

BUDGET 2019

GOVERNMENT OF ALBERTA | 2019–23

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# Strategic Plan



Alberta



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## Premier's Message

Albertans elected a new government this year that promised to deliver on 375 commitments under three priorities: getting Albertans back to work, making life better for Albertans, and standing up for Alberta. In just our first 100 days, we met 58 commitments and were working on another 10.

This Strategic Plan continues to build on that foundation and momentum as we work over the next three years to achieve all the commitments we made to Albertans. Under the same three priorities, this plan has been built to support economic growth, protect health and education, strengthen the justice system and create better communities.

The first priority is still getting Albertans back to work. Broad-based tax relief and a sensible approach to regulation will lead to renewed investment, jobs and economic growth.

A strong economy will provide the provincial revenues to support the second priority in this plan: making life better for Albertans. The plan outlines how we will deliver excellent education, top-quality health care and support for our most vulnerable. We also will work to build Indigenous partnerships, safe and growing communities and a fairer and more effective justice system.

Standing up for Albertans remains a key third priority. Under this plan, we will continue working to get pipelines built, stand up against foreign-funded influences that aim to cripple our energy industry, and get a fair deal for Alberta in Confederation. Balancing the budget and living within our means will put us on a sound financial path.

In its 114 years, Alberta has faced many challenges: the fight for control of our natural resources, the Great Depression, two world wars, boom-and-bust economic cycles, the National Energy Program, and climbing out of debt in the early 1990s. Alberta has come out of each challenge stronger, more determined and more successful.

I am confident that, by following this Strategic Plan, we will come out of the next three years with a more prosperous Alberta where people are working, education is first-class, health care is there when people need it, and we have the respect of the country for our contributions to Confederation.

I encourage you to hold this government to account for meeting the goals and outcomes set out in this strategic plan. Know that we see you as a partner on this three-year journey, and everything we accomplish, we do together.

*[original signed by]*

**Jason Kenney**  
Premier of Alberta

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## Vision

This government is focused on getting Alberta's economy back to work.

This plan has been built to support economic growth, protect health and education, strengthen the justice system and create better communities by making Alberta more open, innovative and sustainable.

## Three Key Priorities

### Getting Alberta back to work

Alberta is open for business. This plan is built on broad-based tax relief that supports economic growth and job creation. We are showing the world that Alberta is the best place to invest and do business through low taxes and a sensible approach to regulation.

### Making life better for Albertans

Ensuring the quality and effectiveness of public services, especially in health, safety and education, and supporting the most vulnerable. These are the priorities that have guided the development of this plan.

### Standing up for Alberta

Provinces hold the right to control and develop their natural resources and compete freely and fairly in the national and international economies. This plan relies upon that right and invests in its protection.

# Priority One

## Getting Alberta back to work

### Our Objectives

This government has promised it will help get Alberta back to work. The province is now on track to be 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.

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

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Alberta is open for business. This plan is built on a broad-based tax relief that supports economic growth and job creation. We are showing the world that Alberta is the best place to invest and do business by bringing a sensible approach to regulation.

#### Objective 1 | **Changing the tax structure to stimulate growth and attract investment**

Priority one of this government was to repeal the carbon tax. Repealing the carbon tax will save Albertans more than \$1.4 billion in tax relief and will help to create thousands of new jobs. In addition, the Job Creation Tax Cut will lower the corporate tax rate from 12 per cent to eight per cent by 2022 making it the lowest in the country, attracting investment and creating thousands of jobs to Alberta.

##### **Actions**

- Bill 1, the *Carbon Tax Repeal Act*
- Job Creation Tax Cut

#### Objective 2 | **Making Alberta open for business**

This government will give Alberta workers more freedom, restore their right to a secret ballot and bring balance back to Alberta's labour laws so job creators want and have the power to invest in Alberta.

