



Tel: (709) 368-6532 Fax: (709) 368-6543

AMEC Building, 133 Crosbie Road, Suite 208 St. John's, NL A1B 1H3

E-mail: nlec@nlec.nf.ca www.nlec.nf.ca

Employers Laud Government for Delivering a Sound and Solid Budget Overall *--FOR IMMEDIATE RELEASE*

April 26th, 2007, St. John's, NL – The Newfoundland & Labrador Employers' Council is pleased overall by today's provincial budget. In particular, Council is encouraged with the Williams government's \$6.7 million investment to address labour market issues and challenges facing industry.

"Employers across the province have communicated to us the critical issue they are having with attracting and retaining employees with the needed skill sets", commented Marilyn Tucker, President of the Employers' Council. "It is encouraging to see government act on these challenges by working on initiatives aimed at identifying labour market needs and developing programs and policies around attracting and retaining skilled workers for industry in Newfoundland & Labrador", Tucker added.

The \$6.7 million investment in skilled trades initiatives will go a long way in addressing many of the current and expected labour market issues. \$3.9 million will be used to expand career and employment services aimed at encouraging the province's youth to enter careers where there is industry demand, particularly in skilled trades. A further \$2.8 million will go towards improving the responsiveness of the skills training and apprenticeship system in the province including the addition of more specialized programs into the province's post secondary institutions and funding initiatives aimed at encouraging women, aboriginals and youth to enter into the apprenticeship system.

Aside from the monies allotted for the skills workforce initiatives, the Employers' Council is extremely pleased with the reduction in personal income taxes and the elimination of the surtax, making this province's tax rates the best in Atlantic Canada and bringing about the largest tax reduction in the history of the province. Commenting on this, Tucker stated "This essentially translates into a 1-2% increase in take home pay for every person working in the province, making this yet another measure to attract and retain workers in Newfoundland & Labrador".

However, employers were surprised to see a one dollar increase to the minimum wage that will come into effect over the year. Commenting on this, Tucker noted "Employers just absorbed a two dollar increase to the hourly minimum wage and this is now going up another dollar. This came as a surprise to the employer community as it was not consulted on this by government. There is a real impact on this from a business and economical perspective, namely, increased costs passed on to the consumer, declining employment, and even the closure of businesses, especially in rural areas that are already facing severe economic realities in an effort to stay afloat".

In conclusion, Tucker further commented, "Aside from the concerns for business from the increase in minimum wage, this was a good budget. We have been losing our most valuable resource to Alberta and other parts of Canada for far too long – that resource being our people. If we are to keep our working people at home, and if our province is to thrive, we have to make significant investments in our training system and the programs that support our people. Government has shown they are serious about this with today's budget and they are to be commended".

The Newfoundland & Labrador Employers' Council is the lead business advocacy group on labour and employment-related issues in this province.

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Media Contact: Nicole Scaplen, (709) 368-6573 (w), (709) 689-6989 (c), or nscaplen@nlec.nf.ca