
Fair Deal Panel report

Government's response



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Introduction

In May of 2020, the Fair Deal Panel submitted its final report and recommendations to the Government of Alberta, and since that time, the province has carefully reviewed and considered each of the 25 recommendations outlined within the report.

The Fair Deal Panel was first created by Premier Jason Kenney in November of 2019 with a mandate focusing on how best to define and secure a fair deal for Alberta. The panel engaged with Albertans and explored ideas that could give Alberta a larger voice within the federation, increase our power over areas of provincial jurisdiction, and advance our vital economic interests, such as building energy pipelines.

Following the creation of the Fair Deal Panel, the province of Alberta and the rest of Canada experienced two unprecedented global crises; the COVID-19 pandemic and the drastic drop of world oil prices. These events have had an extremely severe impact on our economy. Due to the resulting uncertain times, the Government of Alberta is focusing on supporting Albertans and economic recovery as we navigate the current crises.

The Government of Alberta has seriously considered the research and recommendations provided by the Fair Deal Panel and developed a plan on how best to use this information as we move to recover Alberta's economy, continue to protect Albertans and adapt to the current challenges our province is facing.

Message from Premier Jason Kenney

Since I first announced the Fair Deal Panel in November of 2019, Alberta and Canada have faced unprecedented challenges and circumstances. No one could have anticipated the economic crisis and global health pandemic that would arise only four short months later. Albertans and all Canadians are now facing the immense task of recovering from the COVID-19 pandemic while still ensuring the safety of citizens.

Alongside these challenges, the feelings of frustration, anger and fear that came to light in Alberta following the 2019 Federal Election are still alive today. As we move forward with our recovery, we must also move forward with our efforts to ensure Alberta is treated fairly within the federation.

So what does fairness look like for Alberta within confederation? It consists of more autonomy, better representation and a renewed respect for all provinces and territories.

I have carefully reviewed the recommendations provided by the Fair Deal Panel and I have heard the concerns of Albertans. By sharing your stories with the panel you have helped to inform government as we move forward with the Fair Deal Panel recommendations and act in the best interest of our province.

Approach to the response

The report contains 25 recommendations that the Government of Alberta has broken into four response categories.

First are recommendations where work is already underway within the GOA. Work on these recommendations will continue.

Second are recommendations the government accepts-in-principle and will work to implement immediately.

Third are recommendations where there is support to conduct further analysis on the recommendation.

Lastly are recommendations that do not completely align with the direction government has committed to, either through the platform or through current government policy. Modifications and/or further analysis will be required to align these recommendations.

There are no Fair Deal recommendations which the government rejects outright.

Recommendations where work is already underway

There are a significant number of Fair Deal Panel recommendations where significant work is already underway and will continue.

Recommendation 1

Press strenuously for the removal of the current constraints on the Fiscal Stabilization Program, which prevent Albertans from receiving a \$2.4 billion equalization rebate.

The Government of Alberta has and will continue to advocate for retroactive changes to the Fiscal Stabilization Program through various means. Indeed, Budget 2020 dedicated a separate chapter to the federal-provincial fiscal issues (“A Fair Deal for Alberta”), which outlined Alberta’s case for reforming the Fiscal Stabilization Program.

Recommendation 3

Collaborate with other jurisdictions to reduce trade barriers within Canada and pressure the federal government to enforce free trade in Canada.

Alberta has taken a leadership role in reducing trade barriers within Canada.

The province continues to call on the federal government and other provinces and territories to eliminate their trade barriers and follow Alberta’s lead by removing their Canadian Free Trade Agreement (CFTA) exceptions.

Alberta also continues to promote the benefits of the New West Partnership Trade Agreement (NWPTA) to provinces and territories across Canada. The NWPTA is the most open and comprehensive trade agreement within Canada, covering all economic sectors with only a handful of exceptions.

Recommendation 4

Collaborate with other jurisdictions and other stakeholders to secure cross-border rights of way and create unobstructed corridors within Canada to tidewater and world markets.

Alberta has led high-level conversations with other Premiers at national events, such as the Council of the Federation and First Minister meetings, regarding the importance of pursuing economic corridors to support the movement of Canada’s products to new markets. Alberta will continue to pursue this policy objective with our willing partners and advocate for other jurisdictions to join in supporting corridors on the national stage. A government MLA will be appointed to lead further work in this area.

