

BUDGET 2020

Strategic plan

Government of Alberta
2020–23



Alberta

Premier's Message



Last April, Albertans elected our government to get our economy back on track and give Albertans hope for a bright future once again. I am pleased to report that our efforts to accomplish these goals are underway and already leading to positive results for Albertans.

After five years of economic stagnation, our province is beginning to see investment and job creation return. The Job Creation Tax Cut and our focus to eliminate unnecessary red tape and regulation is creating an environment where business wants to invest. This is only amplified by the important victories that Alberta has won at the Supreme Court which means that shovels are in the ground for important new energy infrastructure, like the Trans Mountain Pipeline. The measure of success will be the day our energy flows through it, but it is encouraging none the less.

We have a strategic plan that will help Alberta realize our potential and help us to overcome the challenges we have faced together over the past number of years. Our government, with your help, remains focused on three priorities:

To ensure that Alberta is the best place in North America to start a business in or create jobs, we made our province the most tax competitive jurisdiction in Canada as of January 1, 2020, and we are well on the way to becoming leaders in the whole continent. Coupled with our efforts to reduce regulation and cut red tape, Alberta is making a global case for new investment.

To make life better for Albertans, we are modernizing and improving government services to ensure that they remain effective and viable for future generations. We are also taking the lead in combatting the rural crime epidemic that plagues far too many communities in our province, and implementing a strategy that will put more boots on the grounds, and more criminals behind bars.

To stand up for Alberta we have built new, strong relationships with provinces and our First Nations communities to ensure that our voice is heard. We have also engaged directly with Albertans on a fair deal for our province to hear their concerns, and find a path forward.

There is much more to do, but this plan outlines the actions we will take over the next three years to keep our promises to Albertans. Together, we will do this.

Our best days still remain ahead of us.

Best regards,
Jason Kenney

Vision

The Alberta government is focused on eliminating barriers for job creators. This work supports a vibrant private sector that provides jobs and expands the province's economy. A strong private sector is vital for government to continue to protect health, education and services and to provide supports for Albertans who need it the most. We are spending more on education and health than ever before, and are undertaking the transformational change that is necessary to achieve a strong fiscal foundation. We are ensuring that Albertans receive high quality and sustainable services now and into the future.

Three Key Priorities

Supporting job creation

Alberta is now the most tax-competitive business jurisdiction in Canada and is among the most attractive investment destinations in North America. We remain focused on identifying and eliminating unnecessary red tape that stifles economic growth.

Making life better for Albertans

Making life better for Albertans means modernizing government services and undertaking the transformational change necessary to ensure the quality and effectiveness of vital public services that Albertans rely on such as health and education. It also means ensuring that the necessary supports are provided to both those who need them now and into the future. This includes identifying and eliminating red tape burdens and implementing initiatives that streamline government services, making it easier for businesses and Albertans to thrive.

Standing up for Alberta

This government remains committed to securing a fair deal for Alberta. Ensuring a fair price for our natural resources will create thousands of new jobs and increased prosperity that will benefit the entire country. Ensuring Alberta gets a fair deal is a key priority for this government. Albertans are being consulted on reforms that would strengthen our economic positions, give Alberta a larger voice within confederation and give the province more authority in areas of provincial jurisdiction. This means that more job-creating investment and new businesses will choose our province and that means more jobs for Albertans.

Priority one

Supporting job creation

Our objectives

This government promised to help get Albertans back to work. To do this, Alberta has become the most tax competitive jurisdiction for businesses in Canada and among the most attractive investment destinations in North America. Further, this government is committed to a smart approach to innovation, making Alberta a magnet for investment in new technologies and economic diversification, and creating a better environment for new jobs.

1. Changing the tax structure to stimulate growth and attract investment
2. Making Alberta open for business
3. Reducing red tape
4. Building public infrastructure
5. Revitalizing and sustaining key industries
6. Making Alberta more dynamic, innovative and sustainable

Objective one

Changing the tax structure to stimulate growth and attract investment

The Job Creation Tax Cut lowered the corporate tax rate from 12 per cent to 10 per cent, and will lower it to eight per cent by 2022 to make it the lowest in the country, attracting investment and creating thousands of jobs in Alberta. We are reviewing the way we determine property assessments for industrial property, including wells and pipelines, to ensure that the valuations reflect current circumstances and do not place an undue burden on competitiveness.

