes that they oppose.

The UCP will enact entrepreneur and worker-friendly policies that make Alberta the best place in Canada for employees to work and employers to invest and create jobs.

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<sup>1</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/190308/dq190308a-eng.htm>

<sup>2</sup> [Calgary 7.6 percent, Edmonton 7.0 percent, respectively the cities with the highest and third-highest unemployment rates of any Canadian city. Small net gains in employment are attributable only to public-sector growth.](#)

<sup>3</sup> [https://unitedconservative.ca/Article?name=UCPNews\\_Mar82019&](https://unitedconservative.ca/Article?name=UCPNews_Mar82019&)

<sup>4</sup> Page 5: <https://gallery.mailchimp.com/8156de93a49e7a9d440d00344/files/96d02d85-4a73-40be-9f5e-3902a7b6c627/SpeechandSlides.pdf>

<sup>5</sup> <https://calgaryherald.com/opinion/columnists/opinion-reality-cheque-please-alberta-restaurants-are-struggling>

<sup>6</sup> <https://www.cfib-fcei.ca/en/media/alberta-governments-minimum-wage-plan-puts-extra-10739-price-tag-year-each-entry-level-job>

<sup>7</sup> <https://www.cfib-fcei.ca/en/media/nearly-one-third-36-billion-cost-regulation-canada-unnecessary-red-tape>

<sup>8</sup> <https://www.cfib-fcei.ca/en/media/nearly-one-third-36-billion-cost-regulation-canada-unnecessary-red-tape>

<sup>9</sup> [https://www.cfib-fcei.ca/sites/default/files/2018-01/2018-Red-Tape-Report-Card\\_0.pdf](https://www.cfib-fcei.ca/sites/default/files/2018-01/2018-Red-Tape-Report-Card_0.pdf)

<sup>10</sup> Source: CAPP, A competitive policy and regulatory framework for Alberta's upstream oil and natural gas industry, p. 30.  
<https://www.capp.ca/-/media/capp/customer-portal/publications/304673.pdf?modified=20180526213355>

<sup>11</sup> See: [https://www.fraserinstitute.org/studies/natural-resource-regulation-in-alberta\\_](https://www.fraserinstitute.org/studies/natural-resource-regulation-in-alberta_)

<sup>12</sup> <https://www.cfib-fcei.ca/en/tools-resources/alberta-employment-rules>

<sup>13</sup> <https://www.alberta.ca/ohs-act-regulation-code.aspx>

<sup>14</sup> <https://calgaryherald.com/news/local-news/corbella-workers-and-employer-go-to-court-to-fight-union-trickery-and-albertas-new-labour-law>

<sup>15</sup> <https://www.bankofcanada.ca/wp-content/uploads/2017/12/san2017-26.pdf>

<sup>16</sup> <https://www.theguardian.pe.ca/opinion/columnists/matthew-lau-overwhelming-number-of-studies-show-raising-wages-eliminates-jobs-226873/>

<sup>17</sup> <https://www.c2cjournal.ca/2015/04/want-to-put-students-out-of-work-raise-the-minimum-wage/>

<sup>18</sup> <https://torontosun.com/opinion/columnists/guest-column-jobs-die-with-15-minimum-wage>

<sup>19</sup> <https://info.restaurantscanada.org/hubfs/Minimum-Wage-AB-Election-2019.pdf>

<sup>20</sup> <https://calgaryherald.com/opinion/columnists/corbella-disastrous-policies-have-created-desperate-times-for-albertas-young-men>

<sup>21</sup> <https://calgaryherald.com/news/local-news/wage-war-opinions-still-split-as-province-takes-latest-step-towards-15-hour-minimum-wage>

<sup>22</sup> <https://calgary.ctvnews.ca/alberta-boosts-minimum-wage-to-15-an-hour-1.4116103>

<sup>23</sup> <https://info.restaurantscanada.org/hubfs/Foodservice-Overview-AB-Election-2019.pdf>

<sup>24</sup> <https://www.macleans.ca/opinion/canadas-youth-are-the-clear-losers-from-a-higher-minimum-wage/>

<sup>25</sup> <https://www.ontario.ca/document/your-guide-employment-standards-act-0/minimum-wage>

<sup>26</sup> <https://www.cnt.gouv.qc.ca/en/wages-pay-and-work/wages>

<sup>27</sup> <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/minimum-wage>

<sup>28</sup> <https://www.alberta.ca/employment-standards-changes.aspx>