##### **Actions**

- Develop a vision for Alberta's economic future and a strategy to foster an economy that creates jobs while rebuilding Alberta's reputation as the best and most responsible place to do business
- Incentivize the creation of youth employment and retain the minimum wage
- Bring balance back to Alberta's labour laws and restore workplace democracy
- Form a procurement council – a joint effort of government and business/industry to examine innovation and efficiency in the government's procurement methods. Refresh policy on major procurement to achieve the best value for money

#### Objective 3 | **Reducing red tape**

This government is taking action on red tape reduction to make Alberta one of the freest and fastest-moving economies in the world. The *Red Tape Reduction Act* will cut red tape by one-third, lower the regulatory barriers on Alberta businesses, reduce unnecessary costs and create jobs.

##### **Actions**

- Enact the *Red Tape Reduction Act*
- Create a Red Tape Challenge Website at StopRedTape.ca to crowdsource input for regulations that need be improved, kept or eliminated
- Reduce interprovincial barriers to free trade

#### Objective 4 | Building public infrastructure

Alberta needs to plan and build infrastructure to meet the needs of our future population. This government will focus on infrastructure investments that support key public services and helps build the economy like health, education and transportation.

##### Actions

- Reform the legislative framework for capital funding to municipalities
- Redefine the government's inventory of land assets to include the broader public sector and create a policy that will define surplus assets
- Stabilize and rationalize the allocation of Capital Maintenance and Renewal (CMR) spending
- Bring Alberta's net public capital stock in-line with the average per-capita stock in other provinces over the next 10 years

#### Objective 5 | Revitalizing and sustaining key industries

This government believes that maintaining Alberta's sustainable development is vital to Alberta's prosperous 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
- Help farmers grow again by establishing an engagement process that will let them voice their opinions and provide feedback to shape future farm and ranch workplace legislation
- Sustain funding for tourism promotion and marketing through partnerships with the private sector
- Protect, promote, and partner with Alberta's forestry workers and companies to create economic opportunities in Alberta's forestry sector

#### Objective 6 | 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 of businesses in Canada and get Albertans back to work.

##### Actions

- Implement the Technology Innovation and Emissions Reduction (TIER) Fund
- Develop a plan to reduce power prices so Alberta's electricity market is affordable for consumers and job creators, and produces market-driven green energy
- Implement the Alberta Advantage Immigration Strategy to attract newcomers who will start business, invest, and create jobs in the province
- Adopt a smart approach to innovation and make Alberta the preferred choice of global high-tech investment
- Support investment in new technologies including artificial intelligence, health sciences, geothermal energy, and information technology

## Economic Indicators



2018-19 RESULT

**6.7%** Average Unemployment

TARGET | **DECREASE**

### Percentage of Labour Force Not Employed

The number of unemployed persons (15 years and over) expressed as a percentage of the labour force. Alberta's unemployment rate was higher than Canada's average rate of 5.8 per cent in 2018-19. This government started its term with relatively high unemployment.



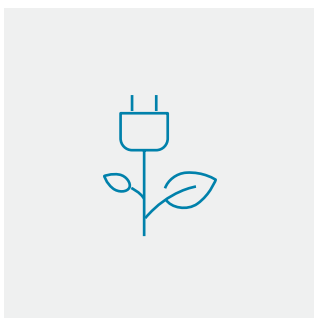
2019 RESULT

**11.0%** Corporate Tax Rate

TARGET | **DECREASE**

### Job Creation Tax Cut

Making Alberta businesses more competitive by lowering taxes to eight per cent by 2022 – the lowest in Canada.



2019 ESTIMATE

**\$52.7 Billion** Private Investment

TARGET | **INCREASE**

### Business Investment in Plant and Equipment

Business investment in plant and equipment has dropped by more than \$40 billion since 2014. Measures, to improve the business environment, including the Job Creation Tax Credit and Red Tape Reduction, will encourage more investment in the province.