Actions

- Implement a jobs plan for Alberta – including continued implementation of the Job Creation Tax Cut, lowering it to eight per cent by 2022 and keeping it the lowest in Canada.
- Advocate for Alberta's interests and protect provincial powers, which will contribute to an environment for job creation.
- Update the province's property assessment model for the oil and gas sector, including wells and pipelines. In the interim, the assessed value of shallow gas properties was reduced by 35 per cent for the 2020 tax year to help shallow gas producers cut costs, protect and create jobs, and remain competitive in the face of economic pressures affecting this critical sector.

Objective two

Making Alberta open for business

This government will give Alberta workers more freedom and bring balance back to Alberta's labour laws so job creators are better able to invest in Alberta with ease.

Actions

- Investment and growth are at the heart of the jobs plan. As part of the plan, a new Investment and Growth Strategy will invest \$75 million over the next three fiscal years to cultivate opportunities within Canada, the U.S. and globally, and to support technology-based solutions for lead generation and marketing strategies.
- Enable a thriving economy while protecting worker rights. This includes reviewing and amending labour legislation and regulations, and advocating for changes to federal labour and immigration programs to address the unique challenges and needs in Alberta.
- Ensure that Alberta's job creators in promising sectors such as technology, tourism, and agriculture have the supports they need to grow and thrive.

Priority one

Supporting job creation

Objective three Reducing red tape

This government is taking action on reducing red tape to make Alberta one of the freest and fastest-moving economies in the world. The principles of the *Red Tape Reduction Act* support the work of cutting red tape by one-third, removing regulatory barriers on Alberta businesses, reducing unnecessary costs, and creating jobs. Alberta already moved from a failing grade in 2018-19 to a “B-” as identified by the Canadian Federation of Independent Business (CFIB) Red Tape Report Card.

Actions

- Continue working with industry panels focused on a broad range of sectors that include oil well drilling, commercial trucking, agricultural and agri-business, hospitality and tourism, seniors housing, and condominium stakeholders to inform regulatory and program changes to reduce red tape without compromising safety and service levels.
- Work with a newly created Small Business Industry Panel to identify and reduce the unnecessary red tape holding back job creators.
- Continue to promote public input on the CutRedTape.alberta.ca website to inform ongoing improvement and eliminate one-third of burdensome regulatory requirements affecting Albertans.
- Reduce interprovincial barriers to free trade. Internal trade barriers include unnecessary red tape that makes it harder to invest and create jobs. Freer trade will bring prosperity to communities across Canada.
- Review the *Municipal Government Act*, focusing on ways to reduce regulatory burden and streamline provisions hampering administrative efficiencies for municipalities, citizens, businesses and industry.
- Increase the effectiveness of Alberta’s environmental approval and compliance processes while reducing administrative, regulatory and process burdens. This will be achieved by developing and implementing an integrated regulatory assurance framework that is supported with streamlined regulatory business processes.

Objective four Building public infrastructure

Alberta needs to plan for and build infrastructure to meet the needs of future generations. This government will focus on infrastructure investments that support key public services such as health and education. Infrastructure projects will also be prioritized to increase the economy’s productive capacity, lower the cost of doing business and encourage new private investment in the province.

Actions

- Prioritize infrastructure projects that will enable future private sector investment. This includes clearing transportation bottlenecks and reducing congestion in key trading and industrial corridors.
- Review the government’s inventory of properties and its asset retention and disposal policies.
- Review Capital Maintenance and Renewal spending to ensure it is efficient and effective.
- Invest in health care facilities like the Calgary Cancer Centre.
- Invest \$1.5 billion over three years toward new schools and modernization projects across Alberta.
- Invest \$48 million over four years in irrigation infrastructure rehabilitation projects to ensure that irrigation in Alberta remains sustainable and effective.
- Maintain grant funding for rural utilities and increase the Rural Gas Grant to support rural economies and rural utility planning for Alberta’s future.