Recommendation 5

Collaborate with other jurisdictions to design and advance regional strategies for northern development; pressure the federal government to implement those strategies.

The Northern Alberta Development Council (NADC) is a public agency accountable to the Minister of Economic Development, Tourism and Trade (EDTT). Its mandate is to investigate, monitor, evaluate, plan and promote practical measures to foster and advance development in northern Alberta.

NADC will continue to focus on the development of one or more multi-modal corridors across the north, which would include broadband, utilities, roadways, and rail. Alberta will develop a Northern Strategy for Alberta, which will further develop the corridor concepts and complement the work of other provincial and territorial members of the Northern Minister's Development Forum.

Recommendation 6 A & B

Support and press for the strictest possible application of the principle of representation by population in the House of Commons. Work with other provinces and the federal government to democratize the Senate appointment process.

The Government recently reintroduced the Senatorial Selection Act to ensure a democratic appointment process for current and future Senate appointments. The government has also committed to holding Senate elections in conjunction with the 2021 municipal elections. Finally, a letter advocating for a more representative share of House of Commons seats will be sent to the federal government in the coming weeks.

Recommendation 10

Collaborate with other provinces and industry to advance market-based approaches to environmental protection, including a reduction in GHG emissions.

Alberta is working with other jurisdictions that share the common objective of ensuring that climate change response plans are locally-developed and reflective of the unique circumstances in each province and territory.

This includes a commitment to ensuring we balance our necessary energy development with the need to address climate change.

Recommendation 11

Continue to challenge federal legislation that affects provincial jurisdiction.

The Government of Alberta has a number of court challenges of federal legislation underway, including on Bill C-69 (the new environmental assessment and regulation act) and the federal carbon pricing scheme, where we were victorious.

Alberta will continue to push back against all unwarranted intrusions into provincial jurisdiction, whether through political, inter-governmental, or legal mechanisms.

Recommendation 15

Appoint an Alberta Chief Firearms Officer (CFO).

The decision to appoint a Chief Provincial Firearms Officer was made in early June 2020. A letter of intent will be sent to the federal Minister to commence the negotiation process.

Recommendation 16

Secure a seat at the table when the federal government negotiates and implements international agreements and treaties affecting Alberta's interests.

Alberta has strenuously pursue advocacy work to ensure a formal seat for Alberta at the negotiating table. The province will put this message in writing to the federal government.

Recommendation 17

Strengthen Alberta's presence in Ottawa.

The Government of Alberta has announced that it will open advocacy offices in Ottawa, British Columbia and Quebec.

The Ottawa office will be a formal establishment with staff dedicated to the task of advancing Alberta's interests on the national stage.

Recommendation 20

Continue to diversify Alberta's economy in the energy sector and beyond.

Alberta continues to work diligently to diversify the energy economy as well as explore opportunities for diversification. This includes increasing Alberta's competitive advantage by focusing on our principle industries (Energy, Agriculture and Tourism) and empowering sectors such as technology, aviation, air cargo, aerospace, financial services, fintech and rare earth minerals..

Alberta will continue to work diligently with various federal ministries and agencies to ensure we can maximize the federal contribution to Alberta's priority areas.

Recommendation 21

Vigorously pursue access to markets for Alberta's exports.

Alberta will continue to vigorously pursue the completion of all major pipeline projects that support moving the province's valuable resources to market, including investing in the Keystone XL pipeline and advocating for the completion of the Trans Mountain Expansion Project and Enbridge Line 3 Replacement Project.

Alberta also has a strong international presence with 12 international offices, including Washington, D.C., and Beijing. These international offices will continue to play a vital role in advancing Alberta's interests on the world stage through trade promotion, investment attraction and advocacy initiatives.

Recommendation 24

Use democratic tools such as referenda and citizens' initiatives to seek Albertans' guidance on selected Fair Deal Panel proposals and other initiatives.

The Government of Alberta has committed to introducing a Citizens' Initiative Act, allowing citizens to bring their concerns and proposals forward to government for discussion or a possible referendum.

Recommendations which are agreed to in principle

There are a number of report recommendations that are immediately accepted in principle. Additional analysis may be required to develop implementation plans; that analysis work will be directed to appropriate Ministers immediately.

Recommendation 2

Proceed with the proposed referendum on equalization, asking a clear question along the lines of: “Do you support the removal of Section 36, which deals with the principle of equalization, from the Constitution Act, 1982?”

