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# A plan for jobs and the economy



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Budget 2020 is our government's plan for getting Albertans back to work and revitalizing our economy.

Budget 2020 takes a measured approach to fiscal management that focuses on getting Albertans back to work, making life better for Albertans and standing up for Alberta. It keeps government on track to balance the budget by 2022–23 while investing in Alberta's future.

Budget 2020 addresses Alberta's financial debt while ensuring Albertans can access the programs and services they need. It supports front-line public services by maintaining annual funding to health, education and social services, while making key investments in Alberta's economy to restore investor confidence and attract more job creators to our province.



## Budget 2020 focuses on four key priorities:

- Getting Alberta back to work
- Getting services to people who need them
- Getting spending under control
- Getting a fair deal

## Our plan is working

Alberta's deficit has declined more than expected. With the deficit \$1.2 billion lower than projected in Budget 2019, Alberta taxpayers can expect to pay \$35 million less in debt servicing costs. This is equivalent to the cost of 135 long-term care beds or a new K-9 school.

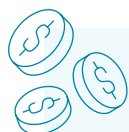
### BUDGET 2020 - KEY FISCAL METRICS

(billions of dollars\*)

	2018-19 actual	2019-20 budget	forecast	2020-21 estimate	2021-22 target	2022-23 target
Revenue	49.6	50.0	50.9	50.0	54.0	58.1
Expense						
Operating Expense	48.4	48.2	48.6	47.8	47.5	47.4
Other Expense	7.9	8.3	8.6	8.3	8.6	8.9
<b>Surplus / (Deficit) before provisions and allowances</b>	(6.7)	(6.5)	(6.3)	(6.1)	(2.0)	1.9
Crude-by-rail provision	-	1.5	1.3	-	-	-
Contingency / unallocated disaster assistance	-	0.7	-	0.8	0.8	0.8
Revenue forecast allowance	-	-	-	-	-	0.5
<b>Surplus / (Deficit)</b>	<b>(6.7)</b>	<b>(8.7)</b>	<b>(7.5)</b>	<b>(6.8)</b>	<b>(2.7)</b>	<b>0.7</b>

Source: Treasury Board and Finance

\*Numbers may not add due to rounding.



Every \$1 billion in debt reduction saves Albertans \$30 million in debt servicing costs. The 2019–20 deficit is nearly \$1.2 billion lower than projected, saving Albertans more than \$35 million.

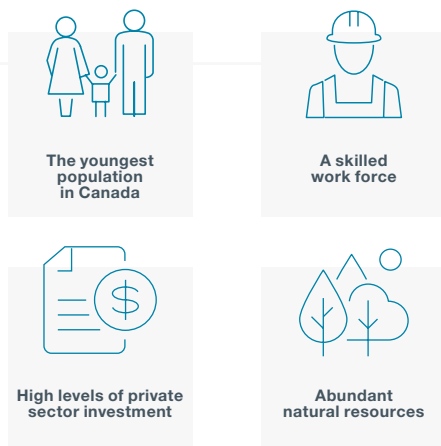
# A blueprint for jobs

Getting Albertans back to work is job one.

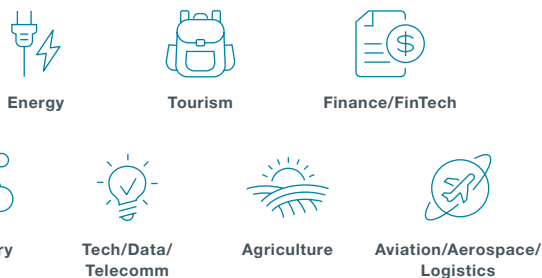
We are creating an environment where businesses can thrive and create good jobs with good wages for hard working Albertans—allowing them to contribute to the economy, give back to their communities and pave the way forward for the next generation of Albertans.

With the Job Creation Tax Cut as a foundation, we are building on Alberta's many existing strengths to get Albertans working, revitalize Alberta's economy and continue providing the critical government programs and services Albertans expect.

## WE ARE BUILDING ON OUR MANY EXISTING STRENGTHS:

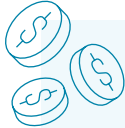


We will leverage our strengths to support further economic diversification, innovation, business attraction and investment in these key sectors:



## WE ARE TAKING IMMEDIATE AND LONG-TERM ACTION IN FIVE AREAS:

-  **Supporting businesses**
-  **Freeing job creators from senseless red tape**
-  **Investing in infrastructure**
-  **Skills development**
-  **Selling Alberta to the world**

 We are making it easier for job creators to thrive by creating an environment that is fairer for business.

## Attracting investment

Budget 2020 is creating an environment that inspires investor confidence and attracts job creators.

### Alberta's tax advantage

The Job Creation Tax Cut supports diversification and innovation and leaves investment decisions up to the market—not government.

Today, Alberta has the lowest corporate tax rate in Canada. By 2022, Alberta will have one of the lowest corporate tax rates in North America.