## Priority Two

# Making life better for Albertans

### Our Objectives

Making life better for Albertans is an all-encompassing task. This government is committed to providing quality health care to all Albertans, ensuring our children and young adults receive an excellent education, partnering with Indigenous Peoples, building our communities and keeping them safe, making our justice system more effective, and protecting the most vulnerable among us.

1. Getting Albertans the high-quality health care they deserve
2. Strengthening quality education that delivers the best possible outcomes
3. Supporting vulnerable Albertans
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



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Ensuring the quality and effectiveness of public services, especially in health, safety and education, and supporting the most vulnerable. These are the priorities that have guided the development of this plan.

#### Objective 1 | **Getting Albertans the high-quality health care they deserve**

The government will empower strong, strategic leadership to transform the current health system by engaging health professionals, stakeholders and the public to achieve better outcomes for Albertans.

##### **Actions**

- Improve the current health system by comparing outcomes and results to other provinces and engaging health professionals and the public to establish better outcomes
- Reduce surgical wait times
- Deal with the growing opioid addiction crisis with a new Opioid Response Strategy
- Invest \$100 million over four years to implement a Mental Health and Addiction Strategy
- A sensible, targeted and compassionate approach to the issue of supervised consumption sites
- Increase access to palliative care to alleviate suffering

#### Objective 2 | **Strengthening quality education that delivers the best possible outcomes**

This government will work with parents, teachers, principals and trustees to make Alberta's schools diverse and excellent places to learn. The government will continue to build post-secondary education as the foundations of a strong Alberta economy and a vibrant province.

##### **Actions**

- Amend the *Education Act* to improve student success, strengthen parental rights, enhance local decision-making for school boards, increase education choice and improve accountability within the system
- Review and update the current K–12 education funding formula to ensure enrolment growth is addressed; and decrease the percentage of government funding going to administration and governance
- Set overall future direction, goals and appropriate governance modes for the post-secondary system

#### Objective 3 | **Protecting vulnerable Albertans**

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

##### **Actions**

- Implement an Alberta Action Plan to Combat Human Trafficking
- Passing an Alberta version of 'Clare's Law' to reduce domestic and partner violence
- Protect minority communities through the establishment of the Security Infrastructure Program

- Make life better for seniors and their caregivers by maintaining low income benefits and through civil society partnerships
- Enact policies that support the desires, dignity, and choices of Albertans with disabilities

#### Objective 4 | **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 50 new prosecutors and support staff
- Crack down on crime by enacting the *Public's Right to Know Act*
- Fight rural crime with stronger laws, more prosecutors and more police
- Increase access to drug treatment courts

#### Objective 5 | **Building better communities**

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

##### **Actions**

- Give municipalities more autonomy and predictability while ensuring transparency for voters
- Build more affordable houses for those in need including seniors requiring specialized housing
- Develop arts and culture through facilitated collaboration with philanthropists and private businesses
- Protect Albertans' property rights through a new *Alberta Property Rights Protection Act* and reviewing all existing legislation
- Review Alberta Environment and Parks legislation to modernize it for the 21st century

#### Objective 6 | **Partnering with Indigenous Peoples to pursue opportunities**

The government will partner with Alberta's Indigenous Peoples in pursuit of reconciliation, inclusion and opportunity.

##### **Actions**

- Include Alberta's Indigenous communities in our "Stand Up for Alberta" strategy to help energy projects and Indigenous communities both succeed and prosper
- Establish the Alberta Indigenous Opportunities Corporation to work towards Indigenous Peoples' ownership in major resource projects
- Advocate for a federal Aboriginal consultation process that provides clear timelines and legal certainty for project proponents, consistent with the federal government's constitutional obligations
- Add economic development rights to the preamble of the Alberta Aboriginal Consultation policy to explicitly consider support from Indigenous communities for projects that impact them
- Work with the federal government to streamline how Indigenous Peoples access key services such as education and health care, including ensuring Indigenous students have access to a provincial education system (paid for with federal dollars) that enables students to succeed

## Economic Indicators



2018-19 RESULT

**79.6% Literacy | 66.6% Numeracy**  
Education

TARGET | **INCREASE**

Percent of students achieving acceptable standards on grade six and nine provincial achievement tests.