A commitment was made in the government’s platform to hold a referendum on equalization should significant progress not be made on the completion of the Trans Mountain Expansion Project and other critical issues. Further work will be done to analyse what an appropriate question would be for an eventual referendum on equalization. This referendum could be held in conjunction with the 2021 municipal elections.

Recommendation 8

Abolish or at least change the residency requirement for the federal courts.

Alberta will begin to immediately advocate for the elimination of the long-standing and archaic rule to have federal court judges reside within the National Capital Region, which has unfairly punished Alberta residents.

Recommendation 9

Assert more control over immigration for the economic benefit of Alberta.

Alberta will continue to advocate for economic policies that make sense for Albertans, and that includes our immigration policies. Alberta will seek a more active role in the setting of immigrant numbers and policies with the federal government.

Recommendation 12

Work with other provinces to secure a federal-provincial agreement prohibiting the federal government from spending, taxing, legislating or treaty making in areas of provincial or joint jurisdiction without the consent of the affected province(s).

As Minister of Intergovernmental Relations, the Premier will champion an agreement that restricts federal overreach and ensures provinces and territories are able to assert their rightful place in the federation.

Recommendation 18

Opt out of new federal cost-shared programs, subject to Alberta receiving full compensation.

Alberta will seek to opt out of any federal programs that are inconsistent with Alberta’s interests, and will seek full compensation from the federal government, as appropriate. This will be Alberta’s approach with respect to the proposed federal approach to pharmaceuticals.

Recommendation 25

Explore ways and means to affirm Alberta’s cultural, economic and political uniqueness in law and government policy.

Alberta accepts this recommendation. While we currently work to affirm our cultural identity, more can be done. The Minister of Culture, Multiculturalism and Status of Women will be tasked with developing an action plan to implement this recommendation.

Recommendations where there is support to conduct further analysis

There are a number of report recommendations that require further analysis and work before they could be implemented. These efforts will be directed to appropriate departments and detailed analysis will be developed in co-operation with Ministers and the Premier's Office.

Recommendation 7

Secure a fairer share of federal civil service opportunities and federal offices in Western Canada.

Recommendation 13 A & B

Develop a comprehensive plan to create an Alberta Pension Plan and withdraw from the Canada Pension Plan. Subsequently, provide Albertans the opportunity, via a referendum, to vote for or against withdrawing from the Canada Pension Plan and creating the Alberta Pension Plan

Recommendation 14

Create an Alberta Police Service to replace the RCMP.

Recommendations where modifications are required to align with government platform commitments and/or policy direction

While the Government accepts most of the Fair Deal Panel's recommendations, there are instances where the recommendations do not align with existing platform commitments or with current government direction and policy. A brief explanation of the modifications required to bring these recommendations in line with existing government priorities is included below.

Recommendation 19

Resist federal intrusions into health and social programming, and do not seek to exchange cash payments for tax points at this time.

The Government of Alberta supports resisting federal intrusions into health and social programming. However, seeking an exchange of tax points for existing tax payments was a platform commitment. Accordingly, work will proceed to scope and analyse the most effective approaches and timing for seeking such a fundamental shift in Canada's fiscal arrangements, along with potential alternative reforms that would advance Alberta's interests.

Recommendation 22

Make no changes, at this time, to the administration of agreements that Alberta public agencies and municipalities have with the Government of Canada.

While the Government did not commit in its platform to restructuring the relationship with municipalities, working collaboratively with municipalities is critical to ensuring federal funding aligns with provincial outcomes, and has the greatest impact for Albertans. While the majority of federal funding programs are co-ordinated through the Government of Alberta, ways to improve co-ordination between municipalities, the Government of Alberta and the Government of Canada should be continually assessed for efficiency and effectiveness. No changes are anticipated at this time to the relationship between public agencies and other orders/levels of government. However, the Government of Alberta may choose to revisit this in the future.

Recommendation 23 A & B

Make no changes to tax collection in Alberta at this time and support Quebec in its bid to collect the federal and provincial portions of personal income taxes and, if Quebec is successful, pursue the same strategy if it is advantageous.

The Government of Alberta supports Quebec in their efforts to pursue the collection of both the provincial and federal portions of personal income taxes. Significant further analysis is required on the feasibility of a provincial tax collection agency, including understanding the benefits of policy flexibility against the cost of additional compliance and administrative requirements.