### Job creation tax cut

Alberta's corporate tax rate has already been reduced from 12 per cent to 10 per cent as part of the Job Creation Tax Cut. There are two more reductions scheduled. It will reach:

- 9 per cent on January 1, 2021
- 8 per cent on January 1, 2022

When it reaches 8 per cent, Alberta's corporate tax rate will be 30 per cent lower than the next lowest province and lower than in 44 U.S. states.

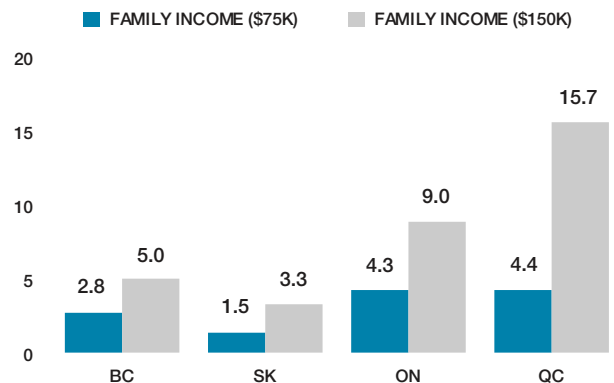
Albertans and Alberta businesses continue to pay less in overall taxes compared to other provinces, with low personal and corporate income taxes and no sales tax, health premiums or payroll tax.

## OUR COMPETITIVE ADVANTAGE

	Calgary	Vancouver
Corporate Income Tax (2020)	10%	12%
Payroll Tax	None	1.95%
Provincial Sales Tax	None	7%
Average Home Price (2019)	\$417,000	\$1,002,000
Labour Productivity (2018)	\$78.1 (AB)	\$53.1 (BC)
Average Net Rent Industrial Leasing (2019 Q4)	\$7.91	\$13.15

Source: Treasury Board and Finance, CBRE and Statistics Canada

## ALBERTA'S TAX ADVANTAGE 2020 (\$ THOUSANDS)

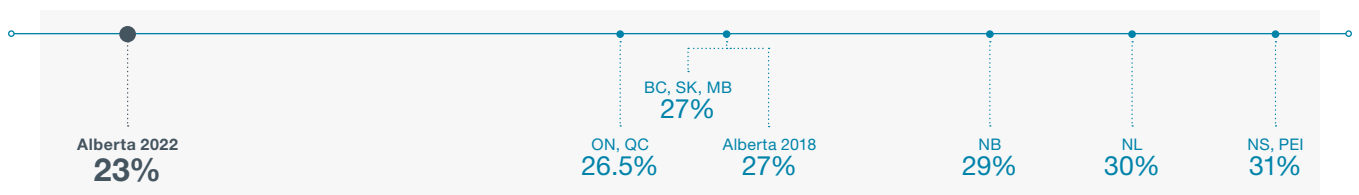


Source: Treasury Board and Finance

Note: Chart shows additional taxes paid annually in other provinces relative to Alberta. Assumes single income family with two children. Includes personal income tax, sales tax, health premium, payroll tax, fuel tax and net provincial carbon tax

## SIGNIFICANT IMPROVEMENT IN ALBERTA'S BUSINESS TAX COMPETITIVENESS

Combined Federal-Provincial General Corporate Income Tax Rate



Source: Treasury Board and Finance

## Investing in infrastructure

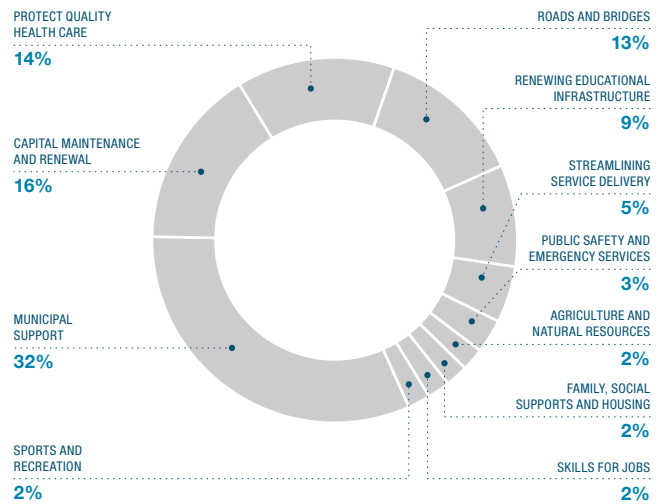
Budget 2020 continues to recognize that roads, schools and health facilities are critical to economic success.

### Capital Plan

Budget 2020 introduces a Capital Plan to spur job creation in Alberta, helping many Albertans get back to work. There will be funding in the Capital Plan for new schools, hospital projects, roads and other infrastructure projects.

The 2020 Capital Plan accelerates our already aggressive Capital Plan with a focus on infrastructure that advances jobs and economic growth. New projects worth an estimated \$772 million over the next three years will create approximately 3,000 new jobs by 2022.

### 2020 BUDGET CAPITAL PLAN



Note: Excludes schools, universities, colleges, hospitals (SUCH) sector – self financed investment.

# Making life better for Albertans

Budget 2020 continues to focus on helping those in our communities who are most in need.