Objective five Revitalizing and sustaining key industries

This government believes that sustainable development is vital to Alberta's economic future. Key industries include oil and gas, agriculture, forestry and tourism.

Actions

- Support job creation in oil and gas by improving regulations and restoring Alberta's reputation with investors as a global leader in the energy industry.
- Maximize the government's investment in the technology sector to ensure it is focused on commercialization and job creation.
- Work with stakeholders including those in the private sector to develop a 10-year strategy to promote tourism in Alberta.
- Create economic opportunities in Alberta's forest sector in partnership with Alberta's forest workers and companies.
- Implement farmer-led research to ensure that farmers, not government, set key agricultural research priorities.
- Develop and implement a strategy to attract investment, enhance value-added processing and increase agriculture and agri-food exports.
- Implement a jobs plan to support a cross-government focus to further economic growth and job creation.
- Proceed with changes to the curtailment rules, including the exemption on new conventional oil and gas wells announced in November 2019. It is estimated that the changes to the curtailment rules have led to an estimate of 10 new active rigs and 200 new jobs in Alberta.

Objective six Making Alberta more dynamic, innovative and sustainable

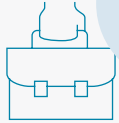
The government will streamline programs and use a smarter approach to innovation to modernize our economy, create the best environment for businesses in Canada and get Albertans back to work.

Actions

- Implement the Technology Innovation and Emissions Reduction (TIER) Fund to help industrial facilities to reduce emissions and invest in clean technology.
- Implement the Alberta Advantage Immigration Strategy so that immigration addresses the needs of job creators and communities.
- Provide labour market information to support informed decision-making by Albertans, government, communities, training providers and employers.
- Adopt a smart approach to innovation and make Alberta competitive for global high-tech investment.

Indicators

Supporting job creation



2.8%
private sector
employment
increase

Employment Private sector employment

Last actual

Employment in the private sector increased by 2.8 per cent in 2019



9.6%
self-employment
decrease

Self-employment Albertans self-employed

Last actual

Self-employment decreased by 9.6 per cent in 2019



\$14,051
per capita
non-residential
investment

Investment Non-residential investment in Alberta

Last actual

\$14,051 per capita in 2018

Priority two

Making life better for Albertans

Our objectives

This government is committed to making life better for Albertans by streamlining programs and services to provide sustainable, high quality, patient-centred health care to all Albertans, and ensure children and young adults receive an excellent education now and into the future. This also includes collaborating with Indigenous Peoples, building our communities and keeping them safe, making our justice system more effective, and protecting vulnerable Albertans.

1. Delivering sustainable, high quality, patient-centred health care to all Albertans
2. Strengthening quality education that delivers the best possible outcomes
3. Supporting Albertans most in need
4. Enhancing the justice system to make it fairer, faster and more effective
5. Building better communities
6. Partnering with Indigenous Peoples to pursue opportunities

Objective one

Delivering sustainable, high quality, patient-centred health care for Albertans

While Alberta is spending more than ever on health care, and spending significantly more per capita than other comparable provinces, Albertans do not see the outcomes that they should expect from this investment. Closing the gap in health outcomes and spending between Alberta and comparable provinces remains a key priority for this government. Government will implement key recommendations from the Alberta Health Services review as a foundation for improved care and better health care outcomes.

Actions

- Reduce surgical wait times to clinical guidelines through increased surgery capacity in hospitals and through publicly funded procedures in surgical facilities operated by independent providers.
- Implement most recommendations from the comprehensive review of Alberta Health Services.

- Work with the Alberta Medical Association to manage spending growth and modernize physician funding models to improve quality of patient care and accountability for results.
- Ensure the sustainability of publicly funded drug benefits so they support the most vulnerable by prioritizing treatments that deliver the best health outcomes in the most cost effective manner.
- Work with independent providers to develop long-term care and supportive living spaces in communities, and modernize continuing care legislative frameworks to ensure care is more integrated.
- Invest \$100 million to implement a Mental Health and Addictions Strategy informed by the work of the Mental Health and Addictions Advisory Council.
- Invest \$40 million to respond to the opioid crisis and support treatment and recovery services.
- Hear from Albertans and ensure they are able to navigate the complaints process so the voice of patients and caregivers leads to real improvements.