Additional actions the government is undertaking to secure a fair deal for Albertans

In addition to the recommendations of the panel, there are a number of platform commitments the government is currently pursuing that support securing a fairer deal for all Albertans.

Market Access

Government has taken numerous steps to ensure Alberta's products are able to get to market.

Alberta proclaimed the Preserving Canada's Economic Prosperity Act (Bill 12), giving Alberta the ability to restrict the export of crude oil, natural gas and refined fuels. Additionally, the government successfully pressed the Senate Transportation Committee to vote against the adoption of the Bill C-48 tanker moratorium and pressed the Senate to adopt 187 amendments (including all those proposed by the Government of Alberta) to Bill C-69.

Indigenous Participation in Resource Development

Ensuring Indigenous participation in resource development is critical for the successful development and movement of Alberta's resource products to market.

Alberta created the Indigenous Litigation Fund to support First Nations defending their right to economic development, including through resource projects. The government further supports Indigenous participation through the creation of the Indigenous Opportunities Corporation, backed by up to \$1 billion to support Indigenous financial participation in major resource projects.

Standing Up for Alberta

The Government of Alberta has sought to stand up for Alberta and strongly defend our interests within Canada and the rest of the world.

Alberta launched the Canadian Energy Centre that will co-ordinate the fight back strategy for Alberta's energy industry and Commissioner Allen's public inquiry into the funding sources behind the campaign to landlock Alberta energy.

CMHC Stress Test

The government's platform committed to seek an exemption from the Canada Home and Mortgage Corporation (CMHC) stress tests.

Alberta has worked to continually advocate for changes to the CMHC Stress Test, which through its unilateral application does not reflect the needs of Alberta homebuyers. While the federal government announced changes to the program, they still do not take into account the different circumstances of the Alberta housing market and continue to disadvantage Alberta homebuyers and make it even more difficult for Albertans to qualify for CMHC mortgage insurance.

Employment Insurance Reforms

Demand reforms to Canada's Employment Insurance (EI) program so that Albertans who lose their jobs are not penalized and treated unfairly compared to other Canadians.

Alberta has continued to raise this issue with the federal government, most recently during the December 2019 Ministers' Mission to Ottawa. At that time, Alberta noted that Alberta employers and workers consistently pay more into the EI program than they receive. Alberta would like EI program reform to ensure equitable treatment of Albertans who lose their jobs and employers who pay EI premiums.

Development of an Alberta Parole Board

End Alberta's agreement with Parole Board of Canada and pass legislation to create an Alberta Parole Board.

In June 2020, Alberta announced our intention to create our own parole board to provide a fairer, faster and more responsive justice system that helps end the 'revolving door' that enables repeat offenders to target Albertans, particularly in rural areas.

Resource Corridors

Seek to form federal and provincial agreement on resource corridors, which are pre-approved land corridors to expedite major resource project approvals; a key part of these corridors would be facilitating aboriginal co-ownership or financial participation, where relevant.

After Premier Kenney raised this topic at the summer 2019 Council of the Federation (COF) meeting, all jurisdictions agreed to do further work on this concept. Alberta officials continue to work with other provinces and territories to prepare a report that explores ways to enhance the existing connections between provinces and territories to provide a more co-ordinated and strategic approach for transportation and transmission of resources across Canada. This report will be presented to Premiers in advance of the 2020 COF meeting, and will provide options for future collaborative work.

Charter of Economic Rights

Work with the federal government and other provinces and territories to adopt a Charter of Economic Rights which would, "clarify the vital rights of Canadians to sell their goods and services and exercise their trades and professions in every part of Canada."

A study by the CD Howe was commissioned by the Government of Alberta to explore options for the unilateral recognition of regulated occupations by Alberta.

Thank you to the Fair Deal Panel

The work undertaken by the Fair Deal Panel was no small task. Without the commitment of this panel, Albertans would not have been given the platform to share their stories, concerns and solutions.

The panel spent most of December, January and February travelling the province to engage with Albertans in communities of varying sizes and locations, consulting with experts and special interest groups on specific proposals, and exploring ideas that could give Alberta a larger voice within the federation.

On behalf of all Albertans, thank you to the Fair Deal Panel members for your invaluable work, and for shifting the focus towards the issues of the utmost importance to this province.

The report and recommendations provided by the Fair Deal Panel will help shape the future of Alberta and the federation for years to come.