We are upholding the commitment we made in Budget 2019 by maintaining or increasing funding to core social services. Budget 2020 maintains budgets at record levels for health, education and social services.



**\$20.6 billion**  
to provide health services

**\$100 million** for mental health and addiction strategy

**\$40 million** for an opioid response

**\$20 million** for palliative care



**\$8.3 billion** for education, an increase of \$100 million as government allows school jurisdictions to transition to the new funding model by using reserves and own source funding



**\$3.9 billion** for community and social services with a focus on more efficient outcomes



**\$1.6 billion** for children's services, to ensure children, youth and families have the services and supports they need to thrive

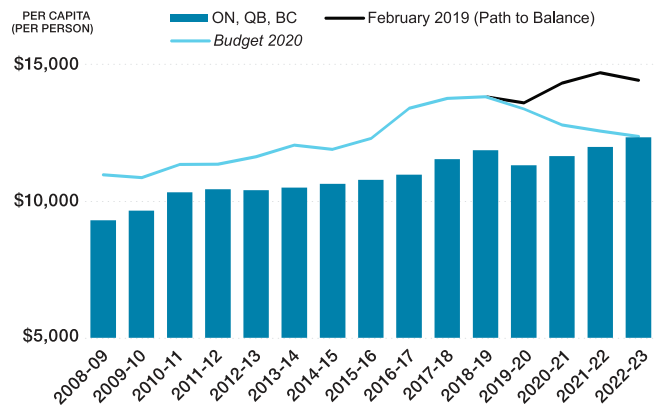


**\$637 million** for seniors benefits and housing services

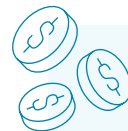
## Living within our means

We remain committed to spending only what we can afford to ensure we continue to provide services now and in the future. Government is refocusing how dollars are spent so Albertans can continue receiving the outcomes they deserve through programs that are effective and sustainable.

### SPENDING COMPARED TO OTHERS



Source: Amounts for 2008–09 to 2018–19 are based on Statistics Canada data. Amounts for Alberta from 2019–20 onward are based on the amounts presented in the budget. Expenditures for BC, ON, QB from 2018–19 onward were adjusted based on the percentage increase provided in each province's budget.



Budget 2020 is making life better for Albertans—and young Albertans—by introducing a tax on vaping devices and liquids to help discourage youth from buying these products.

# A fair deal for Alberta

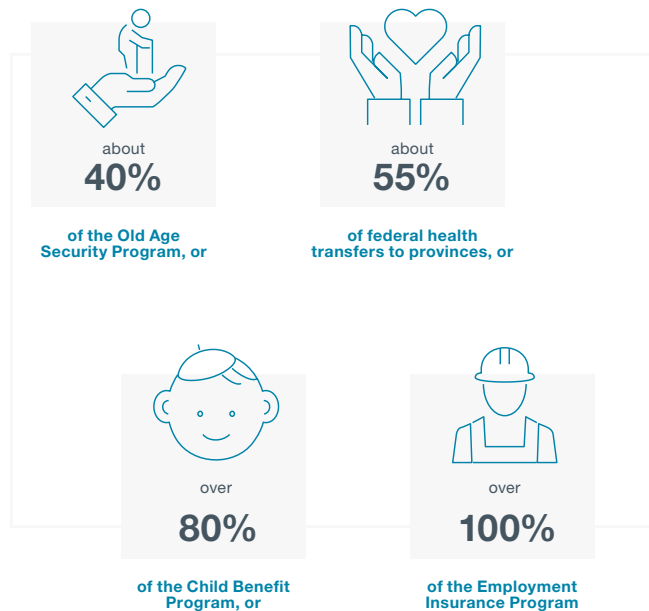
Albertans contribute far more to the federal government than they receive back in federal spending. Alberta is seeking a fair deal to address this imbalance.

## Alberta's contribution to Canada

With only 12 per cent of Canada's population, Alberta has been a major contributor to the country's economy for decades. Alberta's ongoing contributions to Canada play a driving role in sustaining the national economy, as well as programs and services all Canadians rely on.

Over the past five years (2014–18), Alberta's contribution to the federal government has averaged \$20 billion per year. What does that represent in federal programs and services?

### WHAT DOES ALBERTA'S \$20 BILLION FISCAL CONTRIBUTION REPRESENT IN FEDERAL PROGRAMS?

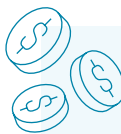


Source: Statistics Canada and Alberta Treasury Board and Finance

## The fair deal panel

The Panel held town hall meetings across Alberta from December 2019 through January 2020. They heard from more than 7,000 Albertans. The Panel will report its findings to the Government of Alberta by March 31, 2020.

### FAIR DEAL PANEL TOWN HALL MEETING LOCATIONS



Albertans should have received an additional \$2.4 billion from the federal Fiscal Stabilization program in 2015–16 and 2016–17. We have asked for the arbitrary per capita cap to be lifted and a retroactive payment with respect to the prolonged economic downturn of our province.