Priority two

Making life better for Albertans

Objective two

Strengthening quality education that delivers the best possible outcomes

This government will work with parents, teachers, principals and trustees to make Alberta's schools excellent places for our children to learn. The government will maintain spending for the K-12 education system and continue to build post-secondary education as the foundation of a strong Alberta economy and a vibrant province. This government recognizes the need for a smooth transition for students between secondary education and post-secondary education for participation in the labour market.

Actions

- Implement the new funding model for the K-12 education system to help ensure resources are used effectively while providing flexibility to school authorities.
- Work with post-secondary institutions to implement a new funding framework and set overall strategic directions, goals, and optimal governance models for the post-secondary system.

Objective three

Supporting Albertans most in need

The government will protect Albertans most in need with legislation and increased funding for specialized law enforcement agencies that combat domestic violence, stalkers, child exploitation and abuse, gang activity, and drug trafficking.

Actions

- Introduce legislation to protect survivors of human trafficking and establish a provincial Human Trafficking Task Force.
- Develop regulations that support the implementation of the *Disclosure to Protect against Domestic Violence (Clare's Law) Act*.
- Ensure the sustainability of seniors' financial programs to support low-income seniors most in need and promote healthy aging in community.
- Build on successful partnerships, creating employment opportunities for Albertans with disabilities.
- Establish a new civil society fund supporting innovative programs from community groups that address social challenges.

Objective four

Make the justice system fairer, faster and more effective

This government will protect the safety of Albertans by making the justice system fairer, faster, and more effective. Albertans deserve a justice system that protects them, their loved ones and their property.

Actions

- Hire additional Crown prosecutors to ensure criminal matters are dealt with in a timely and appropriate manner.
- Continue to improve law enforcement's rural crime response capability by increasing RCMP resources and creating the Rural Alberta Provincial Integrated Defence Force (the RAPID Force), which will allow provincial peace officers to better respond to and assist the RCMP and other police services.
- Increase funding to existing Drug Treatment Court services to expand their capacity and identify potential new sites.

Objective five Building better communities

The government will support and fund local services and projects, ensure the availability of more affordable housing, support creative industries, and restore public confidence on property rights.

Actions

- Support municipalities in continuing to strengthen municipal accountability and processes. This includes supporting the Alberta Municipalities Measurement Index, which gives the public straightforward access to information detailing the performance of municipalities.
- Support affordable and accessible housing for Albertans most in need.
- Work with stakeholders and partners to gather information and perspectives on multiculturalism, diversity and inclusion, including exploring policy and legislative approaches that will lead to a society where all people feel their culture and heritage is valued and respected.
- Establish a Creative Partnerships Alberta program to mentor and assist artists, arts organizations, cultural industries and civil society to generate income and support from the private sector, and build partnerships between the arts, philanthropy and business sectors.
- Protect Albertans' property rights through a new *Alberta Property Rights Protection Act*.

Objective six Partnering with Indigenous Peoples to pursue opportunities

Government partners with Indigenous Peoples in Alberta in pursuit of reconciliation, inclusion, opportunity and community well-being. We strive to remove barriers to new revenue streams that can help Indigenous leaders develop the social and economic programs their communities need.

Actions

- Work with the federal government to streamline how Indigenous Peoples access key services such as education and health care.
- Include Indigenous communities in Alberta on the Fair Deal Panel to help Indigenous communities succeed and prosper.
- Provide oversight to the Alberta Indigenous Opportunities Corporation to increase Indigenous communities' access to capital and technical support to invest in natural resource projects and related infrastructure in order to support Indigenous prosperity.
- Advocate for a federal Aboriginal consultation process that provides clear timelines and legal certainty for project proponents and Indigenous communities, consistent with the federal government's constitutional obligations.

