



**UDI-ER Brief – Calgary Chamber’s 2019 Alberta Election Platform: Businesses Drive
Cities that Thrive**

Source: Calgary Chamber of Commerce¹

- **About the Report:**
 - This report is the Calgary Chamber’s 2019 Provincial Election Policy Platform.
 - It contends that successive governments have largely eroded Alberta’s business environment.
 - Focusing on the areas of fiscal responsibility, regulatory and tax reform, supporting inter-provincial trade, good governance and developing a future skilled workforce, this document provides the next provincial government 9 recommendations to help rectify this issue.

- **RECOMMENDATION 1: Commit to the following principles to create stability and accountability in Alberta’s fiscal management:**
 - **a. Balance operating budgets**
 - **b. Develop long-term budget plans**
 - **c. Commit to annual spending growth limits**
 - **d. Benchmark service delivery**
 - **e. Reduce reliance on resource revenues, instead use royalties to grow Alberta’s savings**
 - Alberta’s current fiscal path is unsustainable; without change, the burden of increasing interest payments on escalating debt will negatively impact the province’s ability to adequately fund social programs and will continue to erode potential investment.
 - Following the aforementioned principles is crucial for the next provincial government.

- **RECOMMENDATION 2: Implement “layered cost” economic impact assessments on provincial policy initiatives which also considers overlap, duplication and additional regulatory burden from all levels of government. As part of the regulatory review process the government should also look to reduce the overall regulatory burden by removing two regulations for every new one that is added on business.**
 - According to one survey, global business leaders view “inefficient bureaucracy” as the number one factor inhibiting business in Canada.
 - The next provincial government must be mindful of the layering costs of regulatory burdens by all levels of government.
 - This is particularly relevant to Alberta’s energy sector, where there are currently 50 policy and regulatory initiatives being considered by both the federal and provincial governments.

¹ To read the full document, please click on the following link: <https://www.calgarychamber.com/wp-content/uploads/2019/01/Election-Platform-Web.pdf>.

- **RECOMMENDATION 3: Initiative a comprehensive review of Alberta's corporate tax system within the first year of forming government, this should include:**
 - **a. Reducing the corporate tax rate**
 - **b. Broadening and streamlining the Alberta Investor Tax Credit (AITC) to include all sectors and making it a permanent part of the tax code.**
 - As it currently stands, Alberta's corporate tax rate is no longer a competitive advantage for the province.
 - In regards to Corporate Tax Rates, in 2018, Alberta ranked higher than all the provinces (except for Atlantic Canada).
 - Increased corporate tax rates have been shown to reduce wages and discourage business investment.
 - The AITC provides a significant tax credit to investors of small business (fewer than 100 employees). Expanding this program to all sectors is an example of a policy option that could increase business competitiveness.

- **RECOMMENDATION 4: Take a leadership role and champion interprovincial free trade, this includes leading by example to eliminate trade and labour barriers within its control and working within the framework of the Canadian Free Trade Agreement to increase trade within Canada.**
 - Canadian provinces are constitutionally barred from imposing tariffs on internal trade; however, regulations can still be levied.
 - Barriers to inter-provincial trade have a significant negative impact on our economy; they are estimated to cost every Canadian household \$7,500/year.
 - A sagacious move by the next provincial government would be to strongly pursue reducing trade and labour mobility barriers by working through the framework of the Canadian Free Trade Agreement (CFTA).

- **RECOMMENDATION 5: Continue to communicate the national importance of Alberta's resources while working with the federal government to facilitate private development of export infrastructure that moves Alberta's products to new and diverse markets.**
 - In late 2018, Alberta was producing 250,000 barrels a day more than it could transport using existing infrastructure (pipelines and rail capacity). This forced the province to sell its oil at a significant discount of \$50 per barrel – resulting in a loss to the Canadian economy of \$80 million a day.
 - Unsurprisingly, the next provincial government must work with the federal government to rectify this situation.

- **RECOMMENDATION 6: Respect the rule of law and honour contracts that have been signed and increase business confidence in the process.**
 - When a government doesn't respect the rule of law and challenges previous contracts (e.g. PPAs lawsuits) it creates significant uncertainty for potential business investment within the province.

- **RECOMMENDATION 7: Provide reasonable time for consultation before implementing new policies, with appropriate implementation timeframes for businesses and the marketplace to adjust.**
 - Regardless of four-year election cycles, governments need to focus on providing businesses with investment certainty over the long-term.
 - This includes meaningful consultation between government and the business community.

- **RECOMMENDATION 8: Ensure future climate policy promotes business competitiveness while also working to support innovative technologies and helping to achieve our environmental objectives.**
 - Even factoring in emissions on a per capita basis, Canada only contributes 1.6% of global emissions.
 - A more prudent approach to policies with regard to climate change would be to promote responsibly produced Canadian energy products to world markets – thereby reducing global reliance on oil producing nations that do not exhibit the environmental standards that Canadians do.

- **RECOMMENDATION 9: Work with industry to identify and address skills gaps that currently exist.**
 - There is an increasing gap between the skills that employees have and those which businesses are looking for.
 - As the provincial government is responsible for regulating education, a significant focus on addressing this burgeoning gap is crucial.
 - Re-training the existing workforce and working with both the business community and Alberta’s education system to begin addressing this gap early on are significant steps the next provincial government should take.