2018-19 RESULT

**0.05% Growth of Serious Crime Rate**

TARGET | **DECREASE**

**Public Safety**

Serious crime index has been increasing in Alberta for the past five years.



2018 RESULT

**13.8% Unplanned Readmissions to Hospital**

TARGET | **DECREASE**

**Health**

Medical patients with unplanned readmission to hospital within 30 days of discharge.

## Priority Three

# Standing up for Alberta

### Our Objectives

Albertans deserve to receive maximum value for our natural energy resources. This government will ensure Alberta gets the best value out of the province's energy products by not letting issues or influencers stand in the way. Further this government is committed to balancing the budget by 2022-23 supported in part by recommendations identified in the MacKinnon Panel report. (MacKinnon Panel report can be found on the website at <https://www.alberta.ca/mackinnon-report-on-finances.aspx>)

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

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According to the Constitution, Albertans are the owners of the Province's natural resources. Our federation must give Albertans the ability to compete freely and fairly in the national and international economies. This plan relies upon that right and invests in its protection.

#### Objective 1 | **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 our 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 strike down 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*
- Use the *Preserving Canada's Economic Prosperity* legislation should provinces, including British Columbia, continue to obstruct the construction of pipelines
- Build an interprovincial coalition of provinces which support jobs, pipelines, and our energy industry, making it a top issue in federal-provincial relations
- Hold a referendum on removing equalization from the *Constitution Act* on Oct. 18, 2021, if substantial progress is not made on construction of a coastal pipeline, and if Bill C-69 is not repealed

#### Objective 2 | **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 defamation campaigns to landlock Alberta's oil and gas.

##### **Actions**

- Establish the Canadian Energy Centre to respond in real-time to misinformation about Alberta's energy industry through paid, earned and social media
- Create a litigation fund to support pro-development First Nations in defending their right to be consulted on major energy projects
- Launch a public inquiry into the foreign sources of funds responsible for the campaign to land lock Alberta's energy

### Objective 3 | A fair deal for Alberta and a balanced budget

This government is committed to balance the budget by 2022-2023. Government is using recommendations from the MacKinnon Panel to develop a realistic plan to bring Alberta back to balance and to start paying down our debt. Albertans have contributed more than their fair share to Canada's economy. In exchange, we deserve and demand the right to develop our resources and sell them at a fair price. This government will stop encumbering future generations with debt.

#### **Actions**

- Ensure taxpayers dollars are used responsibly and wisely
- Pursue federal and provincial agreements on resource corridors
- Bring per capita spending in line with the average of comparator provinces
- Enhance government's fiscal planning, transparency and accountability
- Reduce the footprint of government, especially management and administrative costs
- Reduce overlap and duplication

## Economic Indicators



2018-19 RESULT

**3.1% Oil Market**

TARGET | **INCREASE**

### Oil Sands Supply Share of Global Oil Consumption

This is an indication of the competitiveness of oil sands products. 3.1 per cent of global oil consumption is supplied by Alberta's oil sands.



2018-19 RESULT

**\$28.2 Billion (est.) Recovery**

TARGET | **INCREASE**

### Upstream Energy Sector Investment

We have seen Alberta's oil and gas recovery lagged behind the world. The upstream investment dropped by 6 per cent in 2017-18, with an estimated 3 per cent decrease in 2018-19.



2017 RESULT

**\$13,819 Per Capita Spending**

TARGET | **DECREASE**

### Government Spending

Compared with three comparable provinces - BC, ON and QC, Alberta had the highest government spending per capita. Alberta will reduce cost per capita in line with other provinces over time while maintaining or improving outcomes for Alberta.

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