Indicators

Making life better for Albertans



Priority three

Standing up for Alberta

Our objectives

Alberta has been by far the biggest contributing province to Canada in recent decades and a huge engine for jobs and growth. But governments that have profited from our resources, hard work, and generosity now seem determined to pin us down and block us in. Albertans are not asking for a special deal. We are just asking for a fair deal. And our government will do everything within our power to get it.

1. Getting pipelines built
2. Standing up to foreign influences on Alberta's natural resources
3. A fair deal for Alberta

Objective one

Getting pipelines built

Pipelines are how we get our oil and gas to market for sale. The lack of pipeline capacity causes the price for Canadian oil to go down and prevents further investment. This government will pursue every possible pipeline project to get our oil and gas to market.

Actions

- File a constitutional challenge to Bill C-69 - An Act to enact the *Impact Assessment Act* and the *Canadian Energy Regulator Act*, to amend the *Navigation Protection Act*, and to make consequential amendments to other acts that create more red tape around efforts to bring Alberta's oil to market.
- Build an interprovincial coalition of provinces, which supports jobs, pipelines, and our energy industry, making it a top issue in federal-provincial relations. This includes building representation in Ottawa, Quebec and British Columbia.

Priority three

Standing up for Alberta

Objective two

Standing up to foreign influences on Alberta's natural resources

This government will also defend Alberta against well-funded foreign special interests who have been waging campaigns to land lock Alberta's oil and gas.

Actions

- Defend Alberta's energy industry through the Canadian Energy Centre which will take a fact-based approach to counteracting the misinformation about our industry. It will collaborate with industry, academia, Indigenous Peoples and others to communicate that Alberta energy is responsibly produced and indispensable to Canada and the world.
- Administer the Indigenous Litigation Fund to support Indigenous Peoples' advocacy for responsible resource development. The fund will provide financial support to groups, privately funded societies or alliances that include Indigenous Peoples' businesses, communities or groups.
- Address the report from the public inquiry into foreign sources of funds behind anti-Alberta energy campaigns. A commissioner is leading the inquiry into energy campaigns supported by foreign organization.

Objective three

A fair deal for Alberta

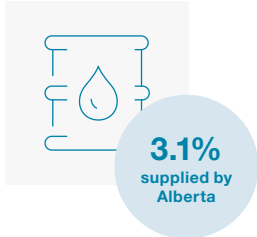
In November 2019, the Government of Alberta established the Fair Deal Panel. Its mandate is to explore – and consult with Albertans – on ideas for reform that would strengthen the province's economic position, give Alberta a larger voice within Confederation, and increase the province's power over institutions and funding in areas of provincial jurisdiction.

Actions

- Advocate for fairer treatment for Alberta with the federal government, including equal per capita funding for all federal dollars.
- Build coalitions with willing provinces and territories to advance objectives that respect Alberta's jurisdiction and improve our prosperity.
- Consider the recommendations of the Fair Deal Panel and take action as appropriate to confirm Alberta's place in the federation.
- Ensure taxpayers dollars are used responsibly and wisely.
- Implement the recommendations of the MacKinnon Panel – an independent blue-ribbon group of experts that conducted a review of Alberta's finances.
- Bring per capita spending in line with the average of comparable provinces.
- Enhance transparency and accountability in government's fiscal plan.
- Reduce the footprint of government, especially management and administration that may result in unnecessary costs for Albertans in terms of time, money or other resources.
- Reduce overlap and duplication of programs and services, between federal and provincial governments.

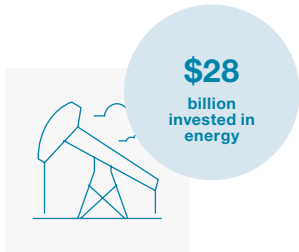
Indicators

Standing up for Alberta



Alberta's oil sands Supply share of global oil consumption

Last actual
3.1 per cent of global oil consumption was supplied by Alberta's oil sands in 2018



Energy sector investment Upstream energy sector investment

Last actual
\$28 billion was invested in mining, quarrying and oil and gas in 2018 (preliminary result)



Government spending Fiscal accountability rating

Last actual
The Government of Alberta was rated "A" in 2018-